



清科創業
Zero2IPO Ventures

清科創業控股有限公司*
ZERO2IPO HOLDINGS INC.
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1945

GLOBAL OFFERING

Sole Sponsor



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



*For identification purpose only

IMPORTANT

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



ZERO2IPO HOLDINGS INC.

清科創業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Global Offering

Total number of Offer Shares under the Global Offering	: 40,000,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Public Offer Shares	: 4,000,000 Shares (subject to adjustment)
Number of International Offer Shares	: 36,000,000 Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	: HK\$11.00 per Share, plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application and subject to refund)
Nominal value	: US\$0.0001 per Share
Stock code	: 1945

Sole Sponsor



Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers



Joint Bookrunners and Joint Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus. A copy of this prospectus, having attached thereto the documents specified in "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any of the other documents referred to above.

The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators, on behalf of the Underwriters, and our Company on or before Monday, December 21, 2020 or such later time as may be agreed between the parties, but in any event, no later than Tuesday, December 29, 2020. Applicants for Hong Kong Public Offer Shares are required to pay, on application, the maximum Offer Price of HK\$11.00 for each Hong Kong Public Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is lower than HK\$11.00. If, for any reason, the Joint Global Coordinators, on behalf of the Underwriters, and our Company are unable to reach an agreement on the Offer Price by Tuesday, December 29, 2020, the Global Offering will not become unconditional and will lapse immediately. The Offer Price will be not more than HK\$11.00 per Share and is expected to be not less than HK\$9.00 per Share although the Joint Global Coordinators, on behalf of the Underwriters, and our Company may agree to a lower price. The Joint Global Coordinators, on behalf of the Underwriters, may, with the consent of our Company, reduce the number of Hong Kong Public Offer Shares and/or the indicative Offer Price range below that stated in this prospectus (being HK\$9.00 per Share to HK\$11.00 per Share) at any time on or prior to the morning of the last date for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Public Offer Shares and/or the indicative Offer Price range will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.zero2ipo.cn as soon as practicable but in any event not later than the morning of the day which is the latest day for lodging applications under the Hong Kong Public Offering. For further information, see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Public Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this prospectus, and in particular, the risk factors set out in the section headed "Risk Factors."

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure applicants for the subscription for, the Hong Kong Public Offer Shares, are subject to termination by the Joint Global Coordinators, for themselves and on behalf of the Hong Kong Underwriters, if certain grounds arise prior to 8:00 a.m. on the Listing Date. Further details of such grounds are set out in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination." It is important that you refer to that section for further details.

* For identification purposes only

EXPECTED TIMETABLE⁽¹⁾

If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.zero2ipo.cn.

Hong Kong Public Offering commences and **WHITE** and

YELLOW Application Forms available from 9:00 a.m. on
Wednesday, December 16, 2020

Latest time to complete electronic applications under

HK eIPO White Form service through one of the below ways

(1) the designated website www.hkeipo.hk

(2) the **IPO App**, which can be downloaded by searching “**IPO App**” in App Store or Google Play or downloaded at www.hkeipo.hk/IPOApp or www.tricorglobal.com/IPOApp⁽²⁾ 11:30 a.m. on
Monday, December 21, 2020

Application lists of the Hong Kong Public Offering open⁽³⁾. 11:45 a.m. on
Monday, December 21, 2020

Latest time to lodge **WHITE** and **YELLOW** Application Forms. 12:00 noon on
Monday, December 21, 2020

Latest time to give **electronic application instructions** to HKSCC⁽⁴⁾. 12:00 noon on
Monday, December 21, 2020

Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s). 12:00 noon on
Monday, December 21, 2020

Application lists of the Hong Kong Public Offering close 12:00 noon on
Monday, December 21, 2020

Expected Price Determination Date⁽⁵⁾ Monday, December 21, 2020

(1) Announcement of:

- the Offer Price;
- an indication of the level of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocation of the Hong Kong Public Offer Shares, to be published on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.zero2ipo.cn on or before Tuesday, December 29, 2020

(2) Announcement of results of allocations in the Hong Kong Public Offering (including successful applicants’ identification document numbers, where appropriate) to be available through a variety of channels including the websites of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.zero2ipo.cn (see the section headed “How to Apply for Hong Kong Public Offer Shares — 11. Publication of Results” in this prospectus) from Tuesday, December 29, 2020

EXPECTED TIMETABLE⁽¹⁾

- (3) A full announcement of the Hong Kong Public Offering containing (1) and (2) above to be published on the website of the Stock Exchange at www.hkexnews.hk⁽⁶⁾ and the Company's website at www.zero2ipo.cn⁽⁷⁾ Tuesday, December 29, 2020

Results of allocations for the Hong Kong Public Offering will be available at www.tricor.com.hk/ipo/result (alternative: www.hkeipo.hk/IPOResult) with a "search by ID" function from Tuesday, December 29, 2020

Dispatch of Share certificates or deposit of Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before⁽⁸⁾ Tuesday, December 29, 2020

Dispatch of **HK eIPO White Form** e-Auto Refund payment instructions/refund checks on or before⁽⁹⁾ Tuesday, December 29, 2020

Dealings in Shares on the Stock Exchange to commence at 9:00 a.m. on Wednesday, December 30, 2020

Notes:

- (1) All times and dates refer to Hong Kong local time and date, except as otherwise stated.
- (2) You will not be permitted to submit your application through the designated website at www.hkeipo.com or the IPO App after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website or the IPO App prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
- (3) If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning or extreme conditions at any time between 9:00 a.m. and 12:00 noon on Monday, December 21, 2020, the application lists will not open on that day. See the section headed "How to Apply for Hong Kong Public Offer Shares — 10. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists" in this prospectus.
- (4) Applicants who apply for Hong Kong Public Offer Shares by giving electronic application instructions to HKSCC should refer to the section headed "How to Apply for Hong Kong Public Offer Shares — 6. Applying by Giving Electronic Application Instructions to HKSCC via CCASS" in this prospectus.
- (5) The Price Determination Date is expected to be on or around Monday, December 21, 2020 and, in any event, not later than Tuesday, December 29, 2020, or such other date as agreed between parties. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (for themselves and on behalf of the Underwriters) and the Company by Tuesday, December 29, 2020, or such other date as agreed between parties, the Global Offering will not proceed and will lapse.
- (6) The announcement will be available for viewing on the "Main Board — Allotment of Results" page on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.zero2ipo.cn on Tuesday, December 29, 2020.
- (7) None of the websites or any of the information contained on the websites forms part of this prospectus.
- (8) Share certificates are expected to be issued on Tuesday, December 29, 2020 but will only become valid certificates of title provided that the Global Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, prior to 8:00 a.m. on the Listing Date, which is expected to be on or around Wednesday, December 30, 2020. Investors who trade Shares on the basis of publicly available allocation details before the Share certificates becoming valid certificates of title do so entirely at their own risk.
- (9) e-Auto Refund payment instructions/refund checks will be issued in respect of wholly or partially unsuccessful applications and in respect of wholly or partially successful applications if the Offer Price is less than the price per Offer Share payable on application.

The above expected timetable is a summary only. You should read carefully the sections headed "Underwriting", "Structure of the Global Offering" and "How to Apply for Hong Kong Public Offer Shares" in this prospectus for details relating to the structure of the Global Offering, procedures on the applications for Hong Kong Public Offer Shares and the expected timetable, including conditions, effect of bad weather and the dispatch of refund checks and Share certificates.

CONTENTS

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Public Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Public Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company has not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus or the Application Forms must not be relied on by you as having been authorized by our Company, the Sole Sponsor, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers, representatives, or affiliates, or any other person or party involved in the Global Offering. Information contained in our website, located at www.zero2ipo.cn, does not form part of this prospectus.

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SUMMARY

This summary aims to give you an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. Since this is a summary, it does not contain all the information that may be important to you. You should read the whole prospectus, including our financial statements and the accompanying notes, before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks of investing in the Offer Shares are set forth in the section headed "Risk Factors." You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. We had a market share of 3.1% in the highly fragmented service platform market for equity investment industry in China, according to the CIC Report. We are a service provider primarily for private equity/venture capital firms and growth enterprises. In the equity investment industry, PE/VCS, serving as equity investors of growth enterprises, provide them with sufficient capital to help support and grow their business. In return, the business success and profit growth of invested growth enterprises bring PE/VCS yield on investment at the time of exits, such as through sale of their shares to other investors or to the public in initial public offerings. We operate PEdata Database, the largest equity investment database in China in terms of data coverage as of December 31, 2019, according to the CIC Report. We offer a broad range of services through both online and offline channels for all participants in the equity investment industry, including investors, entrepreneurs, growth enterprises and government agencies. We, by providing data resources and research report services, omni-channel marketing solutions and business networking opportunities, development solutions and capital resources for entrepreneurs and growth enterprises, as well as systematic knowledge and advanced skills for individuals with interests or needs in equity investment, have become a hub connecting all industry participants and one of the most recognized brands in the equity investment industry in China, according to the CIC Report. Driven by our robust data capabilities and comprehensive service offerings, we are well positioned to provide our customers with access to, among others, relevant industry data, marketing solutions, capital resources and professional guidance when they navigate the market. We are not permitted to carry out any regulated activities and do not provide any licensed intermediary services such as brokerage, securities dealing, sell-side equity research, or carry out or advise on investments, and we do not advise any initial public offerings or provide IPO-related services.

We offer a comprehensive portfolio of online services through platforms such as PEdata Database, PEdaily, Deal-Market and SandHill University, as well as offline services to satisfy our customers' diverse needs. Our services can be categorized into data services, marketing services, consulting services and training services.

- **Data Services.** We enable convenient and easy-to-navigate access to industry data and informed decision-making through our PEdata Database and research report services, leveraging our extensive data resources as well as our robust data collection, analytics and research capabilities. As of June 30, 2020, our proprietary PEdata Database had a total of over 231,900 registered users. We also compile customized reports to address our customers' specific information needs and support their strategic decision-making process, as well as provide periodic standardized research reports enabling industry

* Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

SUMMARY

participants to track, understand and analyze China's equity investment industry. For our PEdata Database, we charge our customers a monthly or annual subscription fee. We charge customers for our customized reports on a project-by-project basis, while customers for standardized research reports may purchase reports from us on a subscription basis or purchase selected reports outright.

- **Marketing Services.** We offer omni-channel marketing services through our online information platforms such as PEdaily and offline industry events, which also track industry trends and facilitate intra- and inter-industry networking. Our online information platforms offer high-quality content focused on China's equity investment industry. We organize offline industry events, including Zero2IPO events and customized events, offering industry participants the opportunities to interact and socialize face-to-face. Our online information platforms generate revenue primarily through online advertising services in the forms of banners and advertorials. Our Zero2IPO events generate revenue primarily through event sponsorships and ticket sales. We charge customers for customized events on a project-by-project basis depending upon our operating costs.
- **Consulting Services.** We connect entrepreneurs and growth enterprises with investors through our online investor-entrepreneur matching platform Deal-Market and offline consulting services, providing them with business development solutions and capital resources throughout their lifecycles. Our consulting services also enable investors to locate appropriate investment targets. Revenue from consulting services primarily represents fees for the service packages offered through and roadshows organized in association with our Deal-Market, and consulting fees or commissions we charge for our offline consulting services.
- **Training Services.** We offer a variety of equity investment-related online and offline training courses primarily through SandHill University, SandHill College and Investment College, targeting at a wide variety of audience including investment professionals, entrepreneurs, government officials, and college students seeking a career in the equity investment industry. We also provide customized training services targeting institutional customers, especially government agencies and large enterprises. We generate revenue from training services through course fees received for our various online and offline course offerings.

Our revenue increased by 26.9% from RMB129.3 million in 2017 to RMB164.1 million in 2018, and further increased by 2.0% to RMB167.4 million in 2019. Our revenue decreased by 15.0% from RMB46.8 million in the six months ended June 30, 2019 to RMB39.8 million in the six months ended June 30, 2020. Our net profit increased by 47.8% from RMB18.4 million in 2017 to RMB27.2 million in 2018, and further increased by 26.8% to RMB34.5 million in 2019. We recognized net loss of RMB0.5 million and RMB5.1 million in the six months ended June 30, 2019 and 2020, respectively. Our adjusted net profit, a non-HKFRS measure, increased by 23.1% from RMB22.1 million in 2017 to RMB27.2 million in 2018, and further increased by 42.6% to RMB38.8 million in 2019. We recognized adjusted net loss, a non-HKFRS measure, of RMB0.4 million in six months ended June 30, 2019, and we recognized adjusted net profit, a non-HKFRS measure, of RMB49,000 in the six months ended June 30, 2020. Our adjusted net profit/loss, a non-HKFRS measure, represents our profit/loss for the period excluding the effect of share-based compensation and listing expenses. See "Financial Information — Consolidated Statements of Comprehensive Income — Non-HKFRS Measure."

SUMMARY

OUR VISION

Our vision is to become a leading service platform for equity investment industry, providing data, marketing, consulting and training services to participants in the equity investment industry in the global market, and help entrepreneurs and investors in their pursuit of business success.

OUR MISSION

Our mission is to empower the equity investment industry in China and other emerging markets with big data and Internet technologies. We aspire to enlighten industry participants, facilitate their discovery of enterprise value and optimize the allocation of financial resources.

OUR BUSINESS MODEL

Our data capabilities lie at the foundation of our business operations. Empowered by our data capabilities, we have established an extensive business network of industry participants, and have become one of the most recognized brands in China's equity investment industry, according to the CIC Report. Serving as a hub for all industry participants, we are well-positioned to capitalize on their potential growth by offering targeted services addressing their needs as they thrive in the equity investment industry. Moreover, our extensive business network and prominent brand image in China's equity investment industry have in turn enlarged our data sources and contributed to our data collection capability.

OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and helped us compete effectively in the industry: (1) integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry, (2) rich database and robust data collection, analytics and research capabilities, (3) long-established and highly-recognized brand, (4) extensive and diversified user base, and (5) visionary management and experienced professional team.

OUR GROWTH STRATEGIES

We intend to pursue the following strategies to further grow our business: (1) expand our geographical coverage in China, (2) explore emerging markets overseas, (3) upgrade our online platforms and enrich our online service offerings, (4) improve our offline service offerings and enhance online-offline synergy, and (5) pursue selective strategic investments and acquisitions.

OUR CUSTOMERS AND SUPPLIERS

We offer our services broadly to all participants in China's equity investment industry including investors, entrepreneurs, growth enterprises and government agencies, and have served over 72,000 institutions across our service lines since our inception. Our top five customers accounted for less than 30% of our total revenue in 2017, 2018, 2019 and the six months ended June 30, 2020. Our suppliers for our major service offerings primarily include venue providers, event set-up service providers, guest speakers and instructors. Our top five suppliers accounted for

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SUMMARY

less than 30% of our cost of revenue in 2017, 2018, 2019 and the six months ended June 30, 2020. Due to the nature and comprehensiveness of our equity investment services, there were overlaps among our customers and suppliers during the Track Record Period. See “Business — Our Customers and Suppliers — Overlapping Customers and Suppliers.”

OUR INDUSTRY

The market size of China’s equity investment service industry reached RMB13.0 billion in 2019, according to the CIC Report. Market players in the equity investment service industry primarily include service platforms for equity investment industry, referring to service providers which offer two or more types of equity investment services, and other service providers. China’s service platform market for equity investment industry is emerging and fragmented. In 2019, its market size in terms of revenue reached RMB5.5 billion, accounting for 41.8% of the total market size of China’s equity investment service industry. There are primarily five types of service platforms for equity investment industry, including integrated service platforms like us, which refer to those without strong reliance on revenue generated from any single service, as well as data-focused service platforms, marketing-focused service platforms, consulting-focused service platforms and training-focused service platforms. We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. We had a market share of 3.1% in the highly fragmented service platform market for equity investment industry in China, while the second and third largest integrated service platform for equity investment industry in China accounts for a market share of 3.0% and 2.4%, respectively, according to the CIC Report.

OUR RISKS AND CHALLENGES

Our business and operations involve certain risks and uncertainties including those set out in the “Risk Factors” section in this prospectus. As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section of this prospectus in its entirety. Some of the major risk factors that we face include:

- if we are unable to retain existing customers or attract new ones, or to attract sufficient spending from our customers, our business, results of operations and financial condition could be materially and adversely affected;
- Our historical growth may not be indicative of our future performance, which is dependent upon factors beyond our control such as market conditions of the equity investment industry in China. The market size of China’s equity investment industry in terms of investment amount had experienced a negative CAGR of 5.1% from 2015 to 2019;
- The industry in which we operate is highly fragmented and intensively competitive, and if we fail to compete effectively with current or future competitors, our business, results of operations and financial condition could be materially and adversely affected;
- We incurred negative cash flows from operating activities during the Track Record Period. We incurred negative cash flows from operating activities during the Track Record Period; and

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SUMMARY

- We face risks and uncertainties with respect to the licensing requirements for our online platforms.

SUMMARY OF FINANCIAL INFORMATION

The following tables present the summary of financial information for the Track Record Period and should be read in conjunction with our financial information included in the Accountant’s Report in Appendix I to this prospectus, including the notes thereto.

Summary of Consolidated Statements of Comprehensive Income

The following table sets forth selected line items of our consolidated statements of comprehensive income for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Revenue	129,343	100.0%	164,130	100.0%	167,442	100.0%	46,822	100.0%	39,829	100.0%
Cost of revenue	(75,620)	(58.5)%	(94,597)	(57.6)%	(86,048)	(51.4)%	(35,158)	(75.1)%	(23,883)	(60.0)%
Gross profit	53,723	41.5%	69,533	42.4%	81,394	48.6%	11,664	24.9%	15,946	40.0%
Operating profit/(loss)	25,120	19.4%	37,622	22.9%	45,548	27.2%	(688)	(1.5)%	(6,203)	(15.6)%
Profit/(loss) before income tax	24,242	18.7%	34,461	21.0%	43,172	25.8%	(1,978)	(4.2)%	(7,078)	(17.8)%
Income tax (expense)/credit	(5,829)	(4.5)%	(7,300)	(4.4)%	(8,647)	(5.2)%	1,463	3.1%	2,006	5.0%
Profit/(loss) for the period	<u>18,413</u>	<u>14.2%</u>	<u>27,161</u>	<u>16.5%</u>	<u>34,525</u>	<u>20.6%</u>	<u>(515)</u>	<u>(1.1)%</u>	<u>(5,072)</u>	<u>(12.8)%</u>
Non-HKFRS measure⁽¹⁾										
Adjusted net profit/(loss) ⁽²⁾	<u>22,064</u>	<u>17.1%</u>	<u>27,161</u>	<u>16.5%</u>	<u>38,794</u>	<u>23.2%</u>	<u>(416)</u>	<u>(0.9)%</u>	<u>49</u>	<u>0.1%</u>

Notes:

- (1) We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. The use of such non-HKFRS measure has limitations as an analytical tool, and you should not consider adjusted net profit/loss, a non-HKFRS measure, in isolation, or as substitute for analysis of, our results of operations or financial position as reported under HKFRSs. See “Financial Information — Consolidated Statements of Comprehensive Income — Non-HKFRS Measure.”
- (2) Adjusted net profit/loss, a non-HKFRS measure, excludes the effect of share-based compensation and listing expenses. See “Financial Information — Consolidated Statements of Comprehensive Income — Non-HKFRS Measure.”

SUMMARY

Summary of Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>(unaudited)</i>				
	<i>(RMB in thousands)</i>				
Net cash flows generated from/(used in)					
operating activities	57,169	42,505	41,456	7,368	(6,536)
Net cash flows (used in)/generated from					
investing activities	(21,832)	(64,017)	10,009	(5,160)	68,675
Net cash flows generated from/(used in)					
financing activities	16,527	(14,531)	(46,427)	(7,378)	(36,002)
Net increase/(decrease) in cash and cash					
equivalents	51,864	(36,043)	5,038	(5,170)	26,137
Cash and cash equivalents at the beginning of					
the period	164	52,028	15,985	15,985	21,023
Cash and cash equivalents at the end of the					
period	52,028	15,985	21,023	10,815	47,160

Net Cash Flows Generated from/(Used in) Operating Activities

The following table sets forth detailed information of our net cash generated from/used in operating activities.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>(unaudited)</i>				
	<i>(RMB in thousands)</i>				
Profit/(loss) before income tax	24,242	34,461	43,172	(1,978)	(7,078)
Adjustments for:					
Depreciation and amortization	8,703	16,831	15,885	8,160	5,498
Gain on disposal of property, plant and					
equipment/ termination of lease contract	—	—	(1,535)	(125)	(372)
Provisions of impairment accounts					
receivable and contract assets	47	391	536	271	403
Finance costs	959	3,216	2,436	1,321	939
Fair value change of financial assets					
measured at FVPL	(474)	(2,482)	(2,994)	(1,373)	(810)
Share-based payments	3,651	—	—	—	—
Other income	—	—	(324)	(133)	(290)
Change in operating assets and liabilities:					
(Increase)/decrease in accounts receivable					
and contract assets	(10,390)	(8,917)	(7,106)	8,549	(3,025)
(Increase)/decrease in other current assets	(574)	(1,992)	1,043	(398)	(213)
(Increase)/decrease in prepayments	(2,188)	3,452	583	(7,407)	(1,151)
Decrease/(increase) in other receivables	17,274	(2,434)	(1,474)	3,847	555
Increase/(decrease) in accounts payable	2,883	(2,344)	2,610	74	(3,404)
Increase/(decrease) in other payables	6,973	5,667	659	(2,674)	(6,224)
Increase/(decrease) in contract liabilities	6,063	1,725	(4,779)	6,490	14,851
Cash generated from/(used in) operating					
activities	57,169	47,574	48,712	14,624	(321)
Income tax paid	—	(5,069)	(7,256)	(7,256)	(6,215)
Net cash flows generated from/(used in)					
operating activities	57,169	42,505	41,456	7,368	(6,536)

SUMMARY

We incurred net cash flows used in operating activities RMB6.5 million in the six months ended June 30, 2020, primarily due to loss before income tax of RMB7.1 million as a result of the one-off listing expenses in connection with the Global Offering of RMB6.8 million, a decrease in other payables of RMB6.2 million and a decrease in accounts payable of RMB3.4 million for the same period. As our cash outflow position for the six months ended June 30, 2020 was primarily due to the one-off listing expenses, we expect that our cash flow position will turn positive after the Listing through cash generated from our operations. We intend to improve our cash flow position by maintaining strict control over our outstanding accounts receivable and minimize credit risk exposure, implementing detailed policies covering reimbursement management, cash management and detailing our use of fund. For accounts receivable, our finance department reviews our overdue balances regularly and follow up with relevant customers on a continuous basis in order to collect such overdue balances.

Key Financial Ratios

	As of/ for the year ended December 31,			As of/for the six months ended June 30,
	2017	2018	2019	2020
Profitability ratios				
Gross margin ······	41.5%	42.4%	48.6%	40.0%
Net margin ······	14.2%	16.5%	20.6%	(12.8)%
<i>Non-HKFRS measure:</i>				
Adjusted net margin ······	17.1%	16.5%	23.2%	0.1%
Return on equity ······	79.8%	44.3%	44.9%	N/A
Return on total assets ······	19.9%	15.9%	19.1%	N/A
Liquidity ratio				
Current ratio ······	1.5	1.8	2.0	1.3
Capital adequacy ratio				
Gearing ratio ······	—	0.38	0.04	—

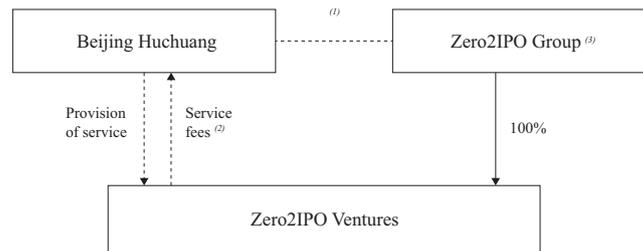
See “Financial Information — Key Financial Ratios.”

CONTRACTUAL ARRANGEMENTS

Our online businesses under our data services, marketing services and consulting services, comprising PEdata Database, online information platforms and Deal-Market, are subject to foreign investment restrictions under PRC laws and are directly conducted by our PRC operating entity, namely Zero2IPO Ventures. Our Company is therefore unable to own or hold any direct equity interest in Zero2IPO Ventures. In order to comply with PRC laws and regulations and maintain effective control over Zero2IPO Ventures, we have entered into the Contractual Arrangements through which we are able to exercise control over and enjoy all the economic benefits from the operations of Zero2IPO Ventures. See “Contractual Arrangements” for details.

SUMMARY

The following simplified diagram illustrates the flow of economic benefits from the Zero2IPO Ventures to our Group stipulated under the Contractual Arrangements.



Notes:

- (1) Control of Beijing Huchuang over Zero2IPO Ventures through the following agreements with the Registered Shareholder: (i) Powers of Attorney, (ii) Exclusive Option Agreement, and (iii) Share Pledge Agreement.
- (2) Control of Beijing Huchuang over Zero2IPO Ventures through Exclusive Business Cooperation Agreement.
- (3) Registered Shareholder refers to the registered shareholder of Zero2IPO Ventures, namely Zero2IPO Group, which is controlled by Mr. Ni.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholders

As of the Latest Practicable Date, Mr. Ni, through JQ Brothers Ltd., held approximately 55.4096% of the total issued share capital of our Company. Immediately after the completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), Mr. Ni, through JQ Brothers Ltd., will be beneficially interested in approximately 48.0216% of the enlarged share capital of our Company. Accordingly, Mr. Ni and JQ Brothers Ltd. will continue to be Controlling Shareholders of our Company upon the Listing. See “Relationship with Our Controlling Shareholders” for details of our Controlling Shareholders.

Pre-IPO Investments

We have completed certain pre-IPO equity financings to fund business expansion. See “History, Reorganization and Corporate Structure — Pre-IPO Investments” for details of the identity and background of our pre-IPO investors.

DIVIDEND

We are a holding company incorporated under the laws of the Cayman Islands. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant.

In September 2019, Zero2IPO Ventures declared a cash dividend of RMB22.0 million for the year of 2018 which was paid in September 2019. In May 2020, Zero2IPO Ventures declared a cash dividend of RMB30.0 million for the year of 2019 which was paid in May 2020. We have no present plan to pay any dividends to our Shareholders in the foreseeable future. According to our dividend policy adopted on December 7, 2020, the Articles of Association and applicable laws and regulations, our Company in general meeting may from time to time by ordinary resolution declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board, provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. We currently do not have a pre-determined or fixed dividend

SUMMARY

payout ratio. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment. The determination to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, business conditions and strategies, future operations and earnings, capital and investment requirements, level of indebtedness, and other factors that our Directors deem relevant.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Capitalization Issue and the Global Offering and additional Shares which may be issued upon the exercise of the Over-allotment Option, and the Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation.

RECENT DEVELOPMENTS

Our business, especially our offline industry events, experience effects of seasonality. We generally organize more offline industry events towards year ends in accordance with market practice and customer demands, which leads to a higher level of revenue in the second half of a year.

As of October 31, 2020, the COVID-19 outbreak did not have a material adverse impact on our business operations. We have resumed work on-site on a corporate-wide basis since March 26, 2020 and are able to discharge our obligations under all existing contracts given the improved situation in China. The provision of our offline services was disturbed to some extent during the COVID-19 outbreak because offline activities, such as in-person meetings and travel, are limited by the mandatory quarantine measures and travel restrictions. In terms of our offline industry events, two of our five annual themed Zero2IPO events, namely our 2020 China VC/PE Elite Outdoor Challenge and 2020 China Investors 100 Forum that were originally scheduled to be held in the first half of 2020, were canceled, while we successfully held two annual themed events, namely our China LP/GP Summit and China Venture Capital and Equity Investment Forum in August 2020 and October 2020, respectively. Our CEO Summit was held online in December 2020. Our offline consulting services and our offline training services have been negatively impacted by the pandemic outbreak. In particular, certain courses provided through SandHill College, which were previously scheduled for the first half of 2020, were rescheduled and started course offering in August 2020; and one customized training previously scheduled to be delivered in the first half of 2020 was postponed and started course offering in July 2020. There has not been any termination of agreements by our customers and suppliers and save as disclosed above, there has not been any delay of service schedule since the beginning the outbreak and up to October 31, 2020. While facing the challenges brought by the COVID-19 outbreak, we have taken our corporate social responsibility and did not lay off any employee or cut salary of our employees, which leads to relatively stable costs for us. Notwithstanding the business disruptions caused by the COVID-19 outbreak as described above, our business has been recovering given the improved situation in China and for the postponed events and courses, many of them have been held or been confirmed to be held in the second half of 2020. As we generally record a higher level of revenue in the second half of a year, we expect that the COVID-19 outbreak will not have a material adverse effect on the operations of our offline services and our overall business operations for the year of 2020.

The COVID-19 outbreak and relevant government measures have prompted a growing demand for our online services, as indicated by the growing key business metrics in 2020. For example, the average monthly page views of PEdaily increased from approximately 13.5 million in

SUMMARY

2019 to approximately 17.7 million in the six months ended June 30, 2020. The average MAUs for Deal-Market increased from 7,886 in 2019 to 24,223 in the six months ended June 30, 2020. The average MAUs for SandHill University increased from 7,497 in 2019 to 22,344 in the six months ended June 30, 2020. We have also been exploring online delivery of our offline services as an alternative since the COVID-19 outbreak in light of the emerging market demands. For example, in the first half of 2020, we, in collaboration with third-party online platforms, (1) organized 23 online industry events, covering over 7,300 participants, (2) organized 35 online roadshows, connecting approximately 450 institutions, (3) offered 36 online courses of our Investment College, covering over 1,300 participants, and (4) organized 31 online customized trainings, covering over 5,800 participants. From July 2020 to October 2020, we organized ten online courses of Investment College, covering over 350 participants.

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since June 30, 2020 and there has been no event since June 30, 2020 which would materially affect the information shown in our consolidated financial information included in the Accountant's Report in Appendix I to this prospectus.

In light of the foregoing and our currently available cash balance and the balance of wealth management products available for redemption, despite the short-term negative impact caused by the outbreak of the COVID-19 to our operational and financial performance, our Directors are of the opinion that we have sufficient working capital for the next 12 months from the date of this prospectus.

In the worst case scenario, if no offline service can be provided due to the COVID-19 outbreak, our Group will not incur any direct costs for our offline business except for our employee benefit expenses and other obligatory expenditures, as costs such as offline event costs and event promotion costs will only be incurred during the course of provision of relevant offline services. In order to maintain basic operation of our Group, our Directors expected that minimal general and administrative expenses and selling and marketing expenses will be incurred during the suspension period. As of October 31, 2020, we had cash and cash equivalents of RMB30.0 million and financial assets measured at fair value through profit or loss of RMB77.6 million, which were all wealth management products that can be redeemed within a short period of time or wealth management products with no maturity dates that can be redeemed on demand. In the worst case scenario and based on the assumptions that (1) all of our offline services will be temporarily suspended and no relevant revenue will be generated, (2) only minimal general and administrative expenses and selling and marketing expenses will be incurred during the suspension period, (3) all outstanding payables will be paid as and when they fall due, (4) the outstanding accounts receivable and contract assets will be recovered, based on the historical settlement, (5) 9.5% of the net proceeds from the Global Offering for our working capital and other general corporate purposes is available, and (6) we will delay our expansion plan and annual capital expenditure of the same level as incurred in 2019, our Directors are of the view that our Group will remain financially viable for at least 14 months from October 31, 2020.

Based on our management accounts, our revenue for the ten months ended October 31, 2020 increased considerably as compared to that for the same period in 2019, primarily because our largest Zero2IPO event, China Venture Capital and Equity Investment Annual Forum, which is usually scheduled to be held in December of a year and contributes a considerable portion of our revenue of a year, was held in October 2020. Our cost of revenue for the ten months ended October 31, 2020 remained relatively stable as compared to that for the same period in 2019, primarily due to decreases in (1) employee benefit expenses as a result of exempted or reduced social insurance contribution in accordance with a government subsidy policy during the COVID-19 outbreak, and

SUMMARY

(2) depreciation and amortization in relation to our surrender of leased property in the fourth quarter of 2019 as we try to streamline our operations. As a result of the foregoing, our gross profit and gross profit margin for the ten months ended October 31, 2020 increased significantly as compared to that for the same period in 2019. Our operating and other expenses are relatively stable during and after the Track Record Period. As a result, we recorded a significant growth in net profit for the ten months ended October 31, 2020 as compared to that for the same period in 2019. Our Directors expect that our revenue for the year ending December 31, 2020 will be stable as compared to that for the year ended December 31, 2019. Due to the same reasons as they were for the nine months ended September 30, 2020, our Directors expect that our cost of revenue for the year ending December 31, 2020 will slightly decrease as compared to that for the year ended December 31, 2019. As a result of the foregoing, our gross profit is expected to record an increase for the year ending December 31, 2020. Our Directors expect that our net profit for the year ending December 31, 2020 will decrease as compared to that for the year ended December 31, 2019, because we incurred a significant one-off listing expense for the year. Our adjusted net profit, a non-HKFRS measure, is expected to record a moderate increase for the year ending December 31, 2020 as compared to that for the year ended December 31, 2019.

STATISTICS OF THE GLOBAL OFFERING

All statistics in the following table are based on the assumptions that (1) the Capitalization Issue and the Global Offering has been completed and 40,000,000 Shares are issued pursuant to the Global Offering; (2) the Over-allotment Option is not exercised; and (3) 300,000,000 Shares are issued and outstanding following the completion of the Capitalization Issue and the Global Offering.

	Based on an Offer Price of HK\$9.00 per Share	Based on an Offer Price of HK\$11.00 per Share
Market capitalization of our Shares	HK\$2,700 million	HK\$3,300 million
Unaudited pro forma adjusted net tangible asset value per Share ⁽¹⁾	HK\$1.24	HK\$1.50

Note:

(1) The unaudited pro forma adjusted net tangible asset value per Share is calculated after making the adjustments referred to in Appendix II to this prospectus.

LISTING EXPENSES

We expect to incur a total of approximately RMB39.4 million of listing expenses (including professional fees, underwriting commissions and other fees and based on the mid-point of the indicative Offer Price range), representing approximately 11.0% of the gross proceeds of the Global Offering (assuming the Over-allotment Option is not exercised and the Offer Price is fixed at the mid-point of the indicative Offer Price range), of which approximately RMB26.7 million is expected to be charged to profit or loss and approximately RMB12.7 million is expected to be capitalized upon Listing. During the Track Record Period, we incurred listing expenses of approximately RMB13.8 million, of which approximately RMB12.5 million has been charged to the profit or loss and approximately RMB1.3 million has been capitalized. We expect to incur additional listing expense of approximately RMB25.6 million, of which approximately RMB14.2 million is expected to be charged to profit or loss and approximately RMB11.4 million is expected to be capitalized upon Listing.

SUMMARY

In view of the above, prospective investors should note that the financial results of our Group for 2020 will be adversely affected by the non-recurring expenses in relation to the Global Offering. Our Directors would like to emphasize that the expenses in relation to the Global Offering are a current estimate for reference only, and the amounts to be charged to the profit or loss and the amounts to be capitalized are subject to adjustment due to changes in estimates and assumptions.

USE OF PROCEEDS

Assuming the Over-allotment Option is not exercised and assuming the Offer Price is fixed at HK\$10.00 per Share (being the mid-point of the indicative range of the Offer Price of HK\$9.00 to HK\$11.00 per Share), we estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting fees and other listing expenses payable by us in connection with the Global Offering, will be approximately HK\$356.0 million. We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set out below.

- approximately 39.4% of the net proceeds, or HK\$140.2 million, to expand our geographical coverage in China, including: (1) approximately 22.3% of the net proceeds, or approximately HK\$79.3 million, to expand our services into seven of China's major second-tier cities; and (2) approximately 17.1% of the net proceeds, or approximately HK\$60.9 million, to expand into around 40 lower-tier cities.
- approximately 9.8% of the net proceeds, or approximately HK\$34.8 million, to improve our offline service offerings and capture the industry trend toward online-offline integration, including: (1) approximately 5.6% of the net proceeds, or approximately HK\$20.0 million, to establish a training center for SandHill College; and (2) approximately 4.2% of the net proceeds, or approximately HK\$14.8 million, to develop online platforms to host industry events and deliver Investment College related courses online.
- approximately 5.8% of the net proceeds, or approximately HK\$20.7 million, to upgrade our online platforms and enrich our online service offerings, including: (1) approximately 2.4% of the net proceeds, or approximately HK\$8.4 million, to upgrade our Deal-Market; (2) approximately 1.9% of the net proceeds, or approximately HK\$6.9 million, to upgrade our PEdata Database and introduce new services; and (3) approximately 1.5% of the net proceeds, or approximately HK\$5.4 million, to enrich the content offerings of our PEdaily.
- approximately 9.9% of the net proceeds, or approximately HK\$35.2 million, to enhance our sales and marketing efforts.
- approximately 5.6% of the net proceeds, or approximately HK\$20.1 million, to scale our services into overseas emerging markets, such as Southeast Asia and India.
- approximately 20.0% of the net proceeds, or approximately HK\$71.2 million, to selectively pursue investment and acquisition opportunities.
- approximately 9.5% of the net proceeds, or approximately HK\$33.8 million, to be used for additional working capital and other general corporate purposes.

See "Future Plans and Use of Proceeds — Use of Proceeds."

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus. Certain other terms are explained in the section headed “Glossary” in this prospectus.

“affiliate”	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Application Form(s)”	WHITE Application Form(s), YELLOW Application Form(s) and GREEN Application Form(s) or, where the context so requires, any of them
“Articles of Association” or “Articles”	our articles of association, as adopted on December 7, 2020, and as amended from time to time, a summary of which is contained in Appendix III to this prospectus
“Audit Committee”	the audit committee of the Board
“Beijing Huchuang”	Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司), a limited liability company established under the laws of the PRC on June 8, 2020 and an indirect wholly-owned subsidiary of the Company
“Beijing Zero2IPO”	Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd. (北京清科新創創業諮詢有限公司), a limited liability company established under the laws of the PRC on August 14, 2019 and an indirect wholly-owned subsidiary of the Company
“Board” or “Board of Directors”	the board of directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for business
“BVI”	British Virgin Islands
“Capitalization Issue”	the issue of 174,915,296 Shares on or prior to the Listing Date to the credit of the share premium account of our Company, details of which are set out in the section headed “History, Reorganization and Corporate Structure — Capitalization Issue and Global Offering”
“Cayman Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented, or otherwise modified from time to time

DEFINITIONS

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant”	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
“CCASS Custodian Participant”	a person admitted to participate in CCASS as a custodian participant
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
“China” or “the PRC”	the People’s Republic of China excluding, for the purpose of this prospectus, Hong Kong, Macau and Taiwan
“CIC Report”	a commissioned report from China Insights Industry Consultancy Limited, the industry consultant of our Company
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company”, “Group,” “our Group,” “we” or “us”	Zero2IPO Holdings Inc. (清科創業控股有限公司*), formerly known as Zero2ipo Holdings, an exempted company incorporated under the laws of Cayman Islands with limited liability on August 1, 2019, and, except where the context indicated otherwise, all of its subsidiaries or with respect to the period before our Company became the holding company of our current subsidiaries, the business operated by our present subsidiaries or their predecessors (as the case may be)
“Consolidated Affiliated Entities”	the entities we control through the Contractual Arrangements, namely Zero2IPO Ventures and its subsidiary, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of the Contractual Arrangements

* For identification purposes only

DEFINITIONS

“Contractual Arrangements”	a series of contractual arrangements we entered into to allow our Company to exercise control over the business operation of the Consolidated Affiliated Entities and enjoy all the economic interests derived therefrom, as more particularly described in the section headed “Contractual Arrangements” in this prospectus
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Ni and JQ Brothers Ltd.
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company or any one of them
“extreme conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
“Global Offering”	the Hong Kong Public Offering and the International Offering
“GREEN Application Form(s)”	the application form(s) to be completed by the HK eIPO White Form Service Provider designated by our Company
“HK eIPO White Form”	the application for Hong Kong Public Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of HK eIPO White Form service provider www.hkeipo.hk or the IPO App
“HK eIPO White Form Service Provider”	the HK eIPO White Form service provider designated by our Company, as specified on the designated website www.hkeipo.hk or the IPO App
“HK\$” or “Hong Kong dollars”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offer Shares”	the 4,000,000 Shares being initially offered for subscription in the Hong Kong Public Offering, subject to reallocation

DEFINITIONS

“Hong Kong Public Offering”	the offer of the Hong Kong Public Offer Shares for subscription by the public in Hong Kong
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, the branch share registrar and transfer office of our Company in Hong Kong
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering listed in “Underwriting — Hong Kong Underwriters”
“Hong Kong Underwriting Agreement”	the underwriting agreement dated December 14, 2020, relating to the Hong Kong Public Offering and entered into by the Sole Sponsor, the Joint Global Coordinators, the Hong Kong Underwriters, Mr. Ni and JQ Brothers Ltd. and our Company
“ICP License”	Value-added Telecommunications Service Operating Permit for Internet Information Services
“Independent Third Party(ies)”	an individual or a company which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company within the meaning of the Listing Rules
“International Offer Shares”	the 36,000,000 Shares being initially offered by the Company at the Offer Price in the International Offering together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option, subject to any adjustment or reallocation
“International Offering”	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in accordance with Regulation S, as further described in “Structure of the Global Offering”
“International Underwriters”	the group of underwriters that are expected to enter into the International Underwriting Agreement to underwrite the International Offering
“International Underwriting Agreement”	the international underwriting agreement relating to the International Offering, which is expected to be entered into by our Company, Mr. Ni and JQ Brothers Ltd., the Sole Sponsor, the Joint Global Coordinators and the International Underwriters on or about the Price Determination Date, as further described in “Underwriting — Underwriting Arrangements and Expenses — The International Offering” in this prospectus

DEFINITIONS

“IPO App”	the mobile application for HK eIPO White Form service which can be downloaded by searching “ IPO App ” in App Store or Google Play or downloaded at www.hkeipo.hk/IPOApp or www.tricorglobal.com/IPOApp
“Joint Bookrunners”	Fortune (HK) Securities Limited, China International Capital Corporation Hong Kong Securities Limited, CCB International Capital Limited, China Everbright Securities (HK) Limited, Futu Securities International (Hong Kong) Limited and Guosen Securities (HK) Capital Company Limited
“Joint Global Coordinators”	Fortune (HK) Securities Limited and China International Capital Corporation Hong Kong Securities Limited
“Joint Lead Managers”	Fortune (HK) Securities Limited, China International Capital Corporation Hong Kong Securities Limited, CCB International Capital Limited, China Everbright Securities (HK) Limited, Futu Securities International (Hong Kong) Limited and Guosen Securities (HK) Capital Company Limited
“Latest Practicable Date”	December 8, 2020, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information contained in this prospectus
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Date”	the date, expected to be on or about December 30, 2020 on which the Shares are listed on the Stock Exchange and from which dealings in the Shares are permitted to commence on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Memorandum”	Our memorandum of association, conditionally approved and adopted on December 7, 2020 and to become effective on the Listing Date, as amended, supplemented or otherwise modified from time to time
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)

DEFINITIONS

“Mr. Ni”	Mr. NI Zhengdong (倪正東), our chairman of the Board, executive Director, chief executive officer and one of our Controlling Shareholders
“NDRC”	National Development and Reform Commission the PRC (中華人民共和國國家發展和改革委員會)
“Offer Price”	the final offer price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK\$11.00 and expected to be not less than HK\$9.00, such price to be agreed upon by our Company and the Joint Global Coordinators (on behalf of the Underwriters) on or before the Price Determination Date
“Offer Shares”	the Hong Kong Public Offer Shares and the International Offer Shares together with, where relevant, any additional Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option expected to be granted by us to and exercisable by the Joint Global Coordinators (for and on behalf of the International Underwriters), pursuant to which we may be required to allot and issue up to an aggregate of 6,000,000 additional Shares (representing 15% of our Shares initially being offered under the Global Offering) to cover over-allocations in the International Offering, details of which are described in the section headed “Structure of the Global Offering — Over-allotment Option and Stock Borrowing Arrangement” in this prospectus
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“Post-IPO RSU Scheme”	the post-IPO RSU scheme conditionally adopted by our Company on December 7, 2020, the principal terms of which are summarized in “Appendix IV — Statutory and General Information – D. Post-IPO RSU Scheme”
“PRC Legal Advisors”	Beijing Dentons Law Offices, LLP, being the legal advisors to the Company as to the PRC laws
“Price Determination Date”	the date, expected to be on or about Monday, December 21, 2020 (Hong Kong time), when the Offer Price is determined and, in any event, no later than Tuesday, December 29, 2020
“Registered Shareholder”	the registered shareholder of Zero2IPO Ventures, being Zero2IPO Group

DEFINITIONS

“Regulation S”	Regulation S under the U.S. Securities Act
“related parties”	has the meaning as set out in the paragraph headed “Related parties” under Note 2.24 to the Accountant’s Report set out in Appendix I to this prospectus
“Reorganization”	the corporate and business restructuring of our Group conducted in preparation for the Global Offering, details of which are described in the section headed “History, Reorganization and Corporate Structure — Our Reorganization”
“RMB”	Renminbi, the lawful currency of the PRC
“RSU”	restricted share unit
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SAT”	State Taxation Administration of the PRC (國家稅務總局)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share Reservation”	624,750 Shares, subject to adjustment due to any share subdivision, share consolidation, capitalization issue or similar reorganization of the share capital of the Company, reserved for and to be issued to Shanghai Yutai Weixia Investment Center (Limited Partnership) (上海郁泰唯夏投資中心(有限合夥)) or its affiliates upon share application notice received from and signed by Shanghai Yutai Weixia Investment Center (Limited Partnership) or its affiliates
“Shares”	ordinary shares in the share capital of the Company with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of Shares
“Sole Sponsor”	Fortune Financial Capital Limited
“Stabilizing Manager”	Fortune (HK) Securities Limited

DEFINITIONS

“Stock Borrowing Agreement”	the stock borrowing agreement to be entered into between JQ Brothers Ltd. and the Stabilizing Manager, pursuant to which the Stabilizing Manager may borrow up to 6,000,000 Shares to cover any over-allocation in the Global Offering
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period consisting of the three years ended December 31, 2019 and the six months ended June 30, 2020
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“VATS”	value-added telecommunication services
“VATS license”	value-added telecommunication service operating permit, which includes without limitation, the ICP License
“ WHITE Application Form(s)”	the application form(s) for use by the public who require such Hong Kong Public Offer Shares to be issued in the applicants’ own names
“ YELLOW Application Form(s)”	the application form(s) for use by the public who require such Hong Kong Public Offer Shares to be deposited directly into CCASS
“Zero2IPO BVI”	Zero2IPO Holdings Ltd., a company incorporated under the laws of the BVI with limited liability on September 2, 2019 and a wholly-owned subsidiary of the Company

DEFINITIONS

“Zero2IPO Group”	Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), formerly known as Zero2IPO Finance Management and Consulting (Beijing) Co., Ltd. (清科財務管理諮詢(北京)有限公司), a limited liability company established under the laws of the PRC on November 22, 2005, which holds 100% of the equity interests in Zero2IPO Ventures
“Zero2IPO HK”	Zero2IPO Ventures Limited (清科創業有限公司), a company incorporated under the laws of Hong Kong with limited liability on September 12, 2019 and an indirect wholly-owned subsidiary of the Company
“Zero2IPO Ventures”	Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司), a limited liability company established under the laws of the PRC on September 10, 2013, one of the Consolidated Affiliated Entities, whose sole registered shareholder is Zero2IPO Group; and Zero2IPO Ventures is not a subsidiary of Zero2IPO Group for the purpose of this prospectus
“%”	per centum

Translated English names of Chinese natural persons, legal persons, governmental authorities, institutions or other entities for which no official English translation exist are unofficial translations for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

In this prospectus, the terms “associate,” “close associate,” “core connected person,” “connected person,” “connected transaction,” “controlling shareholder,” “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

GLOSSARY

This glossary contains definitions of certain technical terms used in this prospectus in connection with our Company. Such terms and their meanings may not correspond to standard industry definitions or usage.

“AI” or “artificial intelligence”	intelligence demonstrated by machines, in contrast to the natural intelligence displayed by humans and other animals
“ARPPU”	average revenue per paying user in a given period
“AUM” or “assets under management”	the total market value of assets managed by a financial institution, including the investments held by the financial institution, plus the capital contributed but not invested and the capital that the financial institution is entitled to call from its clients pursuant to the terms of their respective capital commitments
“average monthly page views”	average monthly page views in a given period is calculated as the total page views in that period across our mobile applications and websites, and our accounts on major third-party platforms, including WeChat and Toutiao, divided by the number of months in that period
“average MAU” or “average monthly active user”	the monthly average number of active users of a given platform in a given period, calculated by dividing the total number of users who visited the platform at least once in a given month for each month of such period by the number of months in the same period
“big data”	the use of advanced analytic techniques against very large and diverse data sets, which greatly exceed the capabilities of traditional database software tools in terms of data collection and analysis, to uncover hidden patterns, unknown correlations, market trends, customer preferences and other useful information that can help organizations make more informed business decisions
“CAGR”	compound annual growth rate
“domain name”	an identification string that defines a realm of administrative autonomy, authority or control within the Internet
“entrepreneur”	an individual creating a new business with limited resources and responsible for all the risks and rewards of the business
“GP” or “general partner”	a partner of an equity fund, who is given the right to make investments using the capital contributed by LPs and is liable for any debts or obligations the fund owes

GLOSSARY

“growth enterprises”	small- and medium-sized companies in their early stages of development with a limited number of employees and total assets, focusing on providing innovative products and services
“LP” or “limited partner”	investors who contribute capital to equity funds and are liable up to the full amount of capital they contribute
“paying user”	in any given period, paying users refer to users the revenue from which is recognized within such period
“PE” or “private equity”	investments in private companies
“TMT”	the technology, media and telecommunications industry sector
“repeat customer”	customers who have purchased our services at least twice in a given period
“registered user”	users who have registered an account on our online platforms as of a given date
“user interface”	the space where interactions between humans and machines occur, and is often used in the industrial design field of human-computer/ smartphone interaction
“user traffic”	the flow of users of a network
“VC” or “venture capital”	a form of financing that is provided by financial institutions to small, early-stage entrepreneurs and businesses that are deemed to have high growth potentials or have demonstrated high growth

FORWARD-LOOKING STATEMENTS

We have included in this prospectus forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this prospectus. Forward-looking statements can be identified by words such as “may,” “will,” “should,” “would,” “could,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “continue,” “seek,” “estimate” or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our business prospects;
- our business strategies and plans to achieve these strategies;
- future developments, trends and conditions in and competitive environment for the industries and markets in which we operate;
- general economic, political and business conditions in the markets where we operate;
- our financial condition and performance;
- our capital expenditure plans;
- changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- the amount and nature of, and potential for, future development of our business;
- the actions of and developments affecting our competitors; and

FORWARD-LOOKING STATEMENTS

- certain statement in the sections headed “Risk Factors,” “Industry Overview,” “Regulatory Overview,” “Business,” “Financial Information,” “Relationship with Our Controlling Shareholders” and “Future Plans and Use of Proceeds” with respect to trends in interest rates, foreign exchange rates, prices, operations, margins, risk management and overall market.

Any forward-looking statement made by us in this prospectus speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

RISK FACTORS

Potential investors should consider carefully all the information set out in this prospectus and, in particular, should evaluate the following risks associated with the investment in our Shares. You should pay particular attention to the fact that we conduct our operations in the PRC, the legal and regulatory environment of which in some respects may differ from that in Hong Kong. Any of the risks and uncertainties described below could have a material adverse effect on our business, results of operations, financial condition or on the trading price of our Shares, and could cause you to lose all or part of your investment.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

If we are unable to retain existing customers or attract new ones, or to attract sufficient spending from our customers, our business, results of operations and financial condition could be materially and adversely affected.

In order to increase our revenue and maintain our growth, we must retain existing customers and attract new ones, and to encourage their usage of our services. As is common in the industry, we do not have long-term service agreements with our customers with respect to each of our business lines. A substantial portion of our revenue comes from agreements that are on a project-by-project basis or for a term of one year or shorter, such as agreements for customized reports and marketing services. Revenue from these agreements is not recurrent in nature, which exposes us to the risks of uncertainty and potential volatility with respect to our revenue. In addition, although some of our services, such as services on PEdata Database, are provided on a monthly or annual subscription basis, we may not be able to encourage existing customers to continue their subscriptions in order to maintain or increase recurring revenue. Our success depends in large part on our ability to continue to offer high-quality services through our service platform in a cost-effective manner. To this end, we must continue to enhance the functionalities of our online platforms, expand our offline service offerings and keep abreast of user preferences and market trends. Customers may cease their usage of our services or may only be willing to purchase our services at reduced prices if we do not deliver services in an effective manner, or if they do not believe that their spending with us will generate a competitive return or effect as compared to alternative service providers, which will adversely affect our business. Our ability to retain existing customers and attract new ones also depends on the following factors, some of which are out of our control:

- our brand recognition and market presence;
- the competitiveness of our pricing and payment terms for our customers, which may, in turn, be constrained by our capital and financial resources;
- the market acceptance of new services and functionalities we may introduce;
- mergers, acquisitions or other consolidation among market players; and
- the effects of domestic and global economic conditions on the development of the equity investment industry generally.

If we are unable to retain our existing customers and attracting new customers due to any of the foregoing factors, our business will be adversely affected. Further, if our existing customers decrease or cease their usage of our services, we may be unable to acquire new customers that spend similarly or even more for our services, and our ability to maintain and/or grow our revenue may be materially and adversely affected.

RISK FACTORS

Our historical growth may not be indicative of our future performance, which is dependent upon factors beyond our control such as market conditions of the equity investment industry in China. The market size of China's equity investment industry in terms of investment amount had experienced a negative CAGR of 5.1% from 2015 to 2019.

Our revenue increased by 26.9% from RMB129.3 million in 2017 to RMB164.1 million in 2018, and further increased by 2.0% to RMB167.4 million in 2019. Our revenue decreased by 15.0% from RMB46.8 million in the six months ended June 30, 2019 to RMB39.8 million in the six months ended June 30, 2020. Our historical growth rate and results may not be indicative of our future growth or performance, and we cannot assure you that we will grow at the same rate as we did in the past or avoid any decline. There is inherent risk in using our historical financial information to project or estimate our financial performance in the future, as it only reflects our past performance under particular conditions. We may not be able to sustain our historical growth rate, revenue, gross margin and return on net assets for various reasons, some of which are beyond our control, including deterioration in the market conditions of the equity investment industry in China, macro-economic measures taken by the PRC government to manage economic growth and intensified competition in the industry. In particular, according to the CIC Report, the market size of China's equity investment industry in terms of investment amount had undergone fluctuations over the past five years, decreasing from RMB1,366.4 billion in 2015 to RMB1,109.6 billion in 2019 at a negative CAGR of 5.1%. If we fail to successfully address any of the foregoing risks and uncertainties, our business, results of operations and financial condition may be materially and adversely affected.

In addition, our future performance will depend in part on our ability to effectively manage our growth and deal with any and all issues that may potentially hinder our growth. As our operations grow in scale, scope and complexity, we will need to improve and upgrade our systems and infrastructure, which will require significant expenditures and allocation of valuable management resources. If we fail to maintain the necessary level of discipline or fail to allocate limited resources effectively in our organization as it grows, our business, results of operations and financial condition could be materially and adversely affected. To effectively manage our growth, we will also need to implement a variety of new and upgraded operational, technological and financial systems, procedures and controls, including the improvement of our accounting, actuarial, claims and other internal management systems and the enhancement of our compliance and risk control capabilities. The expansion of our business may increase our exposure to liquidity risk, credit risk and operational risk. We expect that we will need to continue to devote substantial financial, operational and technical resources to managing our growth and implementing our business strategies. In order to attain and maintain profitability, we will need to recruit, develop and retain skilled and experienced personnel. The addition of new employees and the upgrading of systems may increase our cost.

Our results of operations and financial condition may not always meet the expectations of public market analysts or investors, and may vary from period to period due to a variety of factors beyond our control, which could cause the price of our Shares to decline.

The industry in which we operate is highly fragmented and intensively competitive, and if we fail to compete effectively with current or future competitors, our business, results of operations and financial condition could be materially and adversely affected.

The equity investment service industry in China is highly fragmented and intensely competitive. Market players in the equity investment service industry primarily include service platforms for equity investment industry, referring to service providers which offer two or more types of equity investment services, and other service providers. We had a market share of 3.1% in

RISK FACTORS

the highly fragmented service platform market for equity investment industry in China, while the second and third largest integrated service platform for equity investment industry in China accounts for a market share of 3.0% and 2.4%, respectively, according to the CIC Report. The top five integrated service platforms for equity investment industry in China had an aggregate market share of 11.2% in terms of revenue in 2019, according to the CIC Report. Our ability to grow and stand out among our peers and competitors in this highly fragmented industry depends on many factors, including our ability to expand our geographical coverage in China and globally, to upgrade our online platforms and enrich our online service offerings, and to improve our offline service offerings and enhance online-offline synergy. We cannot assure you that we will achieve any of the foregoing goals, and the failure to achieve such goals could materially and adversely affect our business, results of operations and financial condition. Moreover, the highly fragmented market has presented significant likelihood for market consolidation. If one or more of our competitors, especially other top players in the market, were to merge or partner with another of our competitors, the change in the competitive landscape could also adversely affect our ability to compete effectively or may even cause us to lose our leading position in the market, which may in turn materially and adversely affect our reputation, business, results of operations and financial condition.

We incurred negative cash flows from operating activities during the Track Record Period.

In the six months ended June 30, 2020, our net cash used in operating activities amounted to RMB6.5 million, primarily due to loss before income tax of RMB7.1 million as a result of the one-off listing expenses in connection with the Global Offering of RMB6.8 million, a decrease in other payables of RMB6.2 million and a decrease in accounts payable of RMB3.4 million for the same period. See “Financial Information — Liquidity and Capital Resources — Cash Flows” for details. We cannot assure you that we will not experience negative cash flows from operating activities in the future. The cost of continuing operations could further reduce our cash position, and an increase in our cash outflow from operating activities could adversely affect our operations by reducing the amount of cash available to meet the cash needs for operating our business and to fund our investments in our business expansion. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operations. Any significant decrease in the demand or market prices of our equity investment services, or a significant decrease in the availability of bank loans or other financing may adversely impact our liquidity. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, results of operations, financial condition and prospects may be materially and adversely affected.

We face risks and uncertainties with respect to the licensing requirements for our online platforms.

Our online platforms are subject to supervision and regulation by the relevant PRC government authorities, and licenses, permits and approvals requirements by such authorities necessary for such operations. See “Business — Licenses, Permits and Approvals.” We cannot assure you that we will be able to maintain our existing licenses, permits and approvals or that the government authorities will not subsequently require us to obtain any additional licenses, permits and approvals. If the government authorities determine that our online platforms fall within the scope of business operations that require additional licenses, permits or approvals, we may not be able to obtain such licenses, permits or approvals on reasonable terms or in a timely manner or at all, and failure to obtain such licenses, permits or approvals may subject us to fines, legal sanctions or an order to suspend our related operations. Moreover, government authorities may from time to time issue new laws, rules and regulations and enhance enforcement of existing laws, rules and regulations, which could require us to obtain new and additional licenses, permits or approvals.

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Considerable uncertainties could exist with respect to the interpretation and implementation of existing and future laws and regulations governing our business activities. The Internet industry in China is subject to extensive regulation. Related laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. If government authorities determine that we are not able to comply with the applicable legal requirements and/or maintain all required licenses, permits or approvals, we may be subject to fines, confiscation of the gains derived from our non-compliant operations, or suspension of our non-compliant operations or listing process, any of which may materially and adversely affect our business, financial condition and results of operations.

Our failure to obtain necessary permits for our offline industry events may subject us to adjustment or cancellation of industry events and may adversely affect our business, results of operations and financial condition.

While no license is required for holding offline events in general under PRC laws and regulations, we may be required to obtain an event-specific security permit for large-scale mass activities each time before we hold an offline industry event if the estimated number of participants exceeds certain threshold. See “Regulatory Overview — Regulations Relating to Offline Industry Events.” During the Track Record Period, we obtained necessary security permits for our offline industry events. Although we will continue to endeavor to obtain all necessary permits according to our estimate of the condition of each specific event, we cannot assure you that we will be able to obtain relevant permits in a timely manner or at all in order to organize our offline industry events as planned, as the regulatory practices with respect to an offline industry event may vary from time to time and the local authorities retain broad discretion in enforcing the relevant requirements. In addition, the permit requirements in China are constantly evolving, and we may be subject to more stringent regulatory requirements due to political or economic changes in the future. If we fail to obtain relevant permits to organize our offline industry events as planned, we may have to adjust our event coverage and other arrangements, or even cancel the relevant events. If our offline industry events are reduced in size or even canceled, our business, results of operations and financial condition may be materially and adversely affected.

Even if we have obtained all prerequisite permits, government authorities may unexpectedly suspend our scheduled offline industry events due to a variety of reasons beyond our control. Local police security authorities may prevent participants from entering our offline industry events and impose administrative penalties on us if the visitor flow exceeds the prescribed limit. Such abrupt suspensions and restrictions might adversely affect the brand-building and networking activities of our industry customers, which in turn could discourage them from participating in our future events and materially and adversely affect our business, results of operations and financial condition.

Moreover, the provision of our offline industry events have been disrupted by the COVID-19 outbreak and relevant government measures requiring quarantine and social distancing. For example, two of our five annual themed Zero2IPO events, namely our 2020 China VC/PE Elite Outdoor Challenge and 2020 China Investors 100 Forum that were originally scheduled to be held in the first half of 2020, were canceled. If the outbreak persists or escalates, we may be subject to further negative impact as a result of government measures to contain its spread, which may lead to cancellation, suspension or rescheduling of our offline industry events, and our business, reputation, results of operations and financial condition may be materially and adversely affected.

RISK FACTORS

If we lose the services of any of our key executive officers and other key employees, or are unable to retain, recruit and hire experienced staff, our ability to effectively manage and execute our operations and meet our strategic objectives could be harmed.

Our future success depends on the continued service of our key executive officers and other key employees. We benefit from the leadership of a strong management team with proven vision, rich professional work experience, and extensive knowledge of China's equity investment service industry. In particular, we rely on the continued services of our core management team to support our business operations and growth, including (1) Mr. Ni, our chairman of the Board and chief executive officer; (2) Ms. Xinghua Fu, our executive Director and senior vice president responsible for data services; (3) Ms. Yanyan Zhang, our executive Director and senior vice president responsible for marketing services; (4) Mr. Zhiguang Hu, our senior vice president responsible for consulting services and training services; (5) Ms. Zhen Yang, our chief financial officer and joint company secretary; and (6) Mr. Lei Zhang, our chief technology officer. See "Directors and Senior Management." We also rely on a number of key personnel for the development and operation of our business. In addition, we will need to continue attracting and retaining skilled and experienced staff for our businesses to maintain our competitiveness.

If one or more of our key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all and may incur additional expenses to recruit and train new personnel, our business could be materially and adversely affected. In addition, if any of our executive officers or key employees joins a competitor or forms a competing company, we may lose know-how, trade secrets, suppliers and customers. Substantially all of our employees, including each of our executive officers and key employees, have entered into confidentiality agreements with us, which contains customary non-compete provisions. Although non-compete provisions are generally enforceable under PRC laws, PRC legal practice regarding the enforceability of such provisions is not as well-developed as in countries such as the United States. Thus, if we need to enforce our rights under the non-compete provisions, we cannot assure you that a PRC court would enforce such provisions. In addition, while we will obtain director and officer liability insurance prior to the Listing, we did not maintain such insurance as of the Latest Practicable Date. The lack of such insurance or insufficient policy limits and coverage may cause it to be more difficult for us to attract and retain qualified persons to serve on our Board of Directors or as executive officers. If we lose the services of any of our key executive officers, senior management, or are unable to retain, recruit and hire experienced staff, our ability to effectively manage and execute our operations and meet our strategic objectives could be harmed.

Our strategic investments or acquisitions may turn out to be unsuccessful and materially and adversely affect our financial condition and results of operations.

We plan to expand our business through strategic investments or acquisitions. We intend to selectively invest in or acquire, businesses, assets and technologies that complement our existing business. Specifically, we plan to utilize approximately 20.0% of the net proceeds from the Global Offering to selectively pursue strategic investments and acquisitions that can have complementary or synergistic effects on our current business, including, among others, (1) data service providers based in China that have been established for more than five years and have established database covering data of all public companies listed on the Shenzhen Stock Exchange and Shanghai Stock Exchange, and (2) offline event service providers based in China with Southeast Asia and other emerging markets globally as their target market that have been established for more than five years, are primarily engaged in organization of small to medium-sized offline events, and have proven track record in providing offline events services for overseas market, in order to solidify our industry leadership position and enter into new markets. See "Business — Our Growth Strategies

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— Pursue selective strategic investments and acquisitions” and “Future Plans and Use of Proceeds.” Strategic investments and acquisitions involve uncertainties and risks, including:

- accurately identifying and evaluating potential investment or acquisition targets with operations complementary to our existing operations;
- potential ongoing financial obligations and unforeseen or hidden liabilities;
- retaining key employees and maintaining the business relationships with the businesses we acquire;
- failure to achieve the intended objectives, benefits or revenue enhancement;
- costs and difficulties of integrating acquired businesses and managing a larger business;
- failure to integrate an acquired company’s accounting, management information, human resource and other administrative systems to permit effective management and timely reporting;
- significant accounting charges resulting from the completion and integration of a sizeable acquisition and increased capital expenditures; and
- diversion of resources and management attention.

Our failure to address these uncertainties and risks may have a material adverse effect on our business, results of operations and financial condition. In addition, negotiating and closing of such transactions can be time-consuming and may also subject to regulatory approvals that are beyond our control. Any such an investment or acquisition may require a significant amount of capital investment, which would decrease the amount of cash available for working capital or capital expenditures. Furthermore, if we use our equity securities to pay for acquisitions, we may dilute the value of our Shares. Our Shareholders may not have the opportunity to review, vote on or evaluate future acquisitions or investments. If we borrow funds to finance acquisitions, such debt instruments may contain restrictive covenants that could, among other things, restrict us from distributing dividends. Consequently, these transactions, even if undertaken and announced, may not close. If our investments and acquisitions are not successful, our business, results of operations and financial condition may be materially and adversely affected. In particular, our planned use of proceeds for selective investment or acquisitions accounts for approximately 20.0% of our total net proceeds from the Global Offering and such investment or acquisition may require significant expenditure and allocation of valuable management resources. If any of such investment or acquisition fails to conclude, our business, results of operations and financial condition may be materially and adversely affected.

Our business may be materially and adversely affected by the general economic and market conditions in China.

We operate in China’s equity investment service industry, serving various participants in China’s equity investment industry, including, among others, investors, entrepreneurs, growth enterprises and government agencies, providing data services, marketing services, consulting services and training services. Unfavorable economic and market conditions in China could materially and adversely affect the general development of China’s equity investment industry, as well as the business and decision-making process of industry participants, the availability of funding sources for entrepreneurs and growth enterprises, and the policies of various levels of government agencies, which in turn could materially and adversely affect customers’ demands for our service offerings, therefore affecting our business, results of operations and financial

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condition. For example, revenue generated from our data services are directly related to our customers' demands for timely and accurate data and information on equity investment, and revenue generated from our consulting services are directly related to the volume and value of financing transactions to which we provide services, all of which rely on the development of entrepreneurs and growth enterprises, as well as investors' ability and willingness to invest. During period of unfavorable or uncertain market conditions, or even the depression period, investors, entrepreneurs, growth enterprises and government agencies may have less demand for comprehensive data and data-related services and the volume and value of financing transactions may decrease, which in turn would reduce the demand for our data services and consulting services, and the price competition among service providers may become more intense. Similarly, under adverse general economic and market conditions in China, our customers may reduce their marketing spend and may have less incentive to obtain equity investment-related knowledge and qualifications, which will impact their demand of our marketing services and training services. Specifically, our profitability would be adversely affected due to our relatively fixed costs and the possibility that we may be unable to reduce our variable costs without reducing revenue or within a timeframe sufficient to offset any decreases in revenue relating to changes in market and economic conditions.

In addition, the future economic and market climate may deteriorate due to a variety of factors that are beyond our control, such as a general slowdown of economic growth globally or in China, volatility in security markets, volatility and tightening of liquidity in credit markets, volatility or significant realignments in currency markets, increases in interest rates, inflation, corporate or sovereign defaults, natural disasters, terrorism or political uncertainties. The occurrence of any of the foregoing could reduce our customers' demands in our services, and materially and adversely affect our business, results of operations and financial condition.

If we fail to maintain the comprehensiveness, accuracy and reliability of our database, our reputation could be damaged and we could experience reduced demand for our services.

Our data capabilities lie at the foundation of our business operations. The success of our data service offerings depends on our customers' confidence in the comprehensiveness, accuracy and reliability of the data we provide. However, establishing and maintaining an accurate and reliable database can be challenging, especially in light of the comprehensive coverage of our PEdata Database and the limited access to, or availability of, reliable data from third-party or government sources. We also need to update our PEdata Database frequently to ensure timeliness. The usefulness of our data services largely depends on the reliability of the data we employ as well as the relative weight we assign to different data points that factor in our research and analysis processes.

To provide our customers with comprehensive, accurate and reliable data, we have built our PEdata Database primarily through our internal professional data collection team, who is responsible for collecting data through public records and questionnaires distributed to various institutions in the industry, and verifying such data to ensure authenticity and reliability. However, we cannot assure you that the data collected will not be outdated, inaccurate or incomplete, nor our in-house methods and techniques for data filter, consolidation and organization will not be flawed or defective. In addition, we face fierce competition for qualified data collection and analytics personnel in a limited pool of high-quality talents. Our competitors include well-capitalized companies that are capable of offering more attractive compensation packages. If we are not able to compete effectively for talents or attract and retain top talents at reasonable costs, our data collection and analytics capabilities would be negatively impacted. Any deterioration in our in-house data research and analytics capabilities, inability to attract creative

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talents at reasonable costs or losses in personnel may materially and adversely affect our business, results of operations and financial condition.

If our PEdata Database or our analytical results are not current, accurate, comprehensive or reliable, our reputation could be damaged and we could experience reduced demand for our services or even face legal claims brought by our customers, which could materially and adversely affect our business, results of operations and financial condition.

We could be negatively impacted if our big data analytics capabilities are damaged.

We rely on our big data analytics capabilities to improve and upgrade our PEdata Database and other service offerings, which in turn affect our ability to attract and retain customers. For our PEdata Database, we collect massive unstructured raw data through questionnaires distributed and extract useful information from public records. Our online information platforms use file log collection to gather data such as browsing preferences. We utilize our proprietary data wash models to filter and consolidate data and in-house data structuring system to analyze, summarize and classify data, in order to deliver attractive data services to our subscribers and target audiences. We have also developed data models and algorithms to streamline our data analytics process and ensure against mistakes.

We have made substantial investments in ensuring the reliability and effectiveness of our big data analytics capabilities. However, we cannot assure you that our data will not be damaged or lost due to technical errors, security breaches or hacking incidents. Nor can we assure you that our relevant models and systems will be effective at all times. Any errors in our data services may lead us to produce content that fail to attract target audiences or satisfy the requirements of our customers. If this were to happen, we may be unable to compete effectively with our competitors, and our business, results of operations and financial condition may be materially and adversely affected.

In addition, with the data volume increasing, our models and systems must conduct increasingly complex processing and analyzing tasks. To the extent our proprietary models and systems fail to accurately analyze relevant data and information, or experience significant errors or defects, our customers will become dissatisfied with our services, which could make our platform less attractive to them, result in damages to our reputation and a decline of our market share, and materially and adversely affect our business, results of operations and financial condition.

The success of our business depends on our ability to maintain and enhance our brand.

We believe that maintaining and enhancing our “Zero2IPO” brand is of significant importance to the success of our business. Our operational and financial performance is highly dependent on the strength of our well-recognized brand, which is critical for forging long-term relationships with China’s investors, entrepreneurs and growth enterprises, and governmental agencies at low customer acquisition cost. However, we cannot assure you that we will be able to maintain and enhance our brand and remain our leadership position in China’s equity investment service industry.

In addition, negative publicity about us, our services, operations and our management could threaten the perception of our brand. We may receive negative publicity, including negative Internet and blog postings about our Company, our business, our management, our services or our affiliates. Such negative publicity may come from malicious harassment or unfair competition acts by third parties. We may even be subject to government or regulatory investigation as a result of such negative publicity and may be required to spend significant time and incur substantial costs to

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defend ourselves, and we may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Harm to our reputation and customer confidence can also arise for many other reasons, including misconduct of our employees or any third parties we conduct business with. As a result, our brand may suffer in the marketplace, our operational and financial performance may be negatively affected and the price of our Shares may decline.

We may be unable to maintain and effectively utilize our network among various participants in China's equity investment industry.

We have built a business network for all participants in China's equity investment industry, such as investors, entrepreneurs and growth enterprises, and government agencies. Our ability to maintain such network and create strong network effects among industry participants is critical to our success. The extent to which we are able to maintain and strengthen the attractiveness of our network depends on our ability to offer a mutually beneficial platform for all participants, including facilitation of meaningful networking opportunities and establishment a vibrant and self-reinforcing community for investors, entrepreneurs and other industry participants. To this end, we need to, among others, maintain the quality of our services, develop attractive opportunities and provide other benefits for industry participants, and expand the scope and scale of our network.

Changes made to enhance our network may be viewed positively by one participant but may have negative effects upon another. If we fail to maintain and strengthen the attractiveness of our network or our efforts to maintain and utilize such network to promote our services are not effective, we will be unable to retain and attract industry participants to our network and benefit from the network effects, which could materially and adversely affect our business, results of operations and financial condition.

Our results of operations are subject to seasonal fluctuations.

We have experienced, and expect to continue to experience, seasonality in our business. In particular, we generally organize more offline industry events towards year ends in accordance with market practice and customer demands, which leads to a higher level of revenue in the second half of each year. In the six months ended December 31, 2017, 2018 and 2019, our revenue was RMB99.8 million, RMB124.0 million and RMB122.5 million, respectively, representing 77.1%, 75.5% and 73.2% of our total revenue in 2017, 2018 and 2019, respectively. Other seasonal trends that affect us or China's equity investment service industry as a whole may develop, and current seasonal trends may become more apparent, all of which would contribute to fluctuations in our results of operations. As a result, historical patterns of our results of operations may not be indicative of our future performance, and period-to-period comparisons of our results of operations may not be meaningful. Our results of operations in future quarters or years may fluctuate and deviate from the expectations of market analysts and investors, and any occurrence that disrupts our business during any particular quarter could have a disproportionately material adverse effect on our liquidity and results of operations.

We may not be able to successfully compete with our competitors, which could materially and adversely affect our business, results of operations and financial condition.

The equity investment service industry in China is becoming increasingly competitive, and we expect it to remain so. According to the CIC Report, we compete primarily with other equity investment service providers including data service providers, online advertising service providers, offline event service providers, consulting service providers, training service providers, etc. As China's equity investment service industry continues to evolve and grow, we may face increased

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competition from new market entrants. We compete based on a number of factors, including industry experience and insights, ability to adapt to evolving needs of our customers, brand recognition, network, price, breadth of services offered, level of service integration and technology capabilities. If we fail to compete effectively against our competitors, our business, results of operations and financial condition would be materially and adversely affected.

Our competitors may operate with different business models, have different cost structures, participate selectively in different market segments or offer a wider range of products and services. They may ultimately prove more successful or more adaptable to new regulatory, technological and other developments. Some of our current and potential competitors may have significantly more financial, technical, marketing and other resources than we do and may be able to devote greater resources to the development, promotion, sale and support of their products and services. Our competitors may also have longer operating histories, more extensive customer base, greater brand recognition and broader partner relationships than us. Additionally, a current or potential competitor may acquire one or more of our existing competitors or form a strategic alliance with one or more of our competitors. Our competitors may also from time to time solicit our employees in order to compete in each of our business lines; and certain of our services are newly developed and may fail to compete effectively and achieve market adoption.

If we are unable to compete effectively with our competitors, we could experience a decline of our market share, which in turn would materially and adversely affect our business, results of operations and financial condition.

Our customers with rapidly evolving business may face inherent risks and uncertainties, which could adversely affect their demands for our services.

We are dedicated to serving, among others, entrepreneurs and growth enterprises and investors, whose businesses and prospects are constantly changing and rapidly evolving. As China has witnessed significant economic development and transformation in recent years, an increasing number of innovative business models have emerged, which further contributes to China's economic growth and the prosperity of the equity investment industry. However, there are significant risks and uncertainties with respect to the growth and sustained profitability of these emerging businesses. The short-term growth of new businesses may not be as fast as we expect, while the long-term viability and prospects of new business models remain relatively untested. Our future business, results of operations and financial condition will depend on the development of these new businesses and the performance of our customers, which is in turn subject to the following factors:

- our customers' ability to enhance their existing products and services, to introduce new products and services that meet market preferences, and to expand their markets;
- the complex regulatory landscape and governmental measures affecting the emerging businesses in China;
- our customers' ability to incorporate technological advancements and predict and adapt to market changes;
- the appeal of the new businesses to continue to attract, retain, manage and motivate the key talents; and
- the global and domestic economic fluctuations and market trends.

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Most of these factors are beyond the control of our customers and ourselves. For example, if new regulatory measures impose strict licensing requirements on emerging businesses in which our customers operate, they may incur substantial cost in obtaining the requisite licenses and suffer declines in their profits. Moreover, if they are unable to meet the licensing requirements, they may be compelled to discontinue successful business operations, or be subject to warnings, fines and confiscation of gains. Such significant business interruptions may reduce our customers' demand for our services, and therefore, materially and adversely affect our business, results of operations and financial condition.

We cooperate with a third party to distribute video contents for our SandHill University and any deterioration of our relationships may materially and adversely affect our operations.

A significant portion of our existing course offerings on SandHill University are in the form of online video clips. We have cooperated with an Independent Third Party, a holder of a License for Online Transmission of Audio-Visual Programs (信息網絡傳播視聽節目許可證), to distribute video contents on SandHill University. See “Business — Our Services — Training Services — SandHill University” for more detail. As confirmed by our PRC Legal Advisors, such cooperation arrangement does not violate the applicable PRC laws and regulations. Since such third party is the holder of such license, we cannot assure you that such third party will not violate any law or regulation that may result in the revocation or termination of the license. Moreover, we cannot assure you that we will be able to maintain our relationships with such third party in a manner to ensure our ongoing reliance on such license. If our relationships deteriorate, we may not be able to provide our online course offerings under such cooperative arrangement, or find competent substitutes on commercially reasonable terms, if at all, in which case our business, results of operations, financial condition and prospects may be materially and adversely affected.

The implementation of our expansion plan may not be successful and may lead to increases in our costs and expenses, which may adversely affect our profitability, business, results of operations and financial condition.

As part of our growth strategies, we intend to, among others, expand our geographical coverage in China and globally. Specifically, we intend to use (1) approximately 39.4% of the net proceeds, or HK\$140.2 million, to expand our services into seven of China's major second-tier cities and around 40 lower-tier cities; (2) approximately 5.6% of the net proceeds, or approximately HK\$20.1 million, to scale our services into overseas emerging markets, such as Southeast Asia and India; and (3) approximately 9.9% of the net proceeds, or approximately HK\$35.2 million, to enhance our sales and marketing efforts. See “Business — Our Growth Strategies” and “Future Plans and Use of Proceeds.” There is no assurance that we can successfully implement such strategies to capture the market demand or that such strategies can be implemented according to our proposed schedules and estimated costs, due to various factors, such as the sufficiency of financial resources, and our ability to employ sufficient and competent personnel. In addition, benefits to be generated from such expansion plan, such as increase in revenue, may not be as expected due to factors beyond our control, such as changes in general market conditions and customer demands, the economic and political environment in the areas and countries where we intend to expand into. Furthermore, in carrying out our expansion plan, we expect to incur additional costs and expenses, such as employee benefit expenses, selling and marketing expenses, rental expenses and depreciation and amortization. Our plan to strengthen our sales and marketing

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efforts through online advertisement placements and sales and marketing employee recruitment is also expected to result in an increase in our selling and marketing expenses. Such factors may cause a delay in realizing the benefits of our expansion plan and an increase in our overall costs and expenses, or even prevent us from generating sufficient earnings to cover the costs and hence, our results of operations, in particular our profitability, may be adversely affected.

The continued expansion of our business may also place significant strain on our managerial, operational, technological, financial and other resources. To manage and support our growth, we may need to improve our existing operational and administrative systems, improve our financial and management controls, and enhance our ability to recruit, train and retain additional qualified personnel. All of these endeavors will require substantial attention and time from management and may incur significant additional expenditures. We cannot assure you that we will be able to manage our future growth effectively and efficiently, and our ability to capitalize on new business opportunities may be materially and adversely affected if we fail to do so, which could in turn materially and adversely affect our business, results of operations, financial condition and prospects.

In view of the above-mentioned uncertainties, there is no assurance that our expansion plan will materialize, or be completed by the predetermined timeframe, or that our objectives will be fully or partially achieved. In the event that we fail to implement our expansion plan as planned, or our expansion plan fails to achieve expected benefits, our profitability, results of operations and financial condition may be materially and adversely affected.

Our improvements of our existing services and introduction of new services may not be successful or may fall short of expected results.

Our success depends in large part on our ability to improve our existing services, introduce new services and enhance our market competitiveness. The success of any improvement or new service depends on a number of factors, including actual performance, pricing level, market competition, industry trend and customer demand, many of which are beyond our control. Our future plans to improve our existing services and introduce new services, including among others, upgrading our PEdata Database and Deal-Market, enriching our online service offerings, extending the reach of certain offline services by establishing online platforms for our offline industry events and Investment College. See “Business — Our Growth Strategies” for more details.

However, our future plans may require us to devote significant financial and managerial resources, and we cannot assure you that we will achieve our goals to successfully improve our existing services and achieve market acceptance of our new services, which could compromise our ability to serve our users and customers effectively. If our equity investment services become less attractive to existing and potential users and customers, our business, results of operations and financial condition may be materially and adversely affected.

Increases in employee benefit expenses may adversely affect our business and results of operations.

Employee benefit expenses is a key component of our costs and expenses, which consisted of salaries, bonuses, social insurance and other benefits paid to our employees. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our employee benefit expenses amounted to RMB59.3 million, RMB69.5 million, RMB69.6 million, RMB32.4 million and RMB27.7 million, respectively. See “Financial Information — Key Factors Affecting Our Results of Operations — Our Ability to Effectively Control Our Costs and Expenses” for a sensitivity analysis illustrating the impact of hypothetical fluctuation in our employee benefit expenses on our profit before income tax with other variables held constant during the Track Record Period. As we scale up our

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business operations, we expect that our employee benefit expenses will increase in absolute terms. Moreover, China's economy has experienced increases in labor costs in recent years. China's overall economy and the average compensation level in China are expected to continue to grow, leading to increased average compensation level for our employees. If we fail to grow our business and revenue to outpace the increase in our employee benefit expenses, our profitability, results of operations and business prospects would be materially and adversely affected.

If we fail to help facilitate the brand-building and networking of the sponsors and participants of our offline industry events due to factors beyond our control, our operational and financial results might suffer.

Sponsors and participants are attracted to our offline industry events due to the brand-building and networking prospects. The brand-building and networking results at our offline industry events might fail to meet the expectation of those sponsors and participants due to factors beyond our control, including among others, changes in the regulatory environment, a downturn or unfavorable development in the equity investment industry in China, overall domestic or global economic downturn and the resulting decrease in investment ability and willingness, and contingencies that occur on event dates such as inclement weather or sudden public security measures which affect our ability to host the events effectively, or at all. Other factors may also affect our ability to host satisfactory offline industry events, such as conflicts with other local events, road traffic control, outbreaks of contagious disease or the potential for infection, or acts of nature, such as earthquakes, storms, and typhoons. If we fail to help facilitate the brand-building and networking of offline industry event sponsors and participants, they might be less inclined to participate in our future events, which could materially and adversely affect our business, results of operations and financial condition.

We are exposed to credit risk in relation to our contract assets and accounts receivable.

Our contract assets represented our right to consideration in exchange for services transferred to our customers. When our right to consideration becomes unconditional, we reclassify the contract assets to accounts receivables. We had contract assets of nil, nil, RMB9.2 million and RMB13.0 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, we recorded impairment loss provided for our contract assets of nil, nil, RMB93,000, RMB46,000 and RMB38,000, respectively. Our accounts receivable primarily consisted of amounts due from our customers in connection with our customized reports, customized events and customized training services. For these services, we generally are entitled to receive payments from customers after service delivery and receipt of certain forms of acceptance from customers, and the timing of payments varies upon contract terms, service type and our evaluation of customers' creditworthiness. We had accounts receivable of RMB12.2 million, RMB20.7 million, RMB18.1 million and RMB16.9 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, we recorded impairment loss provided for our accounts receivable of RMB47,000, RMB391,000, RMB443,000, RMB225,000 and RMB365,000, respectively.

We cannot assure you that we will be able to receive the full amount of contract assets for our works as our services may not be fully accepted by our customers. We are also exposed to the risks that our customers may delay or even be unable to pay us in accordance with the payment terms included in our agreements. Although we closely monitor our outstanding contract assets and accounts receivable, we cannot assure you that we will be able to fully recover the outstanding amounts in a timely manner, or at all. In addition, as our business continues to scale up, our contract assets and accounts receivable may continue to grow, which may increase our credit risk

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exposure. Any significant delay in payment or default by our customers could affect our liquidity and cash flows, which may in turn materially and adversely affect our results of operations and financial condition.

Our failure to honor our obligations may lead to our refund obligation, customer dissatisfaction, or even customers' disputes with us, which may adversely affect our reputation, business, results of operations and financial condition.

Customers for customized reports, offline industry events and offline course offerings generally prepay us a majority of the total contract values upon signing. For subscription-based services, such as PEdata Database, Deal-Market and SandHill University, our customers prepay us the full-amount subscription fees before receiving services, for which we recognize revenue over the subscription period. Our contract liabilities primarily consisted of these prepayments. We had contract liabilities of RMB40.0 million as of June 30, 2020. As of the same date, we had cash and cash equivalents of RMB47.2 million.

Our contract liabilities are generally not refundable. However, if we fail to honor our obligations in respect of our contract liabilities, customers may request to cancel their agreements with us or ask for a partial or full refund, which may lead to our refund obligation, customer dissatisfaction or even customers' disputes with us. In the event that we are required to refund some or all of the prepayments from our customers pursuant to the contract provisions, we may not have the cash or other available resources to fulfill the refund obligation. Even if we are able to fulfill the refund obligation from available resources (including potentially a portion of the net proceeds of this Global Offering), we may need to seek additional sources of capital to fund our operations, which funding may not be available when needed or on acceptable terms. In either of those circumstances, our business, results of operations, financial condition and reputation may be materially and adversely affected. Furthermore, in the future, customers may elect not to prepay us for our services in which case we would have to find other sources of funding for our operations, capital expenditures and expansion plans, which would be costly as compared to the aforementioned cost-free customer prepayment funding and which may not be available when needed or on acceptable terms.

We may be held liable for injuries to individual participants of our offline industry events, which may materially and adversely affect our reputation, business, results of operations and financial condition.

We take event security seriously, and make every effort to ensure the safety of the participants during our offline industry events, such as industry-wide forums and outdoor challenges. However, we cannot guarantee that no physical injury will occur during our offline industry events, for which we could be held liable. Under the PRC laws and regulations, the organizer of a large-scale group activity shall bear tort liability for damages to a third party arising from such organizer's failure to fulfill its security obligations. If the act of a third party results in damage to others in a large-scale group activity, the organizer that failed to fulfill security obligations shall also bear supplementary liability. Therefore, we might face negligence claims alleging that we fail to maintain our facilities or to supervise our employees.

In addition, if any participants of our offline events commit acts of violence, we could also face allegations that we failed to provide adequate security or were otherwise responsible for his or her actions. Additionally, our offline events may be perceived to be unsafe, which may discourage prospective sponsors, participants and media partners from attending. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

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If we fail to provide high-quality content on our online information platforms in a timely manner, we may not be able to attract or retain users and customers, and our business, results of operations and financial condition will be materially and adversely affected.

As part of our marketing services, we operate online information platforms, providing high-quality content including timely industry updates as well as perceptive views on trending issues and prominent industry participants. Our success depends, in part, on our ability to generate sufficient user traffic on our platforms through continuous provision of high-quality content with a focus on venture capital and early-stage entrepreneurship. We need to further enrich our content by producing and sourcing new high-quality content in a cost-effective and timely manner. Furthermore, we need to anticipate and quickly respond to changing user preferences and market trends in relevant industries. If we fail to cater to the needs and preferences of our users or deliver high-quality content in an efficient manner, we may suffer from reduced user traffic. At the same time, spam or excessive advertisement could impact user experience on our platforms, which could damage our reputation and deter visits to our platforms. If we are unable to grow our user base or increase user engagement, our platforms will become less attractive to potential customers, especially online marketing customers. As a result, our business, results of operations and financial condition may be materially and adversely affected.

Content from third-party professionals, such as reputable experts, research institutes and key opinion leaders, constitutes a meaningful part of our online content offerings, and we intend to continue to attract and explore new partnerships with third-party professional content providers. If we fail to maintain our relationship with them, or they fail to provide content of satisfactory quality upon terms commercially acceptable to us, we may lose a significant portion of high-quality content offerings, and as a result our brand and operations could be materially harmed.

Our business could suffer if we are unable to retain or hire quality in-house writers and editors.

We maintain a professional in-house content creation team to create high-quality original content. We intend to continue to invest resources in our in-house writer and editorial team to maintain and improve content creation capabilities. Nevertheless, the demand and competition for talents is intense in our industry, particularly for skilled writers and editors. Therefore, we may need to offer high compensations and additional benefits to maintain a skilled in-house content creation team, which could increase our expenses. If we fail to compete effectively for talents, or to retain existing writers or editors, or fail to otherwise maintain an in-house content creation team at reasonable costs, our in-house content creation capabilities would be negatively affected. If we are unable to offer high-quality original content in a cost-effective manner, our user experience may be adversely affected, and we may suffer from reduced user traffic. Our business, results of operations and financial condition may be materially and adversely affected as a result.

Our business, prospects and financial results may be affected by our relationship with third-party platforms.

We distribute certain of our content through our accounts on leading third-party Internet and social networking platforms, such as WeChat, Weibo and Toutiao. These third-party platforms enable us to effectively extend our user reach and enhance our influence. To the extent that we fail to leverage such third-party channels, our ability to attract or retain users may be harmed. If our

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relationship with these third-party platforms deteriorates or is terminated or we fail to establish or maintain relationships with them on commercially viable terms, we may not be able to quickly locate alternative channels. As a result, the aforementioned circumstances may limit our ability to continue growing our user base and have a material adverse effect on our business, results of operations and financial condition.

If the content provided on our online information platforms is deemed to violate any PRC laws or regulations, our business, results of operations and financial condition may be materially and adversely affected.

Relevant PRC authorities have enacted regulations governing Internet access and the distribution of information over the Internet. Under these regulations, Internet content providers are prohibited from posting or displaying over the Internet content that, among other things, violates PRC laws and regulations, impairs the national dignity of China or the public interest, or is obscene, superstitious, fraudulent, violent or defamatory. Internet content providers are also prohibited from displaying content that may be deemed by relevant government authorities as leaking “state secrets” or endangering national security of China, etc. If the PRC regulatory authorities were to take any action to limit or prohibit the distribution of information through our platform or our services, or to limit or regulate any current or future content or services available to users on our platform, our business could be adversely harmed.

Failure to identify and prevent illegal or inappropriate content from being distributed on our platforms may subject us to liability. To the extent that PRC regulatory authorities find any content on our platforms objectionable, they may require us to limit or eliminate the dissemination of such content on our platforms in the form of take-down orders or otherwise. In addition, PRC laws and regulations are subject to interpretation by the relevant authorities, and it may not be possible to determine in all cases the types of content that could result in our liability as a platform operator.

Advertisements on our platforms may subject us to penalties and other administrative actions.

We provide online advertising services primarily in the forms of banners and advertorials. Under PRC advertising laws and regulations, we are obligated to monitor the advertising content shown on our platforms to ensure that such content is true, accurate and in full compliance with applicable laws and regulations. To fulfill these monitoring functions, we generally include clauses in our online advertising agreements requiring that all advertising content provided by our customers must comply with relevant laws and regulations. Under PRC law, we may have claims to enforce such clauses against our customers in respect of their advertisements which have caused damages to us. Violation of these laws and regulations may subject us to penalties, including fines, confiscation of our online advertising income, orders to cease dissemination of the advertisements and orders to publish an announcement correcting the misleading information. See “Regulatory Overview — Regulations on Online Advertising Services.” A portion of the advertisements shown on our platforms are provided to us by third parties. Although we have implemented automated and manual content monitoring systems and significant efforts have been made to ensure that the advertisements shown on our platforms are in compliance with applicable laws and regulations, we cannot assure you that all the content contained in such advertisements is true, accurate and legitimate as required by the advertising laws and regulations, especially given the uncertainty in the application of these laws and regulations. The inability of our systems and procedures to adequately and timely discover such evasions may subject us to regulatory penalties or administrative sanctions.

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In addition, pursuant to relevant PRC advertising laws and regulations, Internet advertisements may not affect users' normal Internet use and Internet pop-up advertisements must display a "close" sign prominently and ensure one-click close. All Internet advertisements are also required to be marked with the word "advertisement" so that viewers can easily identify them as such. Otherwise, relevant regulatory authorities may order the online advertising service providers to rectify within a certain time limit and/or impose a fine of no more than RMB100,000. During the Track Record Period, we published certain Internet advertisements without including the word "advertisement" and we have not received any notice warning or been subject to any administrative action as a result. As of December 31, 2017, we had fixed the aforementioned advertisement display to comply with the relevant regulatory requirements. According to Law of the People's Republic of China on Administrative Penalty, where an illegal act is not discovered within two years of its commission, administrative penalty shall no longer be imposed, except as otherwise prescribed by law, and the period of time prescribed shall be counted from the date the illegal act is committed; if the act is of a continual or continuous nature, it shall be counted from the date the act is terminated. In 2017, 2018, 2019 and the six months ended June 30, 2020, our revenue generated from Internet advertisements without including the word "advertisement" was RMB139,151, nil, nil and nil, respectively. However, we cannot assure you that we will not be subject to any administrative actions, nor that we will be able to be in full compliance with such requirements in future.

As of the Latest Practicable Date, we have not been subject to material penalties or administrative sanctions under the advertising laws and regulations in the PRC. However, we cannot assure you that we will not be found to be in violation of applicable PRC advertising laws and regulations, as well as be subject to penalties sanctions in the future. If it were to happen, our business, results of operations and financial condition could be materially and adversely affected.

Our consulting business is dependent on our ability to identify, execute and complete projects successfully and is subject to various risks.

The transactions that we generally advise on, including equity and debt financing, as well as mergers and acquisitions, may be subject to review and approvals by various regulatory authorities. The results and timing of necessary regulatory approvals are beyond our or involving parties' control. Any failure to obtain the necessary regulatory approvals for these transactions in a timely manner may cause substantial delays to, or even the termination of, relevant transactions. In addition, the successful conclusion of transactions depends upon a number of other factors, such as market trends and investors' decisions, many of which are beyond our control. We generally charge consulting fees or commissions based on a certain percentage of the deal size, and we are generally entitled to receive payment of such fees or commissions only after the successful completion of the relevant transaction. If a transaction is not completed as scheduled or at all for any reason, we may not be able to receive fees or commissions for services that we have provided in a timely manner or at all, which could materially and adversely affect our business, results of operations and financial condition.

Furthermore, we may face increasing challenges in terms of deal execution, customer development, pricing and legal risks in light of the constantly evolving regulatory framework and the market conditions. If we are unable to adapt our business strategies to such economic and legal challenges, we may not be able to compete effectively, which could in turn materially and adversely affect our business, results of operations and financial condition.

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The due diligence that we undertake in the course of our business operations is inherently limited and may not reveal all facts that may be relevant.

In the course of providing consulting services, we endeavor to conduct due diligence review that we deem reasonable and appropriate based on relevant regulatory and market standards, as well as the facts and circumstances applicable to each deal. When conducting due diligence, we are often required to evaluate critical and complex business, financial, tax, accounting, environmental, regulatory and legal issues. Outside consultants, such as legal advisors and accountants, may be involved in the process in varying degrees depending on the type of deal. Nevertheless, when conducting due diligence and making an assessment, we are limited to the resources available, including information provided by the potential customers and, in some circumstances, third-party investigators. Our due diligence may not reveal or highlight all relevant facts and issues that may be necessary or helpful in evaluating potential risks, which may subject us to inaccurate assessment regarding financing opportunities and growth prospects of the potential customers. Moreover, such an investigation will not necessarily result in the successful completion of a deal, which may increase our costs and therefore materially and adversely affect our business, results of operations and financial condition.

If we are not able to continue to retain and attract customers to purchase our course offerings, our business and prospects will be materially and adversely affected.

Our ability to continue to attract customers to purchase our course offerings are critical to the continued success and growth of our training services. This in turn will depend on several factors, including our ability to engage high-level industry practitioners as our instructors, continue to develop, adapt or enhance quality of our course offerings to meet the evolving demands of our existing or prospective customers, and effectively market our course offerings and enhance our brand awareness to a broader base of prospective customers. We may not always be able to meet our customers' expectations due to a variety of reasons, many of which are outside of our control. We may face customer dissatisfaction due to our customers' perceptions that we fail to help them achieve their learning goals, as well as our customers' overall dissatisfaction with the quality of our course offerings and our instructors. We must also manage our growth while maintaining consistent and high course quality, and respond effectively to competitive pressures. If we are unable to continue to retain and attract customers to purchase our course offerings, our revenue for training services may decline, which may have a material adverse effect on our business, results of operations and financial condition.

We may not be able to maintain or increase our course fee level.

Our revenue generated from training services are affected by the pricing of our training courses. We determine our course fees primarily based on the demand for our courses, the cost of our operations, the course fees charged by our competitors, our pricing strategy to gain market share and general economic conditions in the PRC. Leveraging our long-standing industry expertise and comprehensive course offerings, we offer high-end equity investment training services and charge premium fees comparable to trainings services of the same category for our courses, according to the CIC Report. For example, during the Track Record Period, we generally charged a tuition ranging from RMB129,000 to RMB198,000 per customer for each course series of our SandHill College, while the majority of equity investment training service providers charged fees ranging from RMB20,000 to RMB100,000 per customer for each offline course series, according to the CIC Report. Although we charge premium course fees for our courses compared with the majority of the equity investment training service providers, we cannot guarantee that we will be able to maintain or increase our course fees in the future without adversely affecting the demand for our training services.

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We may not be able to timely develop our courses in a cost-effective manner to make them appealing to existing and prospective customers, or at all.

As our training courses cover topics regarding China's rapidly evolving equity investment industry, we work closely with our instructors on developing, updating and improving our course materials to stay abreast of the latest development trends in each subsector of the industry. The adjustments, updates and expansions of our existing course content and the development of new course materials may not be accepted by existing or prospective customers. Even if we are able to develop acceptable new course materials, we may not be able to introduce them as quickly as customers require or as quickly as our competitors introduce competing offerings. Furthermore, offering new courses materials or upgrading existing ones may require us to commit significant resources and make significant investments in course content development. If we are unsuccessful in pursuing course content development and upgrading opportunities due to the financial constraints, failure to attract qualified instructors, or other factors, our ability to attract and retain customers could be impaired and our business, results of operations and financial condition could be materially and adversely affected.

We may be subject to liability claims for any inappropriate or illegal content in our courses and any misconduct of our instructors or employees, which could cause us to incur legal costs and damage our reputation.

We implement strict monitoring procedures to remove inappropriate or illegal content in our courses. However, we cannot assure you that there will be no inappropriate or illegal materials included in our offline or online courses. Therefore, we may face civil, administrative or criminal liability if an individual or corporate, governmental or other entity believes that the content of our courses violates any laws, regulations or governmental policies or infringes upon its legal rights. In addition, in the event of accident or injuries or other harm to our customers or other people during our course offerings, including those caused by or otherwise arising from the actions or negligence of our employees or instructors, we could face negligence claims for inadequate security measures or lack of supervision of employees or instructors. Even if such claim is not successful, defending such claim may cause us to incur substantial costs. Moreover, any accusation of inappropriate or illegal content in our courses and any misconduct of our instructors or employees could lead to significant negative publicity, which could harm our reputation and future business prospects.

We are expanding internationally, which could expose us to significant risks.

We plan to expand our operations into select emerging markets over time, such as Southeast Asia and India. See "Business — Our Growth Strategies — Explore emerging markets overseas." Any new markets or countries into which we attempt to promote our services may not be receptive. For example, we may not be able to expand into certain markets if we are not able to satisfy certain government- and industry-specific requirements. In particular, the escalated tension between China and India caused by disputed borders since June 2020 has led to suspensions in Sino-Indian trade as well as restrictions on and boycott against Chinese products and investment, including mobile applications, which may hinder our intended expansion into India. In addition, our ability to manage our business and conduct our operations internationally in the future may require considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal and regulatory systems, alternative dispute systems and commercial markets. Future

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international expansion will require investment of significant funds and other resources. Operating internationally subjects us to new risks and may increase risks that we currently face, including risks associated with:

- recruiting and retaining talented and capable employees and maintaining our company culture across all of our offices;
- providing our equity investment services and operating our business across a significant distance, in different languages and among different cultures, including the potential need to modify our services to ensure that they are culturally appropriate and relevant in different countries;
- complying with applicable international laws and regulations, including laws and regulations with respect to privacy, data protection and consumer protection, and the risk of penalties to us and individual members of management or employees if our practices are deemed to be out of compliance;
- operating in jurisdictions that have laws on the protection of intellectual property rights different from those in China, and the practical enforcement of our intellectual property rights outside China;
- collaborating with partners outside China;
- higher costs of doing business internationally, including increased accounting, travel, infrastructure and legal compliance costs;
- foreign exchange controls that might require significant time in setting up operations in certain geographic territories and might prevent us from repatriating cash earned outside China;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the income and other tax laws of China and the international jurisdictions in which we operate;
- changes in diplomatic and trade relationships, including the imposition of new trade restrictions, trade protection measures, import or export requirements, trade embargoes and other trade barrier;
- compliance by us and our business partners with anti-corruption laws, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory limitations on our ability to provide our solutions in certain international markets; and
- potential political and economic instability.

If we are unable to successfully execute our international expansion plan and manage the complexity of our international operations, our business, results of operations and financial condition could be materially and adversely affected.

Our technology infrastructure may experience unexpected system failure, significant interruptions or security breaches, which could adversely impact our operations and harm our business.

Our technology infrastructure has experienced, and may in the future experience performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. In particular, we leverage our PEdata Database to offer easy-to-navigate access to industry data on equity investment. In addition, we have maintained data systems in place

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to store PEdata Database's underlying data, data service-related collective knowledge, as well as information on industry ranking services' candidates, and training services' instructors and customers of our diverse service lines. We intend to continuously improve and upgrade our data systems in order to maintain the usefulness and attractiveness of our services to our customers. However, we cannot assure you that we will be successful in executing these system improvement and upgrade strategies. Our systems may experience interruptions or longer response times during upgrades and new technologies or infrastructures may also not be fully integrated or functional with the existing systems on a timely basis or at all, all of which could have an adverse impact on customer experience. For example, as the number of users and the amount of data we collect and present increase, we may be required to expand and adapt our technology infrastructure to continue to reliably collect and analyze data and deliver our PEdata Database. If our users are unable to access our PEdata Database during downtime caused by our regular upgrades or other events, users may become frustrated and seek other channels for their data needs, and may not return to our PEdata Database or use our PEdata Database as often in the future. This would negatively impact our ability to attract users and maintain high level of user engagements. Our growing operations will also place increasing pressure on our servers and network capacity as we further expand our online platforms and improve our internal operational systems. In addition, depreciation and amortization expenses in relation to our technology infrastructure may increase if we purchase new software or hardware for its improvement or upgrades.

In addition, we rely on third-party service providers for certain key aspects of our network infrastructure, such as cloud storage service providers and server hosting service providers. Furthermore, due to the nature of our business, we highly depend on the performance and reliability of the Internet infrastructure in areas where we operate, which is maintained by telecommunications carriers. Any disruption or other problems with these services are out of our control and may be difficult for us to remedy. The resulting interruption of our ability to provide products and services to our customers would harm our business and reputation.

We expect to continue to make significant investments to our technology infrastructure. To the extent that our disaster recovery systems are not adequate, or we do not effectively address capacity constraints, upgrade our systems as needed and continue to develop our technology and network architecture to accommodate increasing user traffic and growing business needs, our business, results of operations and financial condition could be materially and adversely affected.

Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business, reputation and competitive edge.

Intellectual property is crucial to our competitiveness and success. Unauthorized use of our intellectual property may adversely affect our business and reputation. We rely on a combination of contractual restrictions, confidentiality procedures, and intellectual property registrations to protect our intellectual property rights. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain or use our intellectual property, including seeking court declaration that they do not infringe upon our intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly, and the steps we have taken may not fully prevent misappropriation of our intellectual property. In particular, third parties may misappropriate our data and other content offered on our online platforms through website scraping, robots or other means and aggregate this data on their websites with data from other companies. In addition, "copycat" websites may misappropriate our data and other content and attempt to imitate our brands or the functionalities of our online platforms. We may not be able to detect all such websites in a timely manner and, even if we could, technological measures may be insufficient to stop their operations, and could require us to expend significant financial or other

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resources. Furthermore, the practice of intellectual property rights enforcement action by Chinese regulatory authorities is at its early stage of development and is subject to significant uncertainty. We may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources, and thus may adversely affect our business. In addition, there is no assurance that we will be able to enforce our intellectual property rights effectively or otherwise prevent others from the unauthorized use of our intellectual property. Failure to adequately protect our intellectual property could materially and adversely affect our brand name and reputation, and our business, results of operations and financial condition.

Third parties may claim that we infringe their proprietary intellectual property rights, which could cause us to incur significant legal expenses and prevent us from promoting our services.

We could be involved in litigation related to allegations of infringement of intellectual property rights. For example, third parties may claim that our data offered through PEdata Database, research reports, content offerings on our online information platforms, course offerings of our training services, and other services we offer infringe their proprietary rights. While we screen content offered in our service offerings to avoid potential intellectual property right infringement, we may not be able to identify all instances of infringement, especially those arising from content we source from others. Third parties may claim that, as the service provider delivering such contents, we are also liable for any infringement upon the third parties' rights jointly with the content providers. We typically rely on representations from third-party content providers that their contents do not infringe upon third parties' intellectual property rights and on indemnification should any such representations become inaccurate and we suffer damages as a result, including any damages resulting from third-party claims. However, indemnification may not be adequate in recovering our loss if the contents we deliver indeed infringe upon valid patents, trademarks, copyrights or other intellectual property rights. Moreover, third parties may also claim that the software or technologies we currently use in our business operations infringe their intellectual property rights, which may subject us to potential liabilities.

We have implemented operational protocols to use our best efforts to ensure compliance with intellectual property laws. During the Track Record Period and up to the Latest Practicable Date, no material claims or disputes were brought against us in relation to any infringement of trademarks, copyrights or other intellectual property. However, there can be no assurance that third-party right holders will not assert intellectual property infringement or other related claims against us in the future. Defending against these claims is costly and can impose a significant burden on our management and resources. Such claims may harm our reputation. Any liability or expenses resulting from such claims, or necessary changes to our services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and financial condition.

The performance and reliability of the Internet infrastructure and wireless and landline telecommunications networks in China will affect our operations and growth, including our ability to accommodate prospective customers in the future.

With our principal executive offices located in China, we conduct central management of our database, provide data transmission and communications, and monitor our overall operations, relying on wireless and landline telecommunications networks in China. The national networks in China are connected to the Internet through international gateways controlled by the PRC government, which are the only channels through which a domestic user can connect to the Internet. These international gateways may not support the demand necessary for the continued growth in Internet traffic by users in China. We cannot assure you that the development of China's information infrastructure will be adequate to support our operations and growth. In addition, in

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the event of any infrastructure disruption or failure, we would have no access to alternative networks and services on a timely basis, or at all, which could have a material adverse effect on our business, results of operations and prospects.

Unintended leakage of personal data and confidential information of our customers may materially and adversely affect our reputation and business.

Our business involves the collection, analysis, storage and disclosure of a large volume of data and information and are subject to extensive regulation in this regard. We are required to protect the personal data and confidential information of our customers under applicable laws, rules and regulations. See “Regulatory Overview — Regulations on Privacy Protection” for details. We have implemented protocols to effectively address concerns related to privacy and sharing, and have established a management information system department in charge of the operation, maintenance and security management of our technological infrastructure, as well as encryption protection, data backup and disaster recovery. See “Business — Data Privacy and Protection” for details. However, our security control may not prevent the improper leakage of such personal data and confidential information. Anyone may circumvent our security measures and misappropriate proprietary information or cause interruptions in our operations. A security breach that leads to leakage of personal data and confidential information of our customers, even though anonymized, could still subject us to legal liabilities, regulatory sanctions, reputational damage and loss of customer confidence. We may be required to expend significant capital and other resources to prevent such security breaches or alleviate problems caused by such breaches. As a result, our business, results of operations and financial condition could be materially and adversely affected.

We face risk related to our collection and use of data, which could result in regulatory actions, litigations and negative publicity about privacy and data protection practices.

Our data capabilities are fundamental to our business operation. We face risks inherent in collecting and handling large volumes of data and in protecting the security of such data. We could be subject to attacks to our systems by outside parties or fraudulent or inappropriate behaviors by our employees or business partners. Third parties may also gain access to our data using computer malware, viruses, spamming, phishing attacks or other means. Data breaches or any misconduct during the process of collection, storage and use of data, could result in a violation of applicable data privacy and protection laws and regulations in China, and subject us to regulatory actions, investigations or litigations. We could incur significant costs in investigating and defending against them and we could be subject to negative publicity about our privacy and data protection practices that may affect our reputation in the marketplace. Our potential risk related to our collection and use of data could require us to implement measures to reduce our exposure to liability, which may require us to expend substantial resources and limit the attractiveness of our data and other services to customers.

Non-compliance with law on the part of any third parties with which we conduct business could disrupt our business and adversely affect our results of operations and financial condition.

Third parties with which we conduct business, such as third-party content providers and marketing service customers, may be subject to regulatory penalties or punishments because of their regulatory compliance failures or may be infringing upon other parties’ legal rights, which may, directly or indirectly, disrupt our business. Although we conduct review of legal formalities and certifications before entering into contractual relationships with third parties, and use our best efforts to take measures to reduce the risks that we may be exposed to in case of any non-compliance by third parties, we cannot be certain whether such third party has violated any regulatory requirements or infringed or will infringe any other parties’ legal rights. For example,

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content providers may submit copyrighted content that they have no right to distribute, and we may not be able to identify all instances of copyright infringement. In the event we release content that violates copyrights of a third party on our online platforms, we may be required to pay damages to compensate such third party. Even though we have the contractual right to seek indemnification from the relevant content provider for such payment, there can be no assurance that we will be able to enforce such right. As a result, our business, results of operations and financial condition could be materially and adversely affected. Similarly, advertisement content provided by our customers may also not be in full compliance with applicable laws and regulations.

We cannot rule out the possibility of incurring liabilities or suffering losses due to any non-compliance by third parties. We cannot assure you that we will be able to identify irregularities or non-compliance in the business practices of third parties we conduct business with, or that such irregularities or non-compliance will be corrected in a prompt and proper manner. Any legal liabilities and regulatory actions affecting third parties involved in our business may affect our business activities and reputations, and may in turn affect our business, results of operations and financial condition.

We may be involved in legal proceedings or arbitration claims, and the court ruling or arbitration award may not be favorable to us.

We have been involved, and may continue to be involved, in legal proceedings or arbitration claims during the ordinary course of our business, including but not limited to those in relation to contract disputes between us and our customers. We may also bring legal proceedings against others. During the Track Record Period and up to the Latest Practicable Date, the amounts involved for the then-pending litigations or arbitration claims were immaterial, and we were not involved in any litigation or arbitration proceedings pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our reputation, business, financial condition or results of operations. Therefore, no provision was made for legal proceedings or arbitration claims. However, we cannot assure you that there will not be such proceedings or claims in the future. We may incur enormous legal costs and, if the outcomes of these legal proceedings or arbitration claims are unfavorable to us, we may be confronted with significant legal liabilities, waste enormous legal costs incurred, and/or suffer financial or reputational damages, which may materially and adversely affect our business, financial condition, and results of operations.

We benefit from various forms of government grants, the loss or reduction of which could affect our results of operations.

During the Track Record Period, we received government grants from local governments in relation to their incentive policies for equity investment or our cooperative arrangements with such local governments. See “Financial Information — Key Components of Our Results of Operations — Other Income.” In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our government grants amounted to RMB0.2 million, RMB1.5 million, RMB2.5 million, RMB2.2 million and RMB0.3 million, respectively.

Past government grants are not indicative of what we will obtain in the future. Even though we have enjoyed government grants in the past, we cannot assure you that we will continue to be eligible for government grants or other forms of government supports, or, that if we are eligible, we will continue to obtain the same or similar level of government grants. Any loss of or reduction in government grants could have an adverse effect on our financial condition, results of operations and prospects.

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We are exposed to risks associated with our investment in wealth management products.

During the Track Record Period, we invested certain amounts of cash in wealth management products. As of December 31, 2017, 2018 and 2019 and June 30, 2020, our investment in wealth management products amounted to RMB20.2 million, RMB85.5 million, RMB78.1 million and RMB9.1 million, respectively. The wealth management products we held were primarily structured deposits in licensed commercial banks that are not principal guaranteed and were therefore classified as financial assets measured at fair value through profit or loss. In addition, we have implemented investment and treasury management policies during the Track Record Period. See “Financial Information — Discussion of Certain Items from the Consolidated Balance Sheets — Financial Assets Measured at Fair Value through Profit or Loss — Investment and Treasury Management Policies.”

However, we are subject to the risks that any of our counterparties, such as the banks that issued wealth management products, may not perform their contractual obligations, such as in the event that any such counterparty declares bankruptcy or becomes insolvent. Any material non-performance of our counterparties with respect to the wealth management products we invested in could materially and adversely affect our financial position and cash flow. Furthermore, the wealth management products are subject to the overall market conditions, including the capital markets, which expose us to the risk of valuation uncertainty. Our financial assets measured at fair value through profit or loss as of December 31, 2017, 2018 and 2019 and June 30, 2020 were wealth management products the fair value of which was based on one or more unobservable inputs. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, the fair value change of our financial assets measured at fair value through profit or loss amounted to RMB474,000, RMB2.5 million, RMB3.0 million, RMB1.4 million and RMB810,000, respectively. Any volatility in the market or fluctuations in interest rates may reduce our financial position or cash flow, which, in turn, could materially and adversely impact our financial condition. In addition, general economic and market conditions affect the fair value of these wealth management products. Any material declines in the fair value of these investments may have a material adverse effect on our financial condition.

The discontinuation of any preferential tax treatments available to us in China could adversely affect our results of operations and financial condition.

Under PRC tax laws and regulations, certain of our subsidiaries enjoyed preferential income tax benefits. Shanghai Qingyou Enterprise Management Consulting Co., Ltd. and Hainan Qingyou Management Consulting Co., Ltd. were qualified as small and micro-enterprises in 2018 and 2019. According to a preferential tax treatment jointly issued by the Ministry of Finance and the State Administration of Taxation, or the SAT, of the PRC on July 11, 2018, from January 1, 2018 to December 31, 2020, small and micro-enterprises with an annual assessable profit of less than RMB1 million are eligible for a 50% deduction for their annual assessable profits when calculating enterprise income tax, and are entitled to a reduced enterprise income tax rate of 20%. On January 17, 2019, the Ministry of Finance and the SAT of the PRC jointly issued new preferential tax treatment available to small and micro-enterprises for the period from January 1, 2019 to December 31, 2021. Under the new treatment, the first RMB1 million of the annual assessable profits is eligible for a 75% deduction and is entitled to a reduced enterprise income tax rate of 20%, and the portion of the annual assessable profits between RMB1 million and RMB3 million is eligible for a 50% deduction and is entitled to a reduced enterprise income tax rate of 20%.

In addition, according to the relevant laws and regulations promulgated by the State Council of the PRC that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so

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incurred as tax deductible expenses when determining their assessable profits for that year, or Super Deduction. In September 2018, the SAT announced that enterprises engaging in research and development activities would entitle to claim 175% of their research and development expenses as Super Deduction from January 1, 2018 to December 31, 2020.

In the event the preferential tax treatments are discontinued or not verified by the local tax authorities, and the affected entity fails to obtain preferential tax treatments based on other qualifications, it will become subject to the standard PRC enterprise income tax rate of 25%. We cannot assure you that the tax authorities will not, in the future, discontinue any of our preferential tax treatments, potentially with retroactive effect.

Any catastrophe, including outbreaks of health pandemics and other extraordinary events, could have a negative impact on our business operations.

We are vulnerable to natural disasters and other calamities. Fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins war, riots, terrorist attacks or similar events may give rise to server interruptions, breakdowns, system failures or Internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide our services.

Our business could also be adversely affected by the effects of Ebola virus diseases, H1N1 flu, H7N9 flu, avian flu, Severe Acute Respiratory Syndrome (SARS), 2019 Coronavirus Disease (COVID-19), or other epidemics. Our business operation could be disrupted if any of our employees is suspected of having any of the aforementioned epidemics or another contagious disease or condition, since it could require our employees to be quarantined and/or our offices to be disinfected. In addition, our business, results of operations and financial condition could be adversely affected to the extent that any of these epidemics harms the Chinese economy in general. For example, an outbreak of COVID-19 has and is continuing to spread rapidly throughout China and many other parts of the world since December 2019. On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization declared the outbreak a “Public Health Emergency of International Concern (PHEIC).” We and our customers have experienced business disruptions due to government-mandated measures, such as mandatory quarantines, travel restrictions and temporary business closures, to contain the spread of COVID-19. The provision of our offline services was disturbed to some extent during the COVID-19 outbreak. See “Summary — Recent Developments.” The overall economic conditions in China are also subject to the risk of a general slowdown in 2020 and beyond. All of the foregoing could have a material adverse effect on our results of operations and financial condition in the near term. Moreover, if the outbreak persists or escalates, we may be subject to further negative impact on our business operations.

The failure to comply with PRC property laws and relevant regulations regarding certain of our leased properties may materially and adversely affect our business, financial condition, results of operations and prospects.

According to the PRC Land Administration Law, land in urban districts is owned by the state. The owner of a property built on state-owned land generally possesses the proper right to use the land and hold the property ownership certificate or other legal documentations to demonstrate that it is the owner of the premises and that it has the right to enter into lease contracts with the tenants or to authorize a third party to sublease the premises. As of the Latest Practicable Date, one lessor of a total of one leased property with a total gross floor area of approximately 2,620 square meters had not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. If such lessors do not have the relevant

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certificates or the right to lease or sublease such properties to us, relevant rightful title holders or other third parties may challenge our use of such leased properties. As a result, there remains uncertainty about the right of our use of such leased properties. If any dispute arises due to the title encumbrances to such properties or government actions, we may be required to relocate our office premises, which could disrupt our business operations, and we may not be able to find alternative comparable properties in a timely manner and under commercially reasonable terms, or at all.

Under the applicable PRC laws and regulations, the parties to a lease agreement are required to register and file such lease agreement with the relevant government authorities. As of the Latest Practicable Date, none of our leased properties had been registered or filed. While the lack of registration will not affect the validity of the lease agreements under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease.

We may need additional capital, and we may be unable to obtain such capital in a timely manner or on acceptable terms, or at all.

We may require additional capital beyond those generated by the Global Offering from time to time to grow our business, including to better serve our customers, develop new service offerings, enhance our data collection and analytics capabilities and online platforms, improve our operating and technology infrastructure or conduct acquisition of complementary businesses and technologies. Accordingly, we may need to sell additional equity or debt securities or obtain a credit facility. Future issuances of equity or equity-linked securities could significantly dilute our existing Shareholders, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our ordinary shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our Shareholders.

Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the equity investment service industry;
- our future profitability, overall financial condition, results of operations and cash flows;
- general market conditions for capital raising activities by equity investment service providers 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. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth could be significantly impaired, and our business and prospects could be materially and adversely affected.

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

We have maintained insurance policies covering damages to certain of our properties. See “Business — Insurance” for details. However, insurance companies in China generally do not offer as extensive an array of insurance products as insurance companies do in countries with more developed economies. Consequently, we do not maintain sufficient business interruption insurance, business liability insurance or key man life insurance, which are not mandatory under PRC laws.

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Any business disruption, litigation or natural disasters, or any significant damages to our equipment or facilities may cause to incur substantial costs and divert our resources, and we may have no insurance to cover such losses. As a result, our business, results of operations and financial condition could be materially and adversely affected.

A severe or prolonged downturn in Chinese or global economy could materially and adversely affect our business, results of operations, financial condition and prospects.

The global macroeconomic environment is facing challenges, including the US-China trade war, the end of quantitative easing and start of interest rate hike by the U.S. Federal Reserve, the economic slowdown in the Eurozone since 2014 and uncertainties over the impact of Brexit. The Chinese economy has shown slower growth since 2012 compared to the previous decade and the trend may continue. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. There have been concerns over unrest and terrorist threats in the Middle East, Europe and Africa, which have resulted in market volatility. There have also been concerns on the relationship between China and other countries, including the surrounding Asian countries, which may potentially have economic effects. Recent international trade disputes, including tariff actions announced by the United States, China and certain other countries, and the uncertainties created by such disputes may cause disruptions in the international flow of goods and services and may adversely affect the Chinese economy as well as global markets and economic conditions. In addition, the recent market panics over the global outbreak of COVID-19 and the drop of oil price materially and negatively affected the global financial markets, which may cause slowdown of the global economy. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in Chinese or global economy may materially and adversely affect our business, results of operations, financial condition and prospects.

Our Controlling Shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other Shareholders.

As of the Latest Practicable Date, Mr. Ni, through JQ Brothers Ltd., held approximately 55.4096% of the total issued share capital of our Company. Our Controlling Shareholders, Mr. Ni and JQ Brothers Ltd., have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of directors and other significant corporate actions. Immediately following the completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), our Controlling Shareholders will hold approximately 48.0216% of the issued share capital of our Company. See "Relationship with Our Controlling Shareholders." This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our Shares. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our ultimate Controlling Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

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RISKS RELATED TO OUR CONTRACTUAL ARRANGEMENTS

If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in Zero2IPO Ventures.

We are a company incorporated under the laws of the Cayman Islands, and Beijing Huchuang, our wholly-owned PRC subsidiary, is considered as a foreign-invested enterprise. To comply with PRC laws and regulations, we conduct a portion of our business in China through Zero2IPO Ventures based on the Contractual Arrangements, which enable us to (1) have the power to direct the activities that most significantly affect the economic performance of Zero2IPO Ventures;(2) receive substantially all of the economic benefits from Zero2IPO Ventures in consideration for the services provided by Beijing Huchuang; and (3) have an exclusive option to purchase all or part of the equity interests in Zero2IPO Ventures and all or part of assets of Zero2IPO Ventures when and to the extent permitted by PRC law, or request any existing shareholder of Zero2IPO Ventures to transfer any or part of the equity interest in Zero2IPO Ventures to another PRC person or entity designated by Beijing Huchuang at any time at Beijing Huchuang's discretion; and (4) have the pledged equity interests in Zero2IPO Ventures to ensure the performance of the above items. Because of these Contractual Arrangements, we are the primary beneficiary of Zero2IPO Ventures and hence treat Zero2IPO Ventures as our PRC operating entity, and consolidate its results of operations into ours. Zero2IPO Ventures holds the licenses, approvals and key assets that are essential for our business operations.

Our PRC Legal Advisors, based on their understanding of the relevant laws and regulations, are of the opinion that our Contractual Arrangements do not violate, breach, contravene or otherwise conflict with any applicable PRC law, rule or regulation and constitute valid and binding obligations against each party to such agreements in accordance with their terms. However, our PRC Legal Advisors also advised that as there are substantial uncertainties regarding the interpretation and application of the PRC laws, rules and regulations, including but not limited to, those governing our business, or the enforcement and performance of our Contractual Arrangements, there can be no assurance that the PRC government would ultimately take a view that is consistent with the opinion of our PRC Legal Advisors. If the PRC government finds that our Contractual Arrangements do not comply with its restrictions on foreign investment in businesses, or if the PRC government otherwise finds that we, Zero2IPO Ventures or any of its subsidiaries are in violation of PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities, including the MIIT and the SAMR, would have broad discretion in dealing with such violations or failures, including, without limitation:

- revoking our business and operating licenses;
- discontinuing or restricting our operations;
- imposing fines or confiscating any of our income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements with which we or our subsidiaries and Zero2IPO Ventures may not be able to comply;
- requiring us or our subsidiaries and Zero2IPO Ventures to restructure the relevant ownership structure or operations;

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- restricting or prohibiting our use of the proceeds from the initial public offering or other of our financing activities to finance the business and operations of Zero2IPO Ventures; or
- taking other regulatory or enforcement actions that could be harmful to our business.

Any of these actions could cause significant disruption to our business operations, and may materially and adversely affect our business, results of operations and financial condition. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of Zero2IPO Ventures in our consolidated financial statements, if the PRC governmental authorities find our legal structure and Contractual Arrangements to be in violation of PRC laws, rules and regulations. If any of these penalties results in our inability to direct the activities of Zero2IPO Ventures that most significantly impact its economic performance and/or our failure to receive the economic benefits from Zero2IPO Ventures, we may not be able to consolidate it into our consolidated financial statements in accordance with HKFRSs.

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. Zero2IPO Ventures or its shareholder may fail to perform their obligations under our Contractual Arrangements.

Due to the PRC restrictions or prohibitions on foreign ownership of Internet and other related businesses in China, we operate a portion of our business in China through Zero2IPO Ventures, in which we have no ownership interest. We rely on the Contractual Arrangements with Zero2IPO Ventures and its shareholder to control and operate the business of Zero2IPO Ventures. The Contractual Arrangements are intended to provide us with effective control over Zero2IPO Ventures and allow us to obtain economic benefits from them. See “Contractual Arrangements” in this prospectus for more details.

Although we have been advised by our PRC Legal Advisors that our Contractual Arrangements with Zero2IPO Ventures and its shareholder constitute valid and binding obligations enforceable against each party of such agreements in accordance with their terms, these Contractual Arrangements may not be as effective in providing control over Zero2IPO Ventures as direct ownership. If Zero2IPO Ventures or its shareholder fails to perform their respective obligations under the Contractual Arrangements, we may incur substantial costs and expend substantial resources to enforce our rights. The Contractual Arrangements are governed by and interpreted in accordance with PRC laws, and disputes arising from the Contractual Arrangements will be resolved through arbitration or litigation in China. However, the legal system in China is not as developed as in other jurisdictions, such as the United States. There are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the outcome of arbitration or litigation. These uncertainties could limit our ability to enforce the Contractual Arrangements. In the event we are unable to enforce the Contractual Arrangements or we experience significant delays or other obstacles in the process of enforcing the Contractual Arrangements, we may not be able to exert effective control over our Zero2IPO Ventures and may lose control over the assets owned by our Zero2IPO Ventures. As a result, we may be unable to consolidate Zero2IPO Ventures in our consolidated financial statements, and our ability to conduct our business may be adversely affected.

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We may lose the ability to use and enjoy assets held by Zero2IPO Ventures that are material to our business operations if Zero2IPO Ventures were to declare bankruptcy or become subject to a dissolution or liquidation proceeding.

If Zero2IPO Ventures undergoes an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets and we may not have priority against such third-party creditors on the assets of Zero2IPO Ventures. If Zero2IPO Ventures liquidates, we may take part in the liquidation procedures as a general creditor under the PRC Enterprise Bankruptcy Law and recover any outstanding liabilities owed by Zero2IPO Ventures to Beijing Huchuang under the applicable service agreement.

If Zero2IPO Ventures was to attempt to voluntarily liquidate as required by the applicable PRC laws, we could request Zero2IPO Ventures to transfer all of its assets to a PRC entity or individual designated by Beijing Huchuang in accordance with our Exclusive Option Agreement with the shareholder of Zero2IPO Ventures. In addition, under the Contractual Arrangements, the shareholder of Zero2IPO Ventures does not have the right to issue dividends to itself or otherwise distribute the retained earnings or other assets of Zero2IPO Ventures without our consent. In the event that the shareholder of Zero2IPO Ventures initiates a voluntary liquidation proceeding without our authorization or attempts to distribute the retained earnings or assets of Zero2IPO Ventures without our prior consent, we may need to resort to legal proceedings to enforce the terms of the Contractual Arrangements. Any such legal proceeding may be costly and may divert our management's time and attention away from the operation of our business, and the outcome of such legal proceeding will be uncertain.

The ultimate shareholders of Zero2IPO Ventures may have conflicts of interest with us, which may materially and adversely affect our business.

Zero2IPO Group directly holds the entire equity interests in Zero2IPO Ventures. Mr. Ni is the founder and controlling shareholder of Zero2IPO Group. Conflict of interests may arise between the roles of Mr. Ni as chairman, executive Director, chief executive officer and Controlling Shareholder of our Company and as ultimate shareholder of Zero2IPO Ventures. We rely on Mr. Ni to abide by the laws of the Cayman Islands which impose fiduciary duties upon directors and officers of our Company. Such duties include the duty to act bona fide in what he considers to be in the best interest of our Company as a whole and not to place himself in a position in which there is a conflict between his duties to our Company and his personal interests. On the other hand, PRC laws also provide that a director or a management officer owes a loyalty and fiduciary duty to the company he or she directs or manages. We cannot assure you that when conflicts arise, ultimate shareholders of Zero2IPO Ventures will act in the best interest of our Company or that conflicts will be resolved in our favor. These ultimate shareholders of Zero2IPO Ventures may breach or cause Zero2IPO Ventures to breach the existing Contractual Arrangements. If we cannot resolve any conflicts of interest or disputes between us and these shareholders, we would have to rely on legal proceedings, which may be expensive, time-consuming and disruptive to our operations. There is also substantial uncertainty as to the outcome of any such legal proceedings.

If we exercise the option to acquire equity ownership and assets of Zero2IPO Ventures, the ownership or asset transfer may subject us to certain limitations and substantial costs.

Pursuant to the Contractual Arrangements, Beijing Huchuang or its designated person(s) has the exclusive right to purchase all or any part of the equity interests in Zero2IPO Ventures from its shareholder, or to purchase from Zero2IPO Ventures all or any part of its assets.

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The equity and/or asset transfer may be subject to the approvals from and filings with MOFCOM, MIIT, SAMR and/or their local competent branches. In addition, the equity and/or asset transfer price may be subject to review and tax adjustment by the relevant tax authority. To the extent permitted by then PRC laws and regulations, the shareholder of Zero2IPO Ventures and/or Zero2IPO Ventures will pay the equity and/or asset transfer price it receives to Beijing Huchuang under the Contractual Arrangements. The amount to be received by Beijing Huchuang may also be subject to enterprise income tax. Such tax amounts could be substantial.

Certain terms of the Contractual Arrangements may not be enforceable under PRC laws.

The Contractual Arrangements provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the China International Economic and Trade Arbitration Commission. See “Contractual Arrangements.” The Contractual Arrangements contain provisions to the effect that the arbitral body may award remedies over the shares and/or assets of Zero2IPO Ventures, injunctive relief and/or winding up of Zero2IPO Ventures. In addition, the Contractual Arrangements contain provisions to the effect that courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

However, we have been advised by our PRC Legal Advisors that the abovementioned provisions contained in the Contractual Arrangements may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in Zero2IPO Ventures in case of disputes. Therefore, such remedies may not be available to us, notwithstanding the relevant contractual provisions contained in the Contractual Arrangements. PRC laws allow an arbitral body to award the transfer of assets of or an equity interest in Zero2IPO Ventures in favor of an aggrieved party. In the event of non-compliance with such award, enforcement measures may be sought from the court. However, in the case that one party of a dispute applies for enforcement of an award of an arbitral body while the other party applies for cancellation of such award, the court may or may not support the award when deciding whether to take enforcement measures. Under PRC laws, courts of judicial authorities in the PRC generally would not grant injunctive relief or the winding-up order against Zero2IPO Ventures as interim remedies to preserve the assets or shares in favor of any aggrieved party. Our PRC Legal Advisors are also of the view that, even though the Contractual Arrangements provide that courts in Hong Kong and the Cayman Islands may grant and/or enforce interim remedies or in support of arbitration, such interim remedies (even if so granted by courts in Hong Kong or the Cayman Islands in favor of an aggrieved party) may not be recognized or enforced by PRC courts. As a result, in the event that Zero2IPO Ventures or its shareholder breaches any of the Contractual Arrangements, we may not be able to obtain sufficient remedies in a timely manner, and our ability to exert effective control over Zero2IPO Ventures and conduct our business could be materially and adversely affected.

Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance, business, financial condition, results of operations and prospects.

On March 15, 2019, the National People’s Congress promulgated the Foreign Investment Law, which has become effective on January 1, 2020 and replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. See “Regulatory Overview — Regulations Relating to Foreign Investment.” The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory

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regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. The current Foreign Investment Law does not mention concepts such as “actual control” and “controlling PRC companies by contracts or trusts” that were included in the previous drafts, nor does it specify regulations on controlling through contractual arrangements. As a result, this regulatory topic remains unclear under the Foreign Investment Law. However, since the Foreign Investment Law is relatively new, uncertainties still exist in relation to its interpretation and implementation, and failure to take timely and appropriate measures to cope with the regulatory-compliance challenges could result in a material adverse effect on us. For instance, though the Foreign Investment Law does not explicitly classify contractual arrangements as a form of foreign investment, it contains a catch-all provision under the definition of “foreign investment,” which includes investments made by foreign investors in China through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment, at which time it will be uncertain whether our Contractual Arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if yes, how our Contractual Arrangements should be dealt with. In addition, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. In the worst-case scenario, we may be required to unwind our existing Contractual Arrangements and/or dispose of the relevant business operations, which could have a material adverse effect on our current corporate structure, corporate governance, business, financial condition, results of operations and prospects.

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

Under PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the Contractual Arrangements among Beijing Huchuang and Zero2IPO Ventures do not represent an arms-length price and adjust Zero2IPO Ventures’ income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for PRC tax purposes, of expense deductions recorded by Zero2IPO Ventures, which could in turn increase their tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties to our PRC variable interest entities for under-paid taxes. Our results of operations may be materially and adversely affected if our tax liabilities increase or if we are found to be subject to late payment fees or other penalties.

RISKS RELATED TO CONDUCTING BUSINESS IN CHINA

The economic, political and social conditions of China could affect our business, results of operations and financial condition.

We conduct our business operations primarily in China. Accordingly, our business, financial condition, results of operations and prospects are, to a significant degree, subject to the economic, political and social conditions in China. The Chinese economy differs from the economies of developed countries in many respects, including the degree of government involvement, control of capital investment, as well as the overall level of development. Although the PRC government has implemented measures since the late 1970s emphasizing the utilization of market forces for

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economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. We cannot predict future changes in China's economic, political and social condition and the effect that new government policies will have on our business and future prospects. Any actions and policies adopted by the PRC government or any prolonged slowdown in China's economy, in particular the equity investment industry, could have a negative impact on our business, operating results and financial condition in a number of ways.

Uncertainties and changes in the Chinese legal system could materially and adversely affect our business.

Our business operations are based in China and governed by PRC laws and regulations. The PRC legal system is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general, and forms of foreign investment (including wholly foreign-owned enterprises and joint ventures) in particular. These laws, regulations and legal requirements, including those governing PRC tax matters, are relatively new and amended frequently, and their interpretation and enforcement often raise uncertainties that could limit the reliability of the legal protections available to us. In addition, the PRC legal system is based in part on government policies and internal rules (some of which are not published on a timely basis or at all) that may have a retroactive effect. As a result, we may not be aware of our violations of these policies and rules until the violations have occurred. Furthermore, the PRC administrative and court authorities have significant discretions in interpreting and implementing or enforcing statutory rules and contractual terms, and it may be more difficult to predict the outcome of administrative and court proceedings and the level of legal protection we may enjoy in China versus other more developed legal systems. These uncertainties may affect our judgment on the relevance of legal requirements and our decisions on the measures and actions to be taken to fully comply therewith, and may affect our ability to enforce our contractual or tort rights. Such uncertainties may result in substantial operating expenses and costs, and any litigation in China may result in diversion of resources and management's attention, and therefore materially and adversely affect our business and results of operations. We cannot predict future developments in the PRC legal system. We may be required to procure additional permits, authorizations and approvals for our operations, which we may not be able to obtain. Our inability to obtain such permits or authorizations may materially and adversely affect our business, results of operations and financial condition.

We may be unable to complete a business combination transaction efficiently or on favorable terms due to complicated merger and acquisition regulations.

On August 8, 2006, six PRC regulatory authorities, including MOFCOM, the State Assets Supervision and Administration Commission, SAT, SAIC, CSRC and SAFE, jointly issued the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, which became effective on September 8, 2006 and was amended and enacted by MOFCOM in June 2009. The M&A Rules, governing the approval process by which a PRC company may participate in an acquisition of assets or equity

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interests by foreign investors, requires the foreign investors to make a series of applications and supplemental applications to the government agencies, depending on the structure of the transaction. In some instances, the application process may require presentation of economic data concerning a transaction, including appraisals of the target business and evaluations of the acquirer, which are designed to allow the government to assess the transaction. Accordingly, due to the M&A Rules, our ability to engage in business combination transactions has become significantly more complicated, time-consuming and expensive, and we may not be able to negotiate a transaction that is acceptable to our Shareholders or sufficiently protect their interests in a transaction.

The M&A Rules allow PRC government agencies to assess the economic terms of a business combination transaction. Parties to a business combination transaction may have to submit to MOFCOM and other relevant government agencies an appraisal report and the acquisition agreement, all of which form part of the application for approval, depending on the structure of the transaction. The M&A Rules also prohibit a transaction at an acquisition price obviously lower than the appraised value of the PRC business or assets and in certain transaction structures, require that consideration must be paid within defined periods, generally not in excess of a year. In addition, the M&A Rules also limit our ability to negotiate various terms of the acquisition, including aspects of the initial consideration, contingent consideration, holdback provisions, indemnification provisions and provisions relating to the assumption and allocation of assets and liabilities. Transaction structures involving trusts, nominees and similar entities are prohibited. Therefore, such regulation may impede our ability to negotiate and complete a business combination transaction on legal and/or financial terms that satisfy our investors and protect our Shareholders' economic interests.

If we were required to obtain the prior approval of the MOFCOM and/or the CSRC for or in connection with our restructuring or the Listing, our failure to do so may have a material adverse effect on our business.

The M&A Rules require PRC domestic enterprises or domestic natural persons to obtain prior approval of MOFCOM when an offshore company established or controlled by them proposes to merge with or acquire shares or assets of a PRC domestic company with which such enterprises or persons have a connected relationship. The M&A Rules also include, among other things, provisions that purport to require that an offshore special purpose vehicle that is controlled by PRC domestic companies or individuals and that has been formed for the purpose of an overseas listing of securities through acquisitions of PRC domestic companies or assets to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. In addition, given that there are no explicit provisions in the M&A Rules which clearly classify the Contractual Arrangements as a type of merger or acquisition transaction falling under the M&A Rules, our PRC Legal Advisors have advised us that the Contractual Arrangements were not subject to the M&A Rules.

However, there has been no official interpretation or clarification of the M&A Rules, and there exists uncertainty as to how this regulation will be interpreted or implemented. As further advised by our PRC Legal Advisors, the M&A Rules are unclear in certain respects, including as to what constitutes a merger with or acquisition of PRC domestic enterprises, what constitutes circumvention of its approval requirements, and the CSRC currently has not issued any definitive rule or interpretation concerning whether the listing like ours are subject to the M&A Rules, etc.

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There can be no assurance that the relevant PRC government authorities, including without limitation, the CSRC and the MOFCOM, would reach the same conclusion as our PRC Legal Advisors. In addition, if the MOFCOM, the CSRC or other PRC regulatory agencies later promulgate new rules or explanations requiring us to obtain their approvals for this offering, we may be unable to obtain waivers of such requirements.

If the MOFCOM, the CSRC or other PRC regulatory agencies subsequently determines that its approval of the Contractual Arrangements and/or our other restructuring and/or the Listing should have been obtained, we may face regulatory actions or other sanctions by the MOFCOM, the CSRC or other PRC regulatory agencies, which could have a material adverse effect on our business, results of operations and financial condition.

We may be deemed to be a PRC tax resident under the EIT Law, and as a result, our global income could be subject to PRC withholding tax and enterprise income tax.

We are a holding company incorporated under the laws of the Cayman Islands and indirectly hold interests in a Hong Kong-incorporated subsidiary, which in turn directly or indirectly hold interests in our PRC subsidiaries. Pursuant to the EIT Law, effective in January 2008, as amended on December 29, 2018, and its implementation rules, dividends payable by a foreign-invested enterprise to its foreign corporate investors who are not deemed a PRC resident enterprise are subject to a 10.0% withholding tax, unless such foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding tax arrangement. Under the Arrangement between the Mainland of China and Hong Kong Special Administration Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Tax on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) promulgated by the SAT and the Hong Kong government, effective in January 2007, such dividend withholding tax rate is reduced to 5.0% for dividends paid by a PRC company to a Hong Kong-resident enterprise if such Hong Kong entity is a "beneficial owner" and such entity directly owns at least 25.0% of the equity interest of the PRC company. The Announcement on Issues Relating to "Beneficial Owner" in Tax Treaties (《國家稅務總局關於稅收協定中"受益所有人"有關問題的公告》), effective in April 2018, provides certain factors for the determination of "beneficial owner" status of a company under the treaty. If the PRC tax authorities determine that our Hong Kong subsidiary is not a "beneficial owner," we may not be able to enjoy a preferential withholding tax rate of 5% and dividend payable by our PRC subsidiaries to our Hong Kong subsidiary will be subject to withholding tax at the rate of 10.0%.

The EIT Law and its implementation rules also provide that if an enterprise incorporated outside China has its "de facto management bodies" within China, such enterprise may be deemed a "PRC resident enterprise" for tax purposes and be subject to an enterprise income tax rate of 25.0% on its global incomes. "De facto management body" is defined as the body that has the significant and overall management and control over the business, personnel, accounts and properties of an enterprise. In April 2009, SAT promulgated a circular, known as Circular 82, and partially amended by Circular 9 promulgated in January 2014, to clarify the certain criteria for the determination of the "de facto management bodies" for foreign enterprises controlled by PRC enterprises or PRC enterprise groups. Under Circular 82, a foreign enterprise is considered a PRC resident enterprise if all of the following apply: (1) the senior management and core management departments in charge of daily operations are located mainly within China; (2) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organizations or personnel in China; (3) the enterprise's primary assets, accounting books and records, company seals, and board and shareholders' meeting minutes are located or maintained in China; and (4) 50.0% or more of voting board members or senior executives of the enterprise

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habitually reside in China. Further to Circular 82, the SAT issued a bulletin, known as Bulletin 45, effective in September 2011 and amended on June 1, 2015, October 1, 2016, and June 15, 2018, respectively to provide more guidance on the implementation of Circular 82 and clarify the reporting and filing obligations of such “Chinese-controlled offshore incorporated resident enterprises.” Bulletin 45 provides for, among other matters, procedures for the determination of resident status and administration of post-determination matters. Although Circular 82 and Bulletin 45 explicitly provide that the above standards apply to enterprises that are registered outside China and controlled by PRC enterprises or PRC enterprise groups, Circular 82 may reflect SAT’s criteria for determining the tax residence of foreign enterprises in general.

However, there have been no official implementation rules regarding the determination of the “de facto management bodies” for foreign enterprises not controlled by PRC enterprises (including companies like ourselves). Therefore, it remains unclear how the tax authorities will treat a case such as ours. However, if the PRC authorities were to subsequently determine, or any future regulation provides, that we should be treated as a PRC resident enterprise, we will be subject to the uniform 25.0% enterprise income tax on our global incomes. In addition, although the EIT Law provides that dividend payments between qualified PRC-resident enterprises are exempt from enterprise income tax, due to the relatively short history of the EIT Law, it remains unclear as to the detailed qualification requirements for this exemption and whether dividend payments by our PRC subsidiaries to us will meet such qualification requirements even if we are considered a PRC resident enterprise for tax purposes.

There remains significant uncertainty as to the interpretation and application of applicable PRC tax laws and rules by the PRC tax authorities, and the PRC tax laws, rules and regulations may also change. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your investment in our shares may be materially affected.

Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on your investment.

As we expand our China operations, we expect to incur more expenditures denominated in Renminbi, while the net proceeds from the Global Offering and any dividends we pay on our Shares will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar or U.S. dollar may affect the relative purchasing power in Renminbi terms of the proceeds from the Global Offering. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar may affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China’s foreign exchange regime and policy. The Renminbi has been unpegged from the U.S. dollar since July 2005 and, although the People’s Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rate, the Renminbi may appreciate or depreciate significantly in value against the U.S. dollar in the medium to long term. Moreover, it is possible that the PRC authorities may lift restrictions on fluctuations in Renminbi exchange rates and lessen intervention in the foreign exchange market in the future.

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

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

Currently, the Renminbi cannot be freely converted into any foreign currency, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by SAFE or its local branches or registered with the applicable banks, as the case may be.

Under existing foreign exchange regulations, following the completion of the Global Offering, we will be able to pay dividends in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, we cannot assure you that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements. If we fail to obtain any necessary approval from SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our capital expenditure plans, and even our business, operating results and financial condition, may be materially and adversely affected.

We may rely on dividends and other distributions from our PRC subsidiaries to fund our cash and financing requirements, and any limitation on the ability of our subsidiaries to make payments to us could materially and adversely affect our ability to conduct our business.

As an offshore holding company, we may rely in part on dividends from our PRC subsidiaries for our cash requirements, dividends payments and other distributions to our Shareholders, and to service any debt that we may incur and pay our operating expenses. The payment of dividends by entities organized in China is subject to limitations. In particular, PRC regulations permit our subsidiaries to pay dividends only out of their accumulated profits, if any, as determined in accordance with Chinese accounting standards and regulations. In addition, our PRC subsidiaries are required each year to set aside at least 10.0% of its annual after-tax profits (as determined under PRC accounting standards) into its statutory reserve fund until the aggregate amount of that reserve reaches 50.0% of such entity’s registered capital. These reserves are not distributable as cash dividends.

If our PRC subsidiaries incur debt on their own behalf, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Any limitation on the ability of our subsidiaries to distribute dividends or other payments to us could materially and adversely limit our ability to grow, make investments or acquisitions, pay dividends and otherwise fund and conduct our business.

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PRC regulations over loans to and direct investments in PRC entities by offshore holding companies may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by registration with relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises, capital contributions by an offshore holding company to its wholly-owned subsidiary in China shall obtain approvals from or report investment information to MOFCOM or its local counterpart and register with the SAMR or its local counterpart to make capital contributions to the foreign-invested enterprises. In addition, any foreign loan procured by our PRC subsidiaries is required to be registered with SAFE or its local branches, and our PRC subsidiaries may not procure loans exceeding the statutory limits and is required to be registered with the SAFE or its local branches or file with SAFE through its online service platform. We may not obtain these government approvals or complete such registrations on a timely basis, or at all, with respect to future capital contributions or foreign loans by us to our PRC subsidiaries. If we fail to receive such approvals or complete such registration, our ability to use the proceeds of the Global Offering to fund our operations in China may be negatively affected, which in turn could adversely affect our ability to finance and expand our business.

Failure to comply with PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident Shareholders to personal liability, may limit our ability to acquire PRC companies or to inject capital into our PRC subsidiaries, may limit the ability of our PRC subsidiaries to distribute profits to us or may otherwise materially and adversely affect us.

Pursuant to the Circular on Relevant Issues concerning Foreign Exchange Administration of Overseas Investment and Financing and Return Investments Conducted by Domestic Residents through Overseas Special Purpose Vehicle (《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”), which was promulgated by SAFE, and became effective on July 4, 2014, (1) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle, or an Overseas SPV, that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (2) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change in the Overseas SPV’s PRC resident shareholder, name of the Overseas SPV, term of operation, or any increase or reduction of the contributions by the PRC resident, share transfer or swap, and merger or division. Additionally, pursuant to the Circular of SAFE on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “SAFE Circular 13”), which was promulgated on February 13, 2015 and became effective on June 1, 2015, the aforesaid registration shall be directly reviewed and handled by qualified banks in accordance with the SAFE Circular 13, and SAFE and its branches shall perform indirect regulation over the foreign exchange registration via qualified banks.

As confirmed by our PRC Legal Advisors, all PRC residents as defined under the applicable provisions under the SAFE Circular 37 who are shareholders of the Overseas SPVs in our Group have completed their registration under SAFE Circular 37 on April 3, 2020, which is in compliance with the SAFE Circular 37. As SAFE Circular 37 and SAFE Circular 13 are general regulations without specific requirements and interpretations of the aforementioned registrations, it remains unclear how they will be interpreted and implemented, and how or whether SAFE will apply them

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to us. Therefore, we cannot predict how they will affect our business operations or future strategies. In addition, as we have little control over either our present or prospective, direct or indirect Shareholders or the outcome of such registration procedures, we cannot assure you that these Shareholders who are PRC residents will amend or update their registration as required under SAFE Circular 37 and SAFE Circular 13 in a timely manner or at all. Failure of our present or future Shareholders who are PRC residents to comply with SAFE Circular 37 and SAFE Circular 13 could subject these Shareholders to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit the ability of our PRC subsidiaries to make distributions or pay dividends or affect our ownership structure, which could adversely affect our business and prospects.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

The SAT issued the Bulletin on Several Issues concerning the Enterprise Income Tax on the Indirect Transfers of Properties by Non-resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the “**SAT Public Notice 7**”), which became effective on February 3, 2015. Under the SAT Public Notice 7, an “indirect transfer” of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to the SAT Public Notice 7, “PRC taxable assets” include assets attributed to an establishment in China, immovable properties in China, and equity investments in PRC resident enterprises. In respect of an indirect offshore transfer of assets of a PRC establishment, the relevant gain is to be regarded as effectively connected with the PRC establishment and therefore included in its enterprise income tax filing, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment of a non-resident enterprise, a PRC enterprise income tax at 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. There is uncertainty as to the implementation details of the SAT Public Notice 7. If the SAT Public Notice 7 was determined by the tax authorities to be applicable to some of our transactions involving PRC taxable assets, our offshore subsidiaries conducting the relevant transactions might be required to spend valuable resources to comply with the SAT Public Notice 7 or to establish that the relevant transactions should not be taxed under the SAT Public Notice 7.

On October 17, 2017, the SAT issued the Bulletin on Issues Concerning the Source-based Withholding of Enterprise Income Tax on Non-resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) (the “**SAT Public Notice 37**”), which became effective on December 1, 2017. According to the SAT Public Notice 37, if the withholding agent fails to or is unable to withhold the income tax in accordance with the law, the non-resident enterprise will be deemed to have cleared its tax payment on time if it voluntarily declares and pays the tax before or within the time limit the tax authority orders it to do so. If the taxable income before withholding on a source-basis falls within the form of dividends or any equity investment gains, the date of triggering obligations to settle such tax payments is the date of actual payment of the dividends or other equity investment gains. In addition, on December 1, 2017, the SAT Public Notice 37 repealed the Notice of the SAT on Strengthening the Administration over Enterprise Income Tax on Income of Non-resident Enterprises from Equity Transfer and Notice of the SAT on Issuing the

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Interim Measures for the Administration of Source-based Withholding of the Enterprise Income Tax of Non-resident Enterprises issued by the SAT on December 10, 2009 and January 1, 2009, respectively.

As a result, we and our non-PRC Shareholders may have the risk of being taxed for the disposition of our Shares and may be required to spend valuable resources to comply with the SAT Public Notice 7 and the SAT Public Notice 37 or to establish that we or our non-PRC Shareholders should not be taxed as an indirect transfer, which may have a material adverse effect on our results of operations and financial condition or the investment by non-PRC investors in us.

In addition, since we may pursue acquisitions, and may conduct acquisitions involving complex corporate structures, the PRC tax authorities may, at their discretion, adjust the capital gains or request that we submit additional documentation for their review in connection with any potential acquisitions, which may cause us to incur additional acquisition costs or delay our acquisition timetable.

Any failure to comply with PRC regulations regarding our employee equity incentive plans may subject the participants or us to fines and other legal or administrative sanctions.

After our Company becomes an overseas listed company upon the completion of the Global Offering, we, along with our Directors, executive officers and other employees who may be granted options, may be subject to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), issued by SAFE in February 2012. According to the foregoing Notice, employees, directors, supervisors and other management members who are PRC citizens or non-PRC citizens residing in China for a continuous period of no less than one year participating in any stock incentive plan of an overseas publicly listed company, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. Failure to complete SAFE registrations may subject them to fines and other legal sanctions and may also limit their ability to make payment under the equity incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our Directors and employees under PRC laws and regulations.

Our employees working in China will be subject to PRC individual income tax if they exercise share options. Our PRC subsidiaries have the obligation to file documents relating to the employee share options with the relevant tax authorities and to withhold individual income tax for those employees. If our employees fail to pay or we fail to withhold income tax according to the relevant laws and regulations, we may face sanctions imposed by the relevant tax authorities.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Shares.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10.0% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10.0% PRC

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income tax if such gain is regarded as income derived from sources within China unless a treaty or similar arrangement otherwise provides. Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws.

As described in the preceding risk factor, there is a risk that we will be treated by the PRC tax authorities as a PRC tax resident enterprise. In that case, any dividends we pay to our Shareholders may be regarded as income derived from sources within China and we may be required to withhold a 10.0% PRC withholding tax for the dividends we pay to our investors who are non-PRC corporate Shareholders, or a 20.0% withholding tax for the dividends we pay to our investors who are non-PRC individual Shareholders, including the holders of our Shares. In addition, our non-PRC Shareholders may be subject to PRC tax on gains realized on the sale or other disposition of our Shares, if such income is treated as sourced from within China. It is unclear whether our non-PRC Shareholders would be able to claim the benefits of any tax treaties between their tax residence and China in the event that we are considered as a PRC resident enterprise. If PRC income tax is imposed on gains realized through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are incorporated in the Cayman Islands. Almost all of our assets and some of the assets of our Directors are located in China. Therefore, it may not be possible for investors to effect service of process upon us or those persons inside China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. On July 14, 2006, the PRC Supreme Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》). Under such arrangement, where any designated people's court of the PRC or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing by the parties, any party concerned may apply to the relevant people's court of the PRC or Hong Kong court for recognition and enforcement of the judgment. The arrangement came into effect on August 1, 2008, but the outcome and enforceability of any action brought under the arrangement is still uncertain. In addition, China is not a party to any treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom, most other Western countries or Japan, and therefore enforcement in China of judgments of a court in any of these jurisdictions may be difficult or impossible.

On January 18, 2019, the Supreme People's Court of the PRC and the government of the Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的

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安排) (the “2019 Arrangement”). The 2019 Arrangement sets forth the scope, applicable rulings, procedures and manners to apply for recognition and enforcement, examination on jurisdiction of the original court, conditions to refuse recognize and enforce, and remedies of Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters. Following the promulgation of a judicial interpretation by the Supreme People’s Court and the completion of the relevant procedures in Hong Kong, both sides shall announce a date on which the 2019 Arrangement shall become effective. Although the 2019 Arrangement has been signed, it remains unclear when it will come into effect and the outcome and effectiveness of any action brought under the 2019 Arrangement may still be uncertain.

Inflation in China could negatively affect our profitability and growth.

Economic growth in China has, in the past, been accompanied by periods of high inflation, and the PRC government has implemented various policies from time to time to control inflation, including imposing various corrective measures designed to restrict the availability of credit or regulate growth. High inflation in the future may cause the PRC government to once again impose controls on credit and/or price of commodities, or to take other actions, which could inhibit economic activities in China. Any action on the part of the PRC government that seeks to control credit and/or price of commodities may adversely affect our business operations, causing negative impact on our profitability and growth.

RISKS RELATED TO THE GLOBAL OFFERING

There has been no prior public market for our Shares, and the liquidity and market price of our Shares following the Global Offering may be volatile.

Prior to the Global Offering, there has been no public market for our Shares. The Offer Price for our Shares was the result of negotiations among us and the Joint Global Coordinators on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for the Shares following the Global Offering. We have applied to list and deal in the Shares on the Stock Exchange. We cannot assure you that the Global Offering will result in the development of an active, liquid public trading market for the Shares. In addition, the price and trading volumes of the Shares may be volatile. The following factors may affect the trading volume and market price of our Shares:

- actual or anticipated fluctuations in our operating performance and financial results;
- announcement of competitive developments, acquisitions or strategic alliances in our industry;
- changes in earnings estimate or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry; and
- the operating and stock price performance of other companies, other industries and other events or factors beyond our control.

Moreover, the capital market has from time to time experienced significant price and volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies. Such fluctuations, whether caused by market, industry or political factors, may have a material and adverse effect on the market price and trading volume of our Shares.

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Since there will be a gap of several days between pricing and trading of our Shares, holders of our Shares are subject to the risk that the price of our Shares could fall during the period before trading of our Shares begins.

The Offer Price of our Shares is expected to be determined on the Price Determination Date. However, our Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be six business days after the Price Determination Date. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall before trading begins as a result of adverse market conditions or other adverse development which could occur between the time of sale and the time trading begins.

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

The Offer Price of the Shares is higher than the net tangible book value per Share immediately prior to the Global Offering. Therefore, purchases of the Shares in the Global Offering will experience an immediate dilution in pro forma net tangible book value, and our existing Shareholders will receive an increase in the pro forma adjusted consolidated net tangible asset value per Share of their Shares. In addition, holders of our Shares may experience further dilution of their interests if the Over-allotment Option is exercised or if we obtain additional capital in the future through equity offerings.

We intend to grant RSUs pursuant to the Post-IPO RSU Scheme, which will entitle participants in such share incentive scheme to receive Shares under certain circumstances. Please refer to the section headed “Appendix IV — Statutory and General Information — D. Post-IPO RSU Scheme” for more details. Vesting and exercise of the RSUs may result in an increase in our issued share capital, which in turn may result in a dilution of our Shareholders’ interest in our Company.

We have significant discretion as to how we will use the net proceeds of the Global Offering, and you may not necessarily agree with how we use them.

Our management may spend the net proceeds from the Global Offering in ways you may not agree with or that do not yield a favorable return. For details of our intended use of proceeds, see “Future Plans and Use of Proceeds.” However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the net proceeds from this Global Offering.

Any future sales, or perceived sale, of a substantial amount of our Shares in the public market could have a material adverse effect on the prevailing market price of our Shares and our ability to raise capital in the future.

Future sales of a substantial amount of our Shares by our existing Shareholders, or the possibility of such sales, could negatively impact the market price of our Shares from time to time. See “Underwriting — Underwriting Arrangements and Expenses” for a more detailed discussion of restrictions that may apply to future sales of our Shares. After these restrictions lapse, the market price of our Shares may decline as a result of future sales of a substantial amount of our Shares or other securities relating to our Shares in the public market, the issuance of new Shares or other securities relating to our Shares, or the perceptions that such sales or issuances may occur. This could negatively affect the market price of our Shares and our ability to raise equity capital in the future.

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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 Global Offering. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business 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. For details, see “Financial Information — Dividend.”

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

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

Forward-looking statements contained in this prospectus are subject to risks and uncertainties.

This prospectus contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain pro forma information and other matters. The words “anticipate,” “believe,” “could,” “potential,” “continue,” “expect,” “intend,” “may,” “plan,” “seek,” “will,” “would,” “should” and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in “Risk Factors” in this prospectus. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from official government publications, market data providers and other independent third party sources, including the industry expert reports, contained in this prospectus.

Certain facts, forecasts and other statistics in this prospectus relating to various countries and regions and the equity investment industry are derived from various official government publications, market data providers and other independent third-party sources, including the CIC Report, which we generally believe to be reliable. However, we cannot guarantee the quality or reliability of such source materials. They have not been prepared or independently verified by us, the Sole Sponsor, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, the Underwriters or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside China.

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We have, however, taken reasonable care in the reproduction or extraction of the official government publications and reports of other market data providers and other independent third-party sources for the purpose of disclosure in this prospectus. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, these facts and statistics in this prospectus may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts and statistics.

Our Company was incorporated under the laws of the Cayman Islands and these could provide different protections to minority Shareholders than the laws of Hong Kong.

Our corporate affairs are governed by our Memorandum and Articles, and by the Cayman Companies Law and the common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority Shareholders could differ from those established under statutes or judicial precedent in Hong Kong or other jurisdictions with which minority Shareholders are more familiar. Such differences could mean that minority Shareholders could have different protections than they would have under the laws of Hong Kong or other jurisdictions with which minority Shareholders are more familiar.

You should read the entire prospectus carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering.

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

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE

Rule 8.12 of the Listing Rules requires that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. The business operations of the Group are located in China. Due to the business requirements of the Group, none of the executive Directors has been, is or will be based in Hong Kong. Our Company considers that it would be impracticable and commercially infeasible to appoint two Hong Kong residents as executive Directors or to relocate the existing executive Directors to Hong Kong considering that the operations of our Group are based outside of Hong Kong. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of Rule 8.12 of the Listing Rules. In order to maintain effective communication with the Stock Exchange, we will adopt, among others, the following measures:

- (1) Our Company has appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules who will act as our principal communication channel with the Stock Exchange and will ensure that we comply with the Listing Rules at all times. These two authorized representatives appointed are Ms. ZHANG Yanyan, an executive Director and senior vice president of our Company and Ms. YANG Zhen, the chief financial officer and a joint company secretary of our Company. Each of the authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and e-mail. Each of the two authorized representatives has been duly authorized to communicate on our Company's behalf with the Stock Exchange. The Company will inform the Stock Exchange promptly in respect of any change in its authorized representatives;
- (2) Both authorized representatives have means to contact all Directors (including the independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Company will implement a policy whereby (1) the executive Directors will provide valid phone numbers or other means of communication to the authorized representatives when they are traveling or out of office; and (2) each Director will provide his or her mobile phone number, office phone number, e-mail address and, where available, fax number to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;
- (3) All our Directors who are not ordinarily resident in Hong Kong have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with relevant members of the Stock Exchange in Hong Kong upon reasonable notice, when required; and
- (4) Our Company has appointed Fortune Financial Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, who will act as our additional communication channel with the Stock Exchange and will be available to respond to enquiries from the Stock Exchange.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable: (1) a member of The Hong Kong Institute of Chartered Secretaries; (2) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and (3) a certified public accountant (as defined in the Professional Accountants Ordinance).

In assessing “relevant experience,” the Stock Exchange will consider the individual’s: (1) length of employment with the issuer and other listed companies and the roles he/she played, (2) familiarity with the Listing Rules and other relevant law and regulations including SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code, (3) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules, and (4) professional qualifications in other jurisdictions.

We have appointed Ms. YANG Zhen and Mr. CHENG Ching Kit as our joint company secretaries. Biographical information of Ms. YANG Zhen and Mr. CHENG Ching Kit is set out in the section headed “Directors and Senior Management” in this prospectus. Since Ms. YANG Zhen does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, she is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. YANG Zhen as our joint company secretary. In order to provide support to Ms. YANG Zhen, we have appointed Mr. CHENG Ching Kit, an associate member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute, who fully complies with the requirements under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance to Ms. YANG Zhen, for a three-year period from the Listing Date so as to enable Ms. YANG Zhen to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties. Such waiver will be revoked immediately if and when Mr. CHENG Ching Kit ceases to provide such assistance or if there are material breaches of the Listing Rules by us. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Ms. YANG Zhen, having had the benefit of Mr. CHENG Ching Kit’s assistance for three years, will have acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

See the section headed “Directors and Senior Management” in this prospectus for further information of Ms. YANG Zhen and Mr. CHENG Ching Kit.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into the Contractual Arrangements which would constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules following the completion of the Global Offering. We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Chapter 14A of the Listing Rules in relation to the non-exempt continuing connected transactions. Details of such non-exempt continuing connected transactions and the waiver are set out in the sections headed “Contractual Arrangements” and “Connected Transactions.”

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

DIRECTORS' RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms set out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Public Offer Shares are offered solely on the basis of the information contained in this prospectus and the Application Forms and on the terms and subject to conditions set out herein and wherein. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorized by the Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure and Conditions of the Global Offering" in this Prospectus, and the procedures for applying for Hong Kong Public Offer Shares are set out in the section headed "How to Apply for Hong Kong Public Offer Shares" in this prospectus and the relevant Application Forms.

The Listing is sponsored by the Sole Sponsor and the Global Offering is managed by the Joint Global Coordinators. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is subject to us and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) agreeing on the Offer Price. An International Underwriting Agreement relating to the International Offering is expected to be entered into on or around Price Determination Date, subject to the Offer Price being agreed.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by us and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or around Monday, December 21, 2020 or such other date as agreed between parties, and in any event no later than Tuesday, December 29, 2020.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

If, for any reason, the Offer Price is not agreed among us and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or before Tuesday, December 29, 2020, the Global Offering will not proceed and will lapse.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed “Structure of the Global Offering” in this prospectus.

PROCEDURES FOR APPLICATION FOR HONG KONG PUBLIC OFFER SHARES

The procedures for applying for our Shares are set out in the section headed “How to Apply for Hong Kong Public Offer Shares” in this prospectus and in the Application Forms.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set forth in the section headed “Structure of the Global Offering” in this prospectus.

COMMENCEMENT OF DEALING IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on Wednesday, December 30, 2020. The Shares will be traded in board lots of 400 Shares each. The stock code of the Shares will be 1945.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Public Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus and/or the Application Forms in any jurisdiction other than in Hong Kong. Accordingly, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Capitalization Issue and the Global Offering (including any additional Shares which may be issued upon the exercise of the Over-allotment Option) and the Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation.

No part of equity or debt securities of the Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on the Stock Exchange or any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on the Hong Kong Branch Share Registrar of the Company in order to enable them to be traded on the Stock Exchange.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional advisor for details of those settlement arrangements and how such arrangements will affect their rights and interests.

SHARE REGISTRAR AND HONG KONG STAMP DUTY

Our principal register of members will be maintained by our principal share registrar, Maples Fund Services (Cayman) Limited, in the Cayman Islands, and our Hong Kong branch register of members will be maintained by Tricor Investor Services Limited. All Offer Shares will be registered on the Company's branch register of members in Hong Kong.

Dealings in the Shares will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

PROFESSIONAL TAX ADVICE RECOMMENDED

You should consult your professional advisors if you are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, or dealing in, the Shares or exercising any rights attaching to the Shares. We emphasize that none of our Company, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers the Underwriters, any of our or their respective directors, officers or representatives or any other person involved in the Global Offering accepts responsibility for any tax effects or liabilities resulting from your subscription, purchase, holding or disposing of, or dealing in, the Shares or your exercise of any rights attaching to the Shares.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain Renminbi amounts into Hong Kong dollars at specified rates. No representation is made that the Renminbi amounts could actually be converted into Hong Kong dollar amounts at the rates indicated or at all. Unless we indicate otherwise, the translation of Renminbi into Hong Kong dollars was made at the rate of RMB0.9134 to HK\$1.00, the exchange rate prevailing on June 30, 2020, published by the PBOC for foreign exchange transactions.

No representation is made that any amounts in Renminbi, Hong Kong dollars and U.S. dollars were or could have been or could be converted into each other at such rates or any other exchange rates on such date or any other date.

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail unless otherwise stated. However, the translated English names of the PRC and foreign national, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the names in their original languages shall prevail.

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. NI Zhengdong (倪正東)	7/F, Beijing Yansha Zhongxin Apartment No. 50 Liangmaqiao Road Chaoyang District Beijing, PRC	Chinese
Ms. FU Xinghua (符星華)	11/F, Unit 3, Building 902 Runze Yuexi Chaoyang District Beijing, PRC	Chinese
Ms. ZHANG Yanyan (張妍妍)	3/F, Unit 5, Building 108 Wangjing East Garden Chaoyang District Beijing, PRC	Chinese
Non-executive Director		
Mr. KUNG Hung Ka (龔虹嘉)	57/F, No. 38 Celestial Heights No. 80, Sheung Shing Street Kowloon Hong Kong	Chinese (Hong Kong)
Independent Non-executive Directors		
Mr. XU Shaochun (徐少春)	9/F, Lanyuan Commercial & Residential Building Nanshan District, Shenzhen Guangdong Province, PRC	Chinese
Mr. ZHANG Min	No. 3, Lane 458 Wanhangdu Road Jing'an District Shanghai, PRC	Canadian
Ms. YU Bin (余濱)	4/F, No. 27, Lane 1880 Longyang Road Pudong New District Shanghai, PRC	Chinese

For further information regarding our Directors, see the section headed “Directors and Senior Management.”

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	Fortune Financial Capital Limited 43/F, COSCO Tower 183 Queen's Road Central Hong Kong
Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers	Fortune (HK) Securities Limited 43/F, COSCO Tower 183 Queen's Road Central Hong Kong China International Capital Corporation Hong Kong Securities Limited 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Joint Bookrunners and Joint Lead Managers	CCB International Capital Limited 12/F, CCB Tower 3 Connaught Road Central Central, Hong Kong China Everbright Securities (HK) Limited 12/F, Everbright Centre 108 Gloucester Road Wanchai Hong Kong Futu Securities International (Hong Kong) Limited Unit C1-2, 13/F United Centre No. 95 Queensway Hong Kong Guosen Securities (HK) Capital Company Limited Suites 3207-3212, 32/F One Pacific Place 88 Queensway Hong Kong
Legal Advisors to our Company	<i>as to Hong Kong and U.S. law:</i> Wilson Sonsini Goodrich & Rosati Suite 1509, 15/F, Jardine House 1 Connaught Place Central Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING

as to PRC law:

Beijing Dentons Law Offices, LLP
7/F, Building D, Parkview Green FangCaoDi
No. 9 Dongdaqiao Road
Chaoyang District
Beijing
PRC

as to Cayman Islands law:

Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Legal Advisors to the Sole Sponsor and Underwriters

as to Hong Kong and U.S. law:

O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
Hong Kong

as to PRC law:

Jingtian & Gongcheng
34/F, Tower 3, China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

Independent Auditor and Reporting Accountant

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

Industry Consultant

China Insights Industry Consultancy Limited
10F, Block B, Jing'an International Center
88 Puji Road
Jing'an District
Shanghai
PRC

Receiving bank

Bank of China (Hong Kong) Limited
1 Garden Road
Hong Kong

CORPORATE INFORMATION

Registered office	PO Box 309 Ugland House, Grand Cayman KY1-1104 Cayman Islands
Principal place of business in Hong Kong	40th Floor, Sunlight Tower No. 248 Queen's Road East Wanchai Hong Kong
Headquarters and principal place of business in the PRC	10th Floor, Air China Century Building Building No.1, No.40 Xiaoyun Road Chaoyang District Beijing, PRC
Company website address	<u>www.zero2ipo.cn</u> (<i>Information contained in this website does not form a part of this prospectus</i>)
Joint Company Secretaries	Mr. CHENG Ching Kit (鄭程傑) (<i>HKICS, CGI</i>) 40th Floor, Sunlight Tower No. 248 Queen's Road East Wanchai Hong Kong Ms. YANG Zhen (楊真) 10th Floor, Air China Century Building Building No.1, No.40 Xiaoyun Road Chaoyang District Beijing, PRC
Authorized representatives	Ms. ZHANG Yanyan (張妍妍) 10th Floor, Air China Century Building Building No.1, No.40 Xiaoyun Road Chaoyang District Beijing, PRC Ms. YANG Zhen (楊真) 10th Floor, Air China Century Building Building No.1, No.40 Xiaoyun Road Chaoyang District Beijing, PRC
Audit committee	Ms. YU Bin (余濱) (<i>Chairwoman</i>) Mr. XU Shaochun (徐少春) Mr. ZHANG Min
Remuneration committee	Mr. XU Shaochun (徐少春) (<i>Chairman</i>) Mr. NI Zhengdong (倪正東) Mr. ZHANG Min

CORPORATE INFORMATION

Nomination committee	Mr. NI Zhengdong (倪正東) (<i>Chairman</i>) Mr. ZHANG Min Ms. YU Bin (余濱)
Compliance advisor	Fortune Financial Capital Limited 43/F, COSCO Tower 183 Queen's Road Central Hong Kong
Principal share registrar and transfer office	Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands
Hong Kong branch share registrar and transfer office	Tricor Investor Services Limited Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Principal banks	Shanghai Pudong Development Bank Beijing East Third Ring Road Branch Pengrun Building, No. 26 Xiaoyun Road Chaoyang District, Beijing PRC China Minsheng Bank Beijing Dongsì Branch 1/F, Cultural Finance Building No. 265 Dongsì North Street Dongcheng District, Beijing PRC

REGULATORY OVERVIEW

This section sets forth a summary of the most significant laws, rules and regulations that affect our business activities in the PRC and our Shareholders' rights to receive dividends and other distributions from us.

Regulations Relating to Foreign Investment

According to the Provisions on Guiding Direction of Foreign Investment (《指導外商投資方向規定》) promulgated by the State Council, which took effect on April 1, 2002, foreign investment industries in the PRC are classified into four categories: “permitted foreign investment industries”, “encouraged foreign investment industries”, “restricted foreign investment industries” and “prohibited foreign investment industries”. “Encouraged foreign investment industries”, “restricted foreign investment industries” and “prohibited foreign investment industries” are stipulated in the Catalogue for the Guidance of Foreign Investment Industries (《外商投資產業指導目錄》) (the “**Catalog**”). Industries which do not fall in any of these three categories are regarded as “permitted foreign investment industries”.

Investment activities in the PRC by foreign investors are governed by the Catalog, which was promulgated and is amended from time to time jointly by the Ministry of Commerce (the “**MOFCOM**”) and the National Development and Reform Commission (the “**NDRC**”). The latest effective Catalog was amended in 2017, or the Catalogue for the Guidance of Foreign Investment Industries (《外商投資產業指導目錄(2017)》) (the “**2017 Catalog**”). The Catalog contains specific provisions guiding market access of foreign capital and stipulates in detail the areas of entry pertaining to the categories of encouraged foreign investment industries, restricted foreign investment industries and prohibited foreign investment industries. The latter two categories are included in the negative list, which was first introduced into the 2017 Catalog, and listed, in a unified manner, the restrictive measures for the entry of foreign investment.

The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2018) (《外商投資准入特別管理措施(負面清單)(2018年版)》) (the “**2018 Negative List**”), jointly promulgated by the NDRC and MOFCOM on June 28, 2018, and came into effect on July 28, 2018, stipulates that foreign investors are prohibited from investing industries as provided by the 2018 Negative List, and a foreign investment permission must be obtained prior to investing in other areas that are listed on, but not prohibited by, the 2018 Negative List. The Catalog of Industries in which Foreign Investment is Encouraged (2019 Revision) (《鼓勵外商投資產業目錄(2019年版)》) (the “**2019 Encouraged Catalog**”), and the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2019) (外商投資准入特別管理措施(負面清單)(2019年版), the “**2019 Negative List**”), which were issued on June 30, 2019 and came into effect on July 30, 2019, respectively, replaced the 2017 Catalog and the 2018 Negative List and reduced restrictions on foreign investment. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020) (《外商投資准入特別管理措施(負面清單)(2020年版)》) (the “**2020 Negative List**”) which was further jointly promulgated by the NDRC and the MOFCOM on June 23, 2020 and came into effect in July 23, 2020, has further reduced the restrictions on foreign investment.

The Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**” or “**FIL**”) was adopted by the National People's Congress on March 15, 2019, and came into effect on January 1, 2020 and replaced the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》) and the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and their implementation regulations to become the legal foundation for foreign investment in the PRC. The Foreign Investment Law sets out the definition of foreign investment and the framework for promotion,

REGULATORY OVERVIEW

protection and administration of foreign investment activities. Foreign-invested enterprises established before the implementation of the Foreign Investment Law may retain their original organization, amongst other matters, within five (5) years after the implementation of the Foreign Investment Law.

According to the Foreign Investment Law, foreign investments are entitled to pre-entry national treatment and are subject to the negative list management system. The pre-entry national treatment means that the treatment given to foreign investors and their investments at the stage of investment access is not lower than that granted to domestic investors and their investments. The negative list management system means that the state implements special administrative measures for access of foreign investment in specific fields. Foreign investors shall not invest in any prohibited industries stipulated in the negative list and shall meet the conditions stipulated in the negative list before investing in any restricted industries. Foreign investors' investment, earnings and other legitimate rights and interests within the territory of China shall be protected in accordance with the law, and all national policies on supporting the development of enterprises shall equally apply to foreign-invested enterprises.

The Implementing Regulation for the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was adopted at the 74th executive meeting of the State Council on December 12, 2019 and came into effect on January 1, 2020, provides implementing measures and detailed rules to ensure the effective implementation of the Foreign Investment Law.

An enterprise which establishes, operates and manages within the Chinese territory is subject to the Company Law of the PRC (《中華人民共和國公司法》) last amended on October 26, 2018. The Company Law of the PRC is also applicable to a foreign investment company. Nevertheless, where there are other special laws relating to foreign investment, such laws shall prevail.

Regulations on Value-Added Telecommunication Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “**Telecom Regulations**”), promulgated by the PRC State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, respectively, provide a regulatory framework for the telecommunications services and service providers in China. Under the Telecom Regulations, the telecommunications service providers are required to obtain an operating license in accordance with the classification of telecommunications businesses prior to the commencement of their operations. The Telecom Regulations categorize telecommunications businesses into basic telecommunications services and value-added telecommunications services (the “**VATS**”). According to the Classification Catalog of Telecommunications Businesses (《電信業務分類目錄》) which was issued as an attachment to the Telecom Regulations to set out specific categories of telecommunications services, and lastly amended by the Ministry of Industry and Information Technology (the “**MIIT**”) on June 6, 2019, information service provided via fixed network, mobile network and Internet fall within the scope of VATS.

In September 2000, the State Council issued the Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the “**Internet Measures**”), which was amended in January 2011. Pursuant to the Internet Measures, “Internet information services” refers to the provision of information through the Internet to online users, and are divided into “commercial Internet information services” and “non-commercial Internet information services.” A commercial Internet information services operator must obtain a VATS license for Internet information services, or the ICP License, from the relevant government authorities before engaging in any commercial Internet information services operations in China, while the ICP License is not required if the operator will only provide Internet information on a non-commercial basis.

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The Administrative Measures on Telecommunications Business Operating Licenses (《電信業務經營許可管理辦法》)(the “**Licenses Measures**”), promulgated by the MIIT in March 2009 and most recently amended in July 2017, sets forth more specific provisions regarding the types of licenses required to operate VATS, the qualifications and procedures for obtaining such licenses and the administration and supervision of such licenses. Under the Licenses Measures, a commercial operator of VATS must first obtain a VATS license from the MIIT or its provincial level counterparts. Furthermore, the commercial operator of VATS shall operate its telecommunications business in accordance with the type of telecommunications business that lies within the scope of business coverage as stated in its business permit, and pursuant to the provisions of the business permit. Otherwise, such operator might be subject to sanctions, including corrective orders from the competent administration authority, fines and confiscation of illegal gains and, in the case of significant infringements, such operator may be ordered to suspend operation and adopt rectifying measures, and be placed on the list of dishonest telecommunications business operators. According to the Licenses Measures, a VATS license has a term of five years.

Foreign investment in telecommunications companies in the PRC is governed by the Provisions on the Administration of Telecommunications Enterprises with Foreign Investment (《外商投資電信企業管理規定》)(the “**Foreign-Invested Telecommunications Enterprises Provisions**”), which was promulgated by the State Council on December 11, 2001, and amended on September 10, 2008 and February 6, 2016, respectively. With certain exceptions to E-commerce, the VATS industry in the PRC is categorized as a “restricted” category under the 2019 Negative List and has been subject to restrictions on percentage of foreign ownership (not holding more than 50%). The Foreign-Invested Telecommunications Enterprises Provisions further require (i) the major foreign investor in any VATS business in the PRC to demonstrate prior experience in providing VATS services and a good track record of business operations; and (ii) foreign invested enterprises intending to conduct VATS business to obtain approvals from the MIIT and MOFCOM or its competent local branches prior to investing.

For the purpose of further strengthening relevant administration of foreign investment in the VATS business, the Ministry of Information Industry, the predecessor of the MIIT, issued the Circular on Strengthening the Administration of Foreign Investment in the Operation of Value-added Telecommunications Business(《關於加強外商投資經營增值電信業務管理的通知》) on July 13, 2006, which prohibits holders of these telecommunications business licenses from leasing, transferring or selling their licenses in any form, or providing any resource, sites or facilities, to any foreign investors intending to conduct any illegal telecommunications operation by any means in China.

Regulations on Mobile Internet Applications Information Services

In addition to the Telecom Regulations and other regulations mentioned above, mobile internet applications are especially regulated by the Administrative Provisions on Mobile Internet Applications Information Services (《移動互聯網應用程序信息服務管理規定》) (the “**APP Provisions**”), which was promulgated by the Cyberspace Administration of China (the “**CAC**”), on June 28, 2016 and became effective on August 1, 2016. The APP Provisions regulate mobile Internet application information service providers. According to the APP Provisions, the CAC and local offices of cyberspace administration shall be responsible for the supervision and administration of nationwide or local mobile application information, respectively.

Under the APP Provisions, mobile Internet application information service providers are required to obtain relevant qualifications prescribed by laws and regulations and shall implement the information security management responsibilities strictly, including but not limited to: (i)

REGULATORY OVERVIEW

authenticate the identity information of the registered users through mobile phone numbers and other information, (ii) establish and improve the users' information security protection mechanism, and obtain user consent while collecting and using users' personal information following the principles of "legality, appropriateness and necessity", (iii) establish information content audit and management mechanism, and take proper measures against any information content in violation of laws or regulations depending on circumstances, and (iv) record and keep users' log information for sixty (60) days.

Regulations on Online Advertising Services

On October 27, 1994, the Standing Committee of the National People's Congress enacted the Advertising Law of the PRC (《中華人民共和國廣告法》) (the "**Advertising Law**"), which became effective on February 1, 1995 and was amended in April 2015 and October 2018. On July 4, 2016, the State Administration for Industry and Commerce of the PRC (the "**SAIC**"), the predecessor of the State Administration for Market Regulation (the "**SAMR**"), issued the Interim Measures of the Administration of Online Advertising (《互聯網廣告管理暫行辦法》) (the "**SAIC Interim Measures**"), effective on September 1, 2016. The Advertising Law and the SAIC Interim Measures require Internet advertisements not to affect users' normal Internet use and Internet pop-up ads must display a "close" sign prominently and ensure one-key closing of the pop-up windows. The SAIC Interim Measures provides that all online advertisements must be marked with the word "advertisement" so that viewers can easily identify them as such. Otherwise, relevant regulatory authorities may order the online advertising service providers to rectify within a certain time limit and/or impose a fine of no more than RMB100,000. Moreover, the SAIC Interim Measures treat paid search results as advertisements, therefore they are subject to PRC advertisement laws, and requires that paid search results be conspicuously identified on search result pages as advertisements.

Regulations Relating to Private Education

The Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》) became effective on September 1, 2003 and was amended on June 29, 2013, on November 7, 2016 and on December 29, 2018, and the Implementation Rules for the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法實施條例》) became effective on April 1, 2004. Under these regulations, "private schools" are defined as schools established by social organizations or individuals using non-government funds, and include other private institutions of education established according to law.

On November 7, 2016, the SCNPC published the Decision on Amendment of the Law for Promoting Private Education of the PRC (關於修改《中華人民共和國民辦教育促進法》的決定, the "**2016 Decision**"), which became effective on September 1, 2017. According to 2016 Decision, as long as the school does not engage in the provision of compulsory education, sponsors of the private school are allowed to register and operate the school as for-profit or non-profit private schools.

On April 20, 2018, the Ministry of Education ("**MOE**") issued for public comment a draft of the Regulations on the Implementation of the Law on Promoting Private Education in PRC (Revised Draft) (中華人民共和國民辦教育促進法實施條例(修訂草案)(徵求意見稿)). On August 10, 2018, the Ministry of Justice ("**MOJ**") published for public comment the draft submitted for approval for the amendment to the Regulations on the Implementation of the Private Education Promotion Law of the PRC (《中華人民共和國民辦教育促進法實施條例(修訂草案)(送審稿)》) ("**MOJ Draft for Approval**"), which was formed on the basis of MOE Draft Implementation of the Private Education Promotion Law. The MOJ Draft for Approval stipulates that the establishment

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of private training and educational organizations that implement activities of language, art, physical education, technology, research and learning, and activities targeting at cultural education for adults and non-degree continuing education, can apply to register as the legal person directly. Such private training and/or educational organization must not carry out cultural and educational activities targeting at kindergarten, primary and secondary school-age children, adolescents, or other cultural and educational activities related to school cultural education courses or further studies and examinations, which requires the review and approval of the relevant administrative departments for education.

Based on the understanding of the business substance of our Group's training services, the provisions of the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》) and the MOJ Draft for Approval, and the consultation with the relevant governmental authorities, our PRC Legal Advisors are of the view that, as of the Latest Practicable Date, (1) we were not required to obtain the Private School Operating Permit under the Law for Promoting Private Education of the PRC (《中華人民共和國民辦教育促進法》), (2) our relevant operating entities have registered as legal persons in competent administration for market regulation, which is in compliance with the MOJ Draft for Approval in the event that the MOJ Draft for Approval is enacted and promulgated in its current form; and (3) as the MOJ Draft for Approval provides no clear and specific requirement other than the requirement of registration as a legal person, with respect to the training service that we currently operate, there was no substantial legal impediment for us to comply with the requirements of the MOJ Draft for Approval. As of the Latest Practicable Date, this MOJ Draft for Approval was still pending for final approval and was not in effect.

According to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2020) (《外商投資准入特別管理措施(負面清單)(2020年版)》), pre-school education, ordinary high school and higher education institutions are subject to Sino-foreign cooperative education, and foreign investors are prohibited to invest in compulsory education institutions or religious education institutions. As advised by our PRC Legal Advisors, our training services are not subject to the aforementioned restriction or prohibition.

The training business of our Group is dedicated to offering and sharing the knowledge in the equity investment industry to people with interests in equity investment through training sessions, forums and seminars, etc. Our training business is offered within the business scope set forth on the business licenses of the relevant operating entities and does not involve the issuance of any training certificates serving as proofs for employment or certificates of national vocational qualifications.

As advised by our PRC Legal Advisors, (1) “vocational training institutions” under the Vocational Education Law of the PRC (《中華人民共和國職業教育法》), the Regulation on Sino-foreign Cooperation in Operating Schools of the PRC (2019 Revision) (《中華人民共和國中外合作辦學條例(2019修訂)》) and the Administrative Measures for the Sino-foreign Cooperative Education on Vocational Skills Training (2015 Revision) (《中外合作職業技能培訓辦學管理辦法(2015修訂)》) will issue training certificates to students, and such training certificates can be used by the graduates as the proof of vocational training they received when they seek employment opportunities; and for students who have received vocational skills training in accordance with the aforementioned laws and regulations, they can obtain the corresponding certificates of national vocational qualification in accordance with the relevant laws and regulations if they are qualified by the vocational skills appraisal institutions authorized and approved by the government authority; (2) the business scope set forth on the business licenses of our operating entities conducting training business includes “non-certified vocational skills training for adults”, indicating that the relevant government authority differentiated the “non-certified vocational skills

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training” provided by entities such as us from “vocational trainings” provided by training institutions under the aforementioned laws and regulations; and (3) according to the consultation with the relevant government authorities, our Group can conduct the current training business within the business scope set forth on the business licenses of the relevant operating entities.

Based on the foregoing and business substance of our Group’s training business, our PRC Legal Advisors are of the view that as our Group is engaged in the provision of non-certified vocational skills training, which is different from the vocational training conducted by vocational training institutions under the Vocational Education Law of the PRC (《中華人民共和國職業教育法》), the Regulation on Sino-foreign Cooperation in Operating Schools of the PRC (2019 Revision) (《中華人民共和國中外合作辦學條例(2019修訂)》) and the Administrative Measures for the Sino-foreign Cooperative Education on Vocational Skills Training (2015 Revision) (《中外合作職業技能培訓辦學管理辦法(2015修訂)》), and thus the provision that foreign educational institutions, other organizations or individuals may not independently establish vocational skills training institutions in the PRC under the Administrative Measures for the Sino-foreign Cooperative Education on Vocational Skills Training (2015 Revision) (《中外合作職業技能培訓辦學管理辦法(2015修訂)》) are not applicable to our Group’s training business.

Regulations on Internet Security and Censorship

Internet information in China is also regulated and restricted from a national security standpoint. The SCNPC has enacted the Decisions on Maintaining Internet Security (《維護互聯網安全的決定》) on December 28, 2000 and further amended on August 27, 2009. In accordance with this decision, violators may be subject to criminal punishment in China for any effort to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights. In 1997, the Ministry of Public Security issued the Administration Measures on the Security Protection of Computer Information Network with International Connections (《計算機信息網絡國際聯網安全保護管理辦法》), which was amended in January 2011, prohibits use of the Internet in ways which, among other things, results in a leakage of state secrets or a spread of socially destabilizing content. If an Internet information service provider violates these measures, the Ministry of Public Security and the local security bureaus may revoke its operating license and shut down its website(s).

The Cyber Security Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cyber Security Law**”), was promulgated by the SCNPC on November 7, 2016 and became effective on June 1, 2017. Under this regulation, network operators shall fulfill their obligations to safeguard the security of the network when conducting business and providing services, and take all necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. Further, the network operator shall not collect personal information which is irrelevant to the services it provides, or collect or use personal information in violation of the provisions of laws or agreements between both parties. Network operators of key information infrastructure shall store within the territory of the PRC all personal information and important data collected and produced within the territory of PRC. Their purchase of network products and services that may affect national security shall be subject to national cybersecurity review. On April 13, 2020, the CAC and other relevant governmental authorities jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》), which took effect on June 1, 2020, to provide for more detailed rules regarding cybersecurity review requirements, where critical information infrastructure operators purchase network products or service, which affects or may affect national security, shall be required a cybersecurity review.

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Regulations on Privacy Protection

On December 28, 2012, the SCNPC promulgated the Decision on Strengthening Network Information Protection (《關於加強網絡信息保護的決定》) (the “**Information Protection Decision**”), which became effective on the same day, to enhance the legal protection of information security and privacy on the Internet. The Information Protection Decision provides that Internet service providers must expressly inform their users of the purpose, manner and scope of the Internet service providers’ collection and use of users’ personal information, publish the Internet service providers’ standards for such information collection and use of users’ personal information, and collect and use personal information only with the user consent and to only operate within the scope of such consent. The Information Protection Decision also mandates that Internet service providers and their employees must keep strictly confidential personal information they collect, and that Internet service providers must take such technical and other measures as are necessary to safeguard the information against unauthorized disclosure.

On July 16, 2013, the MIIT promulgated the Provisions on Protection of Personal Information of Telecommunication and Internet Users (《電信和互聯網用戶個人信息保護規定》) (the “**Telecommunication and Internet Users Provisions**”), which became effective on September 1, 2013, to regulate the collection and use of users’ personal information in the provision of telecommunication services and Internet information services in China. Personal information includes a user’s name, birth date, identification card number, address, phone number, account name, password and other information that can be used for identifying a user. According to the Telecommunication and Internet Users Provisions, telecommunication business operators and Internet service providers are required to constitute their own rules for the collection and use of users’ information, and may not collect or use user’s personal information without user consent. Telecommunication business operators and Internet service providers must specify the purposes, manners and scope(s) of information collection and usage, obtain consent of the relevant users, and keep the collected personal information confidential. Telecommunication business operators and Internet service providers are prohibited from disclosing, tampering with, damaging, selling or illegally providing other people with, collected personal information. Telecommunication business operators and Internet service providers are required to take technical and other measures to prevent collected personal information from any unauthorized disclosure, damage or loss.

The Cyber Security Law further addresses the issue on the protection of personal information.

Pursuant to the Ninth Amendment to the Criminal Law (《中華人民共和國刑法修正案(九)》) issued by the SCNPC, in August 2015 and became effective on November 1, 2015, any internet service provider that fails to fulfill its obligations towards internet information security administration as required by applicable laws, and refuses to rectify when ordered, shall be subject to criminal sanctions.

On May 8, 2017, the Supreme People’s Court and the Supreme People’s Procuratorate released the Interpretations of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens’ Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) (the “**Interpretations**”), which became effective on June 1, 2017. The Interpretations provide more practical conviction and sentencing criteria for the infringement of citizens’ personal information and serves as a milestone for the protection of citizens’ personal information with criminal liability.

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Regulations Relating to Offline Industry Events

Pursuant to the Regulations for the Security Administration of Large-Scale Mass Activities (《大型群眾性活動安全管理條例》) issued by the State Council on September 14, 2007, and became effective on October 1, 2007, the organizer of a large-scale mass activity is responsible for the activity's security and shall obtain the security permit from the relevant police security authorities each time before a large-scale activity is held, in the event the number of participants in such activity is expected to reach 1,000 or more.

Regulations Relating to Foreign Exchange

Regulations on Foreign Currency Exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) (the “**PRC Foreign Exchange Regulations**”), most recently amended in August 2008. Under the PRC Foreign Exchange Regulations, payments of current account items, such as profit distributions, interest payments 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. By contrast, approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

SAFE promulgated the Notice of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (《關於進一步改進和調整直接投資外匯管理政策的通知》) (the “**SAFE Notice 59**”) in November 2012, and was amended in May 2015, October 2018 and December 2019. SAFE Notice 59 substantially amends and simplifies the current foreign exchange procedure. Pursuant to SAFE Notice 59, the opening of various special purpose foreign exchange accounts under direct investment, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of domestic proceeds derived by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a domestic enterprise reinvested by a foreign-funded investment holding company to such foreign-funded investment holding company no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In addition, SAFE promulgated the Provisions on the Foreign Exchange Administration of Domestic Direct Investment of Foreign Investors (《外國投資者境內直接投資外匯管理規定》) in May 2013 and amended it on October 10, 2018, which specifies that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC must be conducted by way of registration and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

On February 13, 2015, the SAFE promulgated the Notice on Further Simplifying and Improving the Administration of the Foreign Exchange Concerning 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 Notice 13**”). After SAFE Notice 13 became effective on June 1, 2015, instead of applying for approvals regarding foreign exchange registrations of foreign direct investment and overseas direct investment from SAFE, entities and individuals will be required to apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of the SAFE, will directly examine the applications and conduct the registration.

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On March 30, 2015, the SAFE promulgated Circular Concerning Reform of the Administrative Approaches to Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “**SAFE Circular 19**”), to expand the reform nationwide. SAFE Circular 19 allows foreign-invested enterprises to make equity investments by using RMB funds converted from foreign exchange capital. Under SAFE Circular 19, the foreign exchange capital in the capital account of foreign-invested enterprises upon the confirmation of rights and interests of monetary contribution by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operation needs of the enterprises. The proportion of discretionary settlement of foreign exchange capital of foreign-invested enterprises is currently 100%. SAFE can adjust such proportion in due time based on the circumstances of international balance of payments. However, SAFE Circular 19 and another circular promulgated by SAFE in June 2016, Circular on the Policies for Reforming and Standardizing Management of Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the “**SAFE Circular 16**”), continues to prohibit foreign-invested enterprises from, among other things, using RMB funds converted from foreign exchange capital for expenditure on activities beyond its business scope, or prohibited by laws and regulations of PRC, investment in securities or other investment with the exception of bank financial products that can guarantee the principal within China unless otherwise specifically provided, and providing loans to non-affiliated enterprises, or constructing or purchasing real estate that are not for self-use with the exception for the real estate enterprise.

In January 2017, SAFE promulgated the Circular on Further Advancing Foreign Exchange Administration Reform to Enhance Authenticity and Compliance Reviews (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》) (the “**SAFE Circular 3**”), which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years’ losses before remitting the profits. Moreover, pursuant to SAFE Circular 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts, and other proof when completing the registration procedures in connection with an outbound investment.

Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Round-trip Investment through Special Purpose Vehicles (《國家外匯管理局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**”), on July 4, 2014, which replaced the former circular commonly known as “SAFE Circular 75”. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, the special purpose vehicles, with such PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests, for the purpose of overseas investment and financing. SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to special purpose vehicles, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose

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vehicle itself may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

On February 13, 2015, SAFE released SAFE Notice 13, under which local banks will examine and handle foreign exchange registration for overseas direct investments, including the initial foreign exchange registration and amendment registration, starting from June 1, 2015.

Regulations on Employee Stock Incentive Plans of Overseas Publicly-Listed Company

Pursuant to the Circular on Relevant Issues Concerning Foreign Exchange Administration over Involvement of Domestic Individuals in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), issued by SAFE in February 2012, individuals participating in any stock incentive plan of any overseas publicly listed company who are PRC citizens or non-PRC citizens who reside in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and to complete the relevant procedures. We and our executive officers and other employees who are PRC citizens, or non-PRC citizens who reside in China for a continuous period of not less than one year, and have been granted options will be subject to these regulations upon the completion of this offering. Failure by these individuals to complete their SAFE registrations may subject us and them to fines and other legal sanctions.

The SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options with the relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

Regulations Relating to Overseas Direct Investment

The Measures for Overseas Investment Management (《境外投資管理辦法》) was promulgated by the MOFCOM on September 6, 2014 and came into effect on October 6, 2014. As defined by the Measures for Overseas Investment Management, overseas investment means that the enterprises legally incorporated in the PRC own the non-financial enterprises or obtain the ownership, control and operation management rights of the existing non-financial enterprises in foreign countries through incorporation, merger and acquisition and other means. If the overseas investments involve sensitive countries and regions or sensitive industries, they shall be subject to the approval of competent authorities. For other overseas investments, they shall be subject to filing administration. Local enterprises shall be filed with the provincial commercial administration authorities where they are located. The qualified enterprises will be put into record and granted with Overseas Investment Certificate for Enterprise by the MOFCOM and the relevant provincial commercial administration authorities.

On December 26, 2017, NDRC issued the Administrative Measures for the Overseas Investment of Enterprises (《企業境外投資管理辦法》, the “Measures”), which took effect on March 1, 2018. Under the Measures, sensitive overseas investment projects carried out by PRC enterprises either directly or through overseas enterprises under their control shall be approved by NDRC, and non-sensitive overseas investment projects directly carried out by PRC enterprises shall be filed with NDRC or its local branch at provincial level. In the case of PRC enterprises

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carrying out non-sensitive overseas investment projects through overseas enterprises under their control, with an investment amount of USD300 million or above, such PRC enterprises shall, before the implementation of the projects, submit a report describing the details about such non-sensitive projects to NDRC. Where the PRC resident, acting in the capacity of a natural person, makes overseas investments through overseas enterprises under their control, the Measures shall apply mutatis mutandis. Subsequently on January 31, 2018, NDRC issued the Catalog of Sensitive Overseas Investment Industry (2018 Version) (《境外投資敏感行業目錄(2018年版)》) effective from March 1, 2018, under which enterprises shall be restricted from making overseas investments in certain industries including without limitation, real estate and hotel industries.

Regulations on Intellectual Property Rights

The PRC has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

Copyright

China is a signatory to some major international conventions for the protection of copyrights and became a member of the Berne Convention for the Protection of Literary and Artistic Works in October, 1992, the Universal Copyright Convention in October, 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law of the PRC (Revised in 2010)(《中華人民共和國著作權法》)(2010年修訂)(the “**Copyright Law**”) and related rules and regulations. The Copyright Law provides that works of Chinese citizens, legal persons, or other organizations whether published or not, shall enjoy copyright protection under Copyright Law, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. According to the Copyright Law, copyright infringement will give rise to various civil liabilities, which include claims to cease the infringement activities, apologizing to the copyright owners, and compensating the loss suffered by the copyright owner. In severe cases, copyright infringements may also result in fines and/or administrative or criminal liabilities.

The Regulation on Protection of the Right to Network Dissemination of Information (《信息網絡傳播權保護條例》) that took effect on July 1, 2006 and was amended on January 30, 2013, further provides that an Internet information service provider may be held liable under various situations, including if it knows or should reasonably have known that a copyright infringement through the Internet took place, and failed to take measures to remove, block or disconnect links to the relevant content, or, where the service provider was previously unaware of the infringement, failed to take appropriate measures upon receipt of the copyright holder’s notice of infringement.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) (the “**Software Copyright Measures**”), promulgated by the then Ministry of Engineering and Electronics Industry on April 6, 1992 and amended on May 26, 2000 and February 20, 2002 by the National Copyright Administration of the PRC (the “**NCAC**”), regulates registrations of software copyrights, exclusive licensing contracts for software copyright, and transfer contracts. The NCAC shall be the competent authority for the nationwide administration of software copyright registration, and the Copyright Protection Centre of China (the “**CPCC**”) is designated as the

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software registration authority. The CPCC shall grant registration certificates to the Computer Software Copyrights applicants which conforms to the provisions of both the Software Copyright Measures and the Computer Software Protection Regulations (Revised in 2013) (《計算機軟件保護條例》(2013年修訂)).

Measures on Administrative Protection of Internet Copyright (《互聯網著作權行政保護辦法》) promulgated by the Ministry of Information Industry, the predecessor of the MIIT, and NCAC and took effect on May 30, 2005, provided that an Internet information service provider shall take measures to remove the relevant contents, record relevant information after receiving the notice from the copyright owner that some content distributed through internet infringes upon his/its copyright and preserve the copyright owner's notice for 6 months. Where an Internet information service provider clearly knows an Internet content provider's tortious act of infringing upon another's copyright through Internet, or fails to take measures to remove infringing content after receipt of the copyright owner's notice, to the detriment of public interests, the infringer and the information service provider shall be ordered to stop the tortious act, and may be subject to confiscation of the illegal proceeds and a fine of not more than 3 times the illegal proceeds; if such figure is difficult to be calculated, a fine of not more than RMB100,000 may be imposed.

The Provisions of the Supreme People's Court on Certain Issues Related to the Application of Law in the Trial of Civil Cases Involving Disputes on Infringement of the Information Network Dissemination Rights (《最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定》) effective on January 1, 2013, specifies that disseminating works, performances or audio-video products by Internet users or Internet services providers via the Internet without authorization of the copyright owners, shall be deemed to have infringed the right of dissemination of the copyright owner.

Notice on Regulating the Order of Reprinting of Copyrighted Works on Information Networks (《關於規範網絡轉載版權秩序的通知》) issued by the NCAC on April 17, 2015 provides that when reprinting content of others, the Internet media shall (1) ask for permission from the copyright owner, pay remuneration and clarify the name of the author, as well as title and source of the content, except otherwise provided by law; (2) not make material alternation to the content, when making literal modification and deletion to the title and the content, the original meaning of the title and the content shall not be distorted; (3) establish and further improve the internal copyright management system.

Trademark

The Trademark Law of the PRC (Revised in 2019) (《中華人民共和國商標法》)(2019年修訂)(the “**Trademark Law**”), which came into effect on November 1, 2019, and the Implementation Regulations of the PRC Trademark Law(《中華人民共和國商標法實施條例》) adopted by the State Council in 2002 and as most recently amended on April 29, 2014, protect registered trademarks. In China, registered trademarks include commodity trademarks, service trademarks, collective marks and certification marks. The Trademark Law has adopted a “first-to-file” principle with respect to trademark registration. The Trademark Office of National Intellectual Property Administration (the “**Trademark Office**”) is responsible for the registration and administration of trademarks throughout the PRC, and grants a term of ten years to registered trademarks and another ten years if requested upon expiry of the initial or extended term. Trademark license agreements must be filed with the Trademark Office for record. Where trademark for which a registration application has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any

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person applying for the registration of a trademark may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a “sufficient degree of reputation” through such party’s use.

Domain Name

Domain names are protected under the Administrative Measures on the Internet Domain Names of the PRC (《互聯網域名管理辦法》), promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017. The MIIT is the major regulatory authority responsible for the administration of the PRC Internet domain names. The registration of domain names in PRC is on a “first-apply-first-registration” basis. Applicants for registration of domain names shall provide the true, accurate and complete information of their identities to domain name registration service institutions. The applicant will become the domain name holder upon the completion of the application procedure.

Regulations on Dividend Distribution

Under our current corporate structure, our Cayman Islands holding company may rely on dividend payments from Beijing Huchuang and Beijing Zero2IPO, which are wholly foreign-owned enterprises incorporated in China, to fund any cash and financing requirements we may have. According to the Company Law of the PRC (《中華人民共和國公司法》), as amended in 2005, 2013 and 2018, the Foreign Investment Law, which came into effect on January 1, 2020, and other relevant laws and regulations, companies in China including foreign invested enterprises, may pay dividends only out of their accumulated after-tax profits (if any), to be determined in accordance with PRC accounting standards and regulations. In addition, wholly foreign-owned enterprises in China are required to allocate at least 10% of their respective accumulated profits each year (if any), to fund certain reserve funds until these reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends.

Regulations on M&A and Overseas Listings

Pursuant to the Provisions on Mergers and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “**M&A Rules**”) promulgated by the MOFCOM, the CSRC, the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會), the SAT, the SAIC and the SAFE on August 8, 2006, which came into force on September 8, 2006 and was amended on June 22, 2009, foreign investors’ merger and acquisition of domestic enterprises shall comply with the requirements stipulated by laws, administrative regulations and rules of the PRC, and policies concerning industry, land and environment.

An offshore special purpose vehicle (“**SPV**”) is defined under the M&A Rules as an offshore entity directly or indirectly controlled by PRC natural persons or enterprises for the purpose of an overseas listing, and the main assets of which are the rights and interests in affiliated domestic enterprises. Under the M&A Rules, if an SPV intends to merge with or acquire any PRC domestic enterprise affiliated with such PRC natural persons or enterprises that control the SPV, the proposed merger or acquisition shall be submitted to MOFCOM for approval. The M&A Rules also requires an SPV to obtain an approval from the CSRC prior to the listing and trading of its securities at an overseas stock exchange.

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Regulations Relating to Employment and Social Welfare

The Labor Law of the PRC (Reversion 2018) (《中華人民共和國勞動法》)(2018修正) and The Labor Contract Law of the PRC (Reversion 2012) (《中華人民共和國勞動合同法》) (2012修正)(the “**Labor Contract Law**”) require that employers must execute written employment contracts with employees. All employers must compensate their employees with wages equal to at least the local minimum wage standards. Violations of the PRC Labor Law and the Labor Contract Law may result in the imposition of fines and other administrative sanctions, and serious violations may result in criminal liabilities.

As required under the Regulation on Work-Related Injury Insurances (《工傷保險條例》) implemented on January 1, 2004 and amended on December 20, 2010, the Provisional Measures for Maternity Insurance of Employees of Corporations (《企業職工生育保險試行辦法》) implemented on January 1, 1995, the Decisions on the Establishment of a Unified Program for Basic Old-Aged Pension Insurance System for Enterprise Employees of the State Council (《國務院關於建立統一的企業職工基本養老保險制度的決定》) issued on July 16, 1997, the Decision of the State Council on the Improvement of the Unified Program for Basic Old-Aged Pension Insurance System for Enterprise Employees (《國務院關於完善企業職工基本養老保險制度的決定》) issued on December 3, 2005, the Decision of the State Council on Establishing the Urban Employees’ Basic Medical Insurance System (《國務院關於建立城鎮職工基本醫療保險制度的決定》) promulgated on December 14, 1998, Regulations on Unemployment Insurance (《失業保險條例》) promulgated on January 22, 1999 and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) implemented on July 1, 2011 and amended on December 29, 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labor injury insurance and medical insurance. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

In accordance with the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) which was promulgated by the State Council in 1999 and subsequently amended in March 2002 and March 2019, enterprises must register at the competent managing center for housing provident funds and complete procedures for opening an account at the relevant bank for the deposit of employees’ housing provident funds. Enterprises are also required to pay and deposit housing provident funds on behalf of their employees in full and in a timely manner.

Regulations Relating to Tax

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (Amended in 2018)(《中華人民共和國企業所得稅法》)(2018修正)(the “**EIT Law**”) and the Regulations for the Implementation of the Law on Enterprise Income Tax (《中華人民共和國企業所得稅法實施條例》), which came into effect on January 1, 2008 and was amended on April 23, 2019, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but are actually or in effect controlled from within the PRC. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries and whose actual management is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applied. However, if a non-resident enterprise has not

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set up an organization or establishment in the PRC, or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its PRC-sourced income at a rate of 10% for their income sourced from inside China.

The Circular Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (the “**SAT Circular 82**”) (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) was promulgated by the SAT on April 22, 2009 and amended on December 29, 2017. According to SAT Circular 82, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a “de facto management body” in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met: (a) the primary location of the day-to-day operational management is in China; (b) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in China; (c) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholders meeting minutes are located or maintained in China; and (d) 50% or more of voting board members or senior executives habitually reside in China.

SAT issued a Public Notice Regarding Certain Enterprise Income Tax Matters on Indirect Transfer of Properties 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》), or SAT Public Notice 7, on February 3, 2015, which was subsequently amended in December 2017. The SAT Public Notice 7 replaced or supplemented certain previous rules under the Circular on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-Resident Enterprises (《國家稅務總局關於加強非居民企業股權轉讓所得企業所得稅管理的通知》), or SAT Circular 698. Issued on October 17, 2017 and amended on June 15, 2018 subsequently, the Announcement of the State Administration of Taxation on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《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》), or SAT Public Notice 37, totally repealed SAT Circular 698 and the second paragraph of Section 8 of SAT Public Notice 7. Under SAT Public Notice 7, an “indirect transfer” of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to SAT Public Notice 37, the balance after deducting the equity net value from the equity transfer income shall be the taxable income amount for equity transfer income. Equity transfer income shall mean the consideration collected by the equity transferor from the equity transfer, including various income in monetary form and non-monetary form. Equity net value shall mean the tax computation basis for obtaining the said equity. The tax computation basis for equity shall be the capital contribution costs actually paid by the equity transferor to a Chinese resident enterprise at the time of investment and equity participation, or the equity transfer costs actually paid at the time of acquisition of such equity to the original transferor of the said equity. According to SAT Public Notice 7, “PRC taxable assets” include assets attributed to a branch or an establishment in China, immovable properties in China, and equity investments in PRC resident enterprises. In respect of an indirect offshore transfer of assets of a PRC establishment, the relevant gain is to be regarded as effectively connected with the PRC establishment and therefore included in its enterprise income tax filing, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties in China or to equity investments in a PRC resident enterprise, which is not effectively connected to a PRC establishment of a non-resident enterprise, a PRC enterprise income tax at 10% would apply,

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subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. There is uncertainty as to the implementation details of SAT Public Notice 37 and SAT Public Notice 7. If SAT Public Notice 37 and SAT Public Notice 7 were determined by the tax authorities to be applicable to some of our transactions involving PRC taxable assets, our offshore subsidiaries conducting the relevant transactions might be required to spend valuable resources to comply with SAT Public Notice 37 and SAT Public Notice 7 or to establish that the relevant transactions should not be taxed under SAT Public Notice 37 and SAT Public Notice 7.

Under applicable PRC laws, payers of PRC-sourced income to non-PRC residents are generally obligated to withhold PRC income taxes from the payment. In the event of a failure to withhold, the non-PRC residents are required to pay such taxes on their own. Failure to comply with the tax payment obligations by the non-PRC residents will result in penalties, including full payment of taxes owed and default interest on those taxes.

Dividend Withholding Tax

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) which became effective on December 8, 2006, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise is reduced to 5% from a standard rate of 10% if the Hong Kong resident enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》) (the “**Circular 81**”) issued on February 20, 2009, a Hong Kong resident enterprise who is the beneficial owner of the dividend must meet the following conditions, among others, in order to enjoy the reduced withholding tax rate (i) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (ii) it must have directly owned such percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends. There are also other conditions for enjoying the reduced withholding tax rate according to other relevant tax rules and regulations. Pursuant to the Announcement on Issues Concerning “Beneficial Owners” in Tax Treaties (《國家稅務總局關於稅收協定中“受益所有人”有關問題的公告》) (the “**Announcement 9**”), which was issued on February 3, 2018 by the SAT and became effective on April 1, 2018, a resident of the treaty counterparty which is a listed company in the treaty counterparty may be determined as a “beneficial owner” without conducting a comprehensive analysis based on the factors provided in this Announcement.

In October 2019, the State Administration of Taxation promulgated the Announcement on Issuing the Administrative Measures for Non-Resident Taxpayers Enjoying Treaties Benefits (《非居民納稅人享受協定待遇管理辦法》), or Announcement 35, which became effective on January 1, 2020. Announcement 35 provides that non-resident taxpayers claiming treaty benefits shall be handled in accordance with the principles of "self-assessment, claiming benefits, retention of the relevant materials for future inspection". Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials for future inspection, and accept follow-up administration by the tax authorities.

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Value-Added Tax (VAT)

Pursuant to the Provisional Regulations of the People's Republic of China on Value-added Tax (Revision 2017) (《中華人民共和國增值稅暫行條例》(2017年修訂)) promulgated by the State Council on December 13, 1993, which were subsequently amended on November 5, 2008, February 6, 2016 and November 19, 2017, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC are the taxpayers of VAT. The VAT tax rates generally applicable are simplified as 17%, 11%, 6% and 0%, and the VAT levy rate applicable to the small-scale taxpayers is 3%. The Notice of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-added Tax Rates (《財政部、稅務總局關於調整增值稅稅率的通知》), or the Notice, was promulgated on April 4, 2018 and came into effect on May 1, 2018. According to the Notice, where a taxpayer engages in a taxable sales activity for VAT purposes or imports goods, the previous applicable 17% and 11% tax rates are adjusted to be 16% and 10% respectively. On March 20, 2019, the Ministry of Finance, State Taxation Administration and General Administration of Customs jointly promulgated Announcement on Relevant Policies for Deepening the Value-Added Tax Reform (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》), or Notice 39, which became effective on April 1, 2019, further changes the VAT tax rates of 16% and 10% under the Notice to 13% and 9%, respectively.

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Investors should note that China Insights Consultancy, an Independent Third Party, has been commissioned by us to prepare an industry report on China's equity investment service industry (the "CIC Report"), for use in whole or in part in this prospectus.

We believe that the sources of the information in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any part has been omitted that would render such information false or misleading. Investors should also note that no independent verification has been carried out on any facts or statistics that are directly or indirectly derived from official government and non-official sources. Our Company, the Sole Sponsor, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of their respective directors and advisors, or any other persons or parties involved in the Global Offering (other than China Insight Consultancy), makes no representation as to the accuracy of the information from official government and non-official sources, which may not be consistent with other information compiled within or outside China. Accordingly, the official government and non-official sources contained herein may not be accurate and should not be unduly relied upon.

SOURCES OF INFORMATION

We commissioned China Insights Consultancy, an independent market research and consulting firm, to conduct a detailed research and analysis of China's equity investment service industry. China Insights Consultancy, founded in Hong Kong, provides professional services including, among others, industry consulting, commercial due diligence and strategic consulting. We have agreed to pay a fee of RMB728,000 to China Insights Consultancy in connection with the preparation of the CIC Report. We are of the view that the payment of such fee does not impair the fairness of the conclusions drawn in the CIC Report. We have extracted certain information from the CIC Report in this section, as well as in the sections headed "Summary", "Risk Factors", "Business", "Financial Information" and elsewhere in this prospectus to provide our potential investors with a more comprehensive presentation of the industry in which we operate.

During the preparation of the CIC Report, China Insights Consultancy performed both primary and secondary research, and obtained knowledge, statistics, information on and industry insights into China's equity investment service industry. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the International Monetary Fund, industry associations, etc. The CIC Report was compiled based on the following assumptions: (1) the overall social, economic, and political environment in China is expected to remain stable during the forecast period; (2) relevant key drivers are likely to drive the continued growth of China's equity investment service industry throughout the forecast period; and (3) there is no extreme force majeure or unforeseen industry regulations in which the industry may be affected in either a dramatic or fundamental way. All forecasts in relation to market size are based on the general economic conditions as of the Latest Practicable Date, which would be adjusted if the COVID-19 outbreak persists or escalates and has an unpredicted negative impact on the general economy.

DIRECTOR'S CONFIRMATION

After making reasonable inquiries, our Directors confirm that there has been no adverse change in the market information presented in the CIC Report since the date of the report which may qualify, contradict or have an impact on the information in this section.

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CHINA'S EQUITY INVESTMENT INDUSTRY

According to the CIC Report, the market size of China's equity investment industry in terms of investment amount had undergone fluctuations over the past five years, decreasing from RMB1,366.4 billion in 2015 to RMB1,109.6 billion in 2019 at a negative CAGR of 5.1%. The decreased market size of China's equity investment industry in 2016 was mainly caused by the downturn in the secondary market which limited investor's exit options and adversely impacted investors' willingness to invest. The decrease in the total investment amount since 2018 was primarily due to (1) the decreased fundraising in the equity investment industry, (2) the lack of sufficient promising investment projects, (3) the increasingly stringent and established regulatory environment, and (4) the risk-aversion attitude and relatively lower expectation for investment return of institutional investors as a result of the depressed secondary market. Some of the foregoing factors that led to the decreased market size between 2015 and 2019, such as the decreased fundraising in the equity investment industry, lack of promising investment opportunities and more stringent regulations, may not recur. Benefiting from the establishment of Sci-Tech Innovation Board of Shanghai Stock Exchange and the launch of registration-based IPO mechanism, China's IPO activities have been prosperous, which in turn has enhanced activities of IPO exits by private equity investors and is expected to lead to increased fundraising in the equity investment industry. With technological advancement and people's rising demands for high-quality products and services, equity investment opportunities will continue to emerge. Particularly, healthcare is widely regarded as a counter-cyclical industry and has attracted more capital attention during the economic downturns; moreover, the COVID-19 pandemic has spawned the investment enthusiasm for the healthcare industry. In addition, an increasing number of investment opportunities have emerged in areas such as SaaS (Software-as-a-Service), manufacturing, artificial intelligence, and consumption. Stricter supervision and the requirement of deleveraging have raised the threshold for equity investments, which will increase the difficulty of fundraising in the short term, and thus have a negative impact on the equity investment industry. However, in the long term, it will help the equity investment industry to operate in a healthier and more standardized way, and therefore alleviate the need for further stringent regulation.

Apart from the abovementioned factors, the market size of China's equity investment industry is expected to continue to decrease in 2020 as a result of the general negative impact of the COVID-19 outbreak on business operation and social life. The Chinese government has taken measures across the country, including, among others, city lockdowns, mandatory quarantines, travel restrictions and temporary business closures, in order to contain the COVID-19 outbreak. The recent outbreak is likely to negatively impact the equity investment industry in the short term, especially in offline scenarios, as business travels and other activities were temporarily suspended or otherwise limited. However, the outbreak has nevertheless led to the expansion of healthcare industry and Internet-related businesses, which could encourage related equity investments and partially offset the decrease in the market size of the overall industry.

Along with the effective containment of the COVID-19 outbreak, the equity investment market in China is recovering gradually. For the first, second and third quarter of 2020, the market size of China's equity investment industry in terms of investment amount was approximately RMB145.7 billion, RMB178.9 billion and RMB277.6 billion, respectively. Besides, for the first, second and third quarter of 2020, the number of IPOs in China were 51, 68 and 176, respectively, and the total amount of fund raised from such IPOs were approximately RMB78.6 billion, RMB60.7 billion and RMB216.5 billion, respectively.

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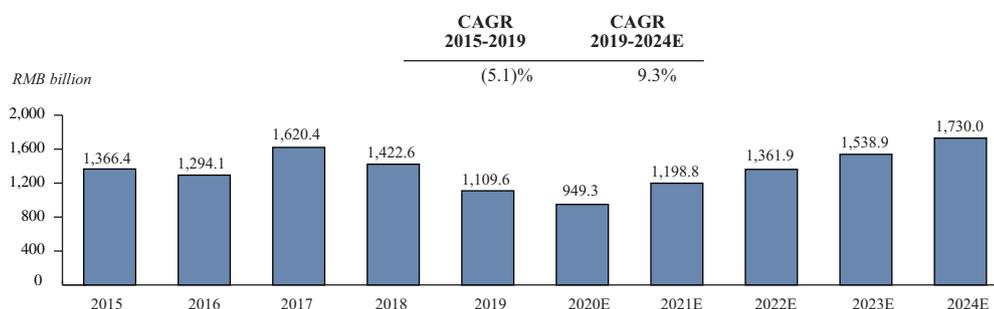
China's equity investment industry is expected to recover from 2021 and the market size is expected to reach RMB1,730.0 billion in 2024 at a CAGR of 9.3% from 2019 to 2024, primarily driven by the following factors.

- **Active IPO exits by private equity investors.** The prosperity of China's public capital markets in recent years driven by the establishment of Sci-Tech Innovation Board of Shanghai Stock Exchange and the launch of registration-based IPO mechanism have led to private equity investors renewed focus on the IPO market as an exit strategy, which in turn encourages the development of equity investment industry. The Sci-Tech Innovation Board and the registration-based IPO mechanism were first introduced in July 2019. In the 12 months ended June 30, 2020, the number of IPOs in the PRC was 256, representing a year-over-year increase of approximately 137.0% as compared to the same period ended June 30, 2019. In the 12 months ended June 30, 2020, the total amount of fund raised from IPOs in China was RMB332.2 billion, representing a year-over-year increase of approximately 213.8% as compared to the same period ended June 30, 2019.
- **Growing number of institutional investors.** As China's equity investment market matures, the number of institutional investors such as PEs and VCs has been continuously growing. The number of registered PEs and VCs increased from approximately 13,200 in 2015 to approximately 14,900 in 2019 at a CAGR of 3.0% and it is expected to grow to approximately 17,300 in 2024 at a CAGR of 3.1% from 2019 to 2024. In addition, a wider variety of institutional investors have entered into the industry, such as early-stage investors, VCs, PEs, funds of funds, government-guided funds and strategic investors.
- **Policy support.** The Chinese government has published various policies in support of entrepreneurship, such as the Opinions of the State Council on Several Policies and Measures for Vigorously Advancing Popular Entrepreneurship and Innovation (《國務院關於大力推進大眾創業萬眾創新若干政策措施的意見》) which laid the foundation for regulatory support for innovation and entrepreneurship in China. Since 2018, the central and local governments have intensively introduced a number of policies to further promote innovation and entrepreneurship in different industries, including tax incentives or subsidies for startups, etc. Local governments in China have also established government-guided funds to support the growth of entrepreneurship. As a result, the prosperity of innovation and entrepreneurship supported by the favorable regulatory environment has in turn facilitated the development of equity investment industry in China.
- **Periodicity of the equity investment industry.** The development of capital markets is correlated with the overall economic development in China and evolves in a periodic way with an interval of five to ten years. As the market size of the equity investment industry in China as measured by investment amount reached the peak in 2017, it experienced a continuous decline in 2018 and 2019 and is expected to further decrease in 2020 due to the COVID-19 outbreak. When the outbreak is effectively controlled, the market size of the equity investment industry is expected to increase since 2021, simultaneously with the overall economic recovery in China.

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The following diagram sets forth the historical and forecast market size of China's equity investment industry in terms of investment amount for the years indicated.

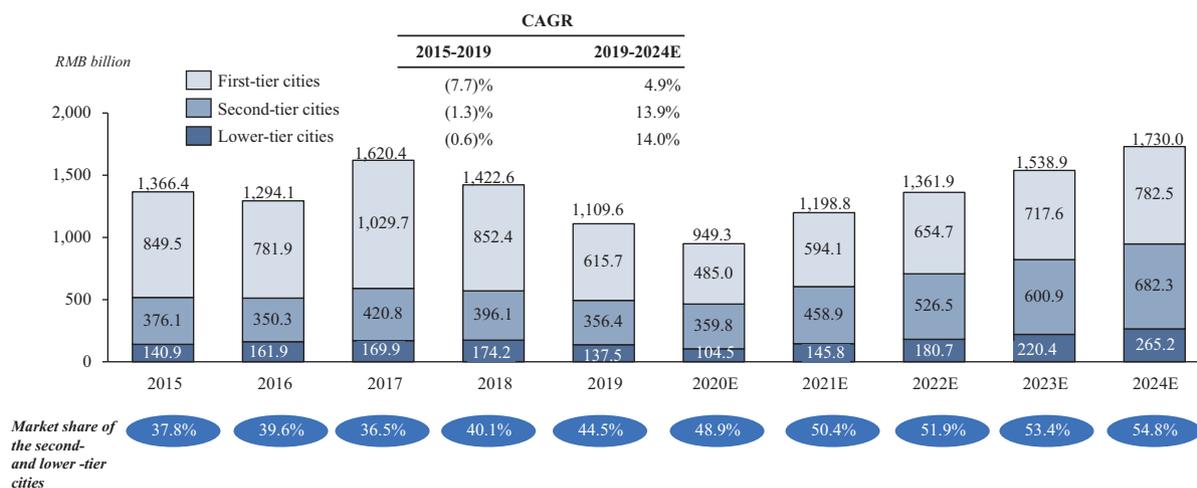
Market size of China's equity investment industry in terms of investment amount, 2015-2024E



Source: CIC Report

As an increasing number of entrepreneurs, growth enterprises and investors have entered into or increased their presence in second- and lower-tier cities, equity investment service providers are likely to follow in their footsteps in order to address their demands effectively. The following diagram sets forth the historical and forecast market size of China's equity investment industry by city tiers in terms of investment amount for the years indicated.

Market size of China's equity investment industry by city tiers, 2015-2024E



Source: CIC Report

CHINA'S SERVICE PLATFORM MARKET FOR EQUITY INVESTMENT INDUSTRY

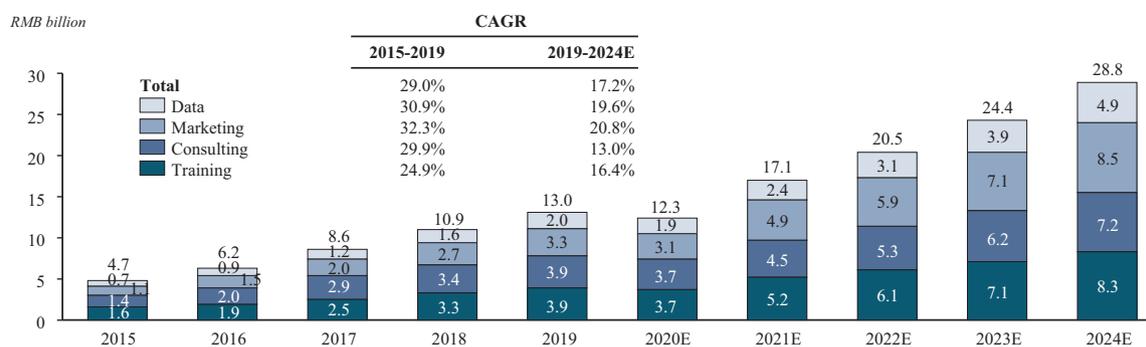
Overview of China's Service Platform Market for Equity Investment Industry

Equity investment services refer to a wide range of value-added services targeting various participants in the equity investment industry, including investors, entrepreneurs and growth enterprises and government agencies, which comprise data services, consulting services, marketing services and training services. Favorable regulatory environment encouraging innovation and entrepreneurship has facilitated increases in the number of institutional investors such as VCs and PEs, as well as entrepreneurs and growth enterprises in China, which have provided a large and solid customer base for equity investment services and greatly promoted its rapid growth. In

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In addition to serving both investors and entrepreneurs and growth enterprises, service providers for equity investment industry also assist local government agencies in investment attraction and strategic planning. On the other hand, service providers for equity investment industry are exploring more diversified and customized services in order to capture the under-served market demands and address the increasing customer needs thoroughly. As a result, the market size of China's equity investment service industry reached RMB13.0 billion in 2019, representing a CAGR of 29.0% from 2015 to 2019, despite the negative CAGR of the market size of China's equity investment industry in terms of investment amount from 2015 to 2019, according to the CIC Report. In 2020, the market size of China's equity investment service industry in terms of revenue experienced a decrease due to the negative impact of the COVID-19 outbreak on business operation and social life. However, after the pandemic has been effectively controlled in China, China's equity investment service industry is expected to recover from 2021 and its market size is forecasted to reach RMB28.8 billion in 2024 at a CAGR of 17.2% from 2019 to 2024, driven by (i) prosperity of capital markets, (ii) growing demand from investors, entrepreneurs and growth enterprises, (iii) more diversified and customized products and service offerings from equity investment service providers, and (iv) more favorable governmental policies. The following diagram sets forth the historical and forecast market size of China's equity investment service industry by service segment for the years indicated.

Market size of China's equity investment service industry by service segment in terms of revenue, 2015-2024E



Source: CIC Report

With data services as the foundation, equity investment services are organically integrated, and service providers with comprehensive service offerings are capable of addressing industry participants' diverse needs throughout their entire lifecycles. Market players in the equity investment service industry primarily include service platforms for equity investment industry, referring to service providers which offer two or more types of equity investment services, and other service providers. China's service platform market for equity investment industry is emerging and highly fragmented. In 2019, its market size in terms of revenue reached RMB5.5 billion, accounting for 41.8% of the total market size of China's equity investment service industry.

Key Drivers of China's Service Platform Market for Equity Investment Industry

- Prosperity of capital markets.** The prosperity of capital markets provides a solid capital foundation for entrepreneurship. Moreover, the growing capital raised by publicly-listed companies in China has encouraged investors as well as entrepreneurs and growth enterprises in China. The evolving dynamics in both primary and secondary markets have generated abundant business opportunities for China's equity investment service industry.

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- **Increasing customer demands.** Driven by the macro tailwinds in China, innovative entrepreneurs and growth enterprises have emerged continuously and traditional enterprises are seeking opportunities to upgrade or transform their businesses; and a wider variety of institutional investors have entered into the industry, such as early-stage investors, VCs, PEs, funds of funds, government-guided funds and strategic investors, all of which have provided a large customer base for equity investment services. Furthermore, the general development of equity investment in China, especially in local levels, has led to local government agencies' increasing needs for professional guidance, strategic planning and other equity investment services. In addition, an increasing number of individuals who seek to promote their careers in entrepreneurship and equity investment will also expand demands for equity investment services.
- **Continuous technological advancements.** Leveraging technological advancements enabled by big data analytics, artificial intelligence, cloud computing and 5G, equity investment service providers are now capable of providing a wider range of customized professional services to address their customers' diverse needs.
- **Favorable national policy.** China's top-down state-led innovation model guarantees a favorable regulatory environment, which encourages the development of entrepreneurship and equity investment and cultivates a more active equity investment service industry.

Future Trends of China's Service Platform Market for Equity Investment Industry

- **Intensified market competition.** With the increasing and diversified demands for equity investment services, various new entrants have emerged and increased their engagement, and the competition is expected to be fiercer.
- **Integration of services.** Service providers with integrated service offerings are able to operate more efficiently and serve their customers more effectively leveraging the synergistic effect. By maintaining a consistently high level of service quality, integrated service providers can convey a more trustworthy brand image. Therefore, more equity investment service providers may choose to integrate their services in the future to create competitive advantages and extend market presence.
- **Combination of online and offline channels.** There is an increasing number of equity investment service providers operating their businesses through both online and offline channels. Leveraging the massive user traffic on online platforms, equity investment service providers can reinforce their brand awareness, cost-effectively acquire customers and extend the reach of their offline services. In turn, offline services characterized by highly-interactive experience can reinforce business relationship with customers and attract more online traffic.
- **Expansion into second- and lower-tier cities.** China's second- and lower-tier cities have presented enormous addressable market opportunities for equity investment service providers. The market size of the equity investment industry in the second- and lower-tier cities in China in terms of total investment amount is expected to increase from RMB493.9 billion in 2019 to RMB947.5 billion in 2024 at a CAGR of 13.9%, which is expected to be higher than the corresponding CAGR for the equity investment industry in China's first-tier cities. Moreover, the market share of the equity investment industry in China's second- and lower-tier cities is expected to grow from 44.5% in 2019 to 54.8% in 2024, indicating its significant growth potential. In response to state-level supportive laws and regulations, local government agencies in China have implemented

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measures to facilitate local economic development, which increases their needs for professional guidance on equity investment. As an increasing number of entrepreneurs, growth enterprises and investors have entered into or increased their presence in lower-tier cities, equity investment service providers are likely to follow in their footsteps in order to address their demands effectively.

Competitive Landscape of China's Service Platform Market for Equity Investment Industry

There are primarily five types of market players in the service platform market for equity investment industry, including integrated service platforms like us, which refer to service platforms without strong reliance on revenue generated from any single service, as well as data-focused service platforms, marketing-focused service platforms, consulting-focused service platforms and training-focused service platforms.

- ***Data-focused service platforms.*** By virtue of their expertise in the field of equity investment and entrepreneurial businesses, data-focused service platforms have established strong connections with institutional investors and often assist government sectors with equity investment related policies and strategic development plans. Their major services include (1) database services on emerging enterprises as well as VC/PEs and other institutional investors, (2) performance analysis and ranking of PE/VCs, and (3) standardized or customized market updates, whitepapers and on-demand research.
- ***Marketing-focused service platforms.*** Marketing-focused service platforms are to bridge entrepreneurs and growth enterprises with investors by virtue of their influence established through online information platforms and offline industry events. Their major services include both online advertising services including content marketing services in the form of advertorials, and offline event services such as various themed seminars and summits and customized events.
- ***Consulting-focused service platforms.*** Consulting-focused service platforms rely on their solid business networks and capital sourcing capabilities to deliver services. Their major services include investment feasibility analysis and offline consulting services.
- ***Training-focused service platforms.*** Training-focused service platforms leverage their course offerings to enable people with equity investment and entrepreneurship related knowledge. By accumulating promising entrepreneurs and startup projects, training-focused service platforms are able to establish a comprehensive instructor pool of investors and business professionals from different industry verticals. Their major services include training and coaching on equity investment and entrepreneurship related professional knowledge and skills.
- ***Integrated service platforms.*** Integrated service platforms refer to service platforms without strong reliance on revenue generated from any single service. Therefore, integrated service platforms can deliver comprehensive one-stop services that appeal to all industry participants in the equity investment industry, including investors, entrepreneurs, growth enterprises and government agencies. They are also able to leverage business synergy to locate cross-selling opportunities and grow in cost-efficient way.

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We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. Leveraging robust data capabilities and comprehensive service offerings, we have built a business network for all participants in China's equity investment industry, and have become one of the most recognized brands in China's equity investment service industry, according to the CIC Report.

The following table sets forth a ranking of the top five integrated service platforms for equity investment industry in China in terms of revenue in 2019.

Ranking	Company	Revenue ⁺ <i>(RMB in millions)</i>	Market Share ⁺⁺ <i>(%)</i>
1	Our Company ⁽¹⁾	167.4	3.1%
2	Company A ⁽²⁾	165.0	3.0%
3	Company B ⁽³⁾	130.0	2.4%
4	Company C ⁽⁴⁾	80.0	1.5%
5	Company D ⁽⁵⁾	70.0	1.3%
	Subtotal	612.4	11.2%
	Total	5,458.1	100.0%

Source: CIC Report

Notes:

⁺ The information of revenue is based on the primary and secondary research by CIC. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved the analysis of data of the major competitors in the industry from publicly available data sources and other sources.

⁺⁺ Representing market share in China's service platform market for equity investment industry.

- (1) We provide a comprehensive portfolio of both online and offline services, including data services, marketing services, consulting services and training services, which contributed 31.7%, 40.5%, 14.4% and 13.4% of our total revenue in 2019, respectively.
- (2) Company A is an integrated service platform for equity investment industry established in 2002 and headquartered in Shanghai. Company A primarily offers data services, marketing services and consulting services, which contributed 50.0%, 10.0% and 40.0% of its total revenue in 2019, respectively. Company A was listed on the National Equities Exchange and Quotations of China (the "NEEQ") in 2018 and is currently delisted.
- (3) Company B is an integrated service platform for equity investment industry established in 2008 and headquartered in Shanghai. Company B primarily offers data services, marketing services, consulting services and training services, which contributed 25.0%, 20.0%, 50.0% and 5.0% of its total revenue in 2019, respectively. Company B was listed on the NEEQ in 2015 and is currently delisted.
- (4) Company C is an integrated service platform for equity investment industry established in 2008 and headquartered in Beijing. Company C primarily offers data services, marketing services and consulting services, which contributed 25.0%, 25.0% and 50.0% of its total revenue in 2019, respectively. Company C is a NEEQ-listed company.
- (5) Company D is an integrated service platform for equity investment industry established in 2007 and headquartered in Beijing. Company D primarily offers data services, marketing services, consulting services and training services, which contributed 15.0%, 55.0%, 10.0% and 20.0% of its total revenue in 2019, respectively. Company D is a private company.

CHINA'S EQUITY INVESTMENT DATA SERVICE INDUSTRY

Overview of China's Equity Investment Data Service Industry

Enabled by rich databases focusing on China's equity investment industry and entrepreneurial businesses, equity investment data services allow investors, entrepreneurs, growth enterprises and government agencies to understand the evolving market dynamics. Equity investment data services mainly include database services and database value-added services such as research reports.

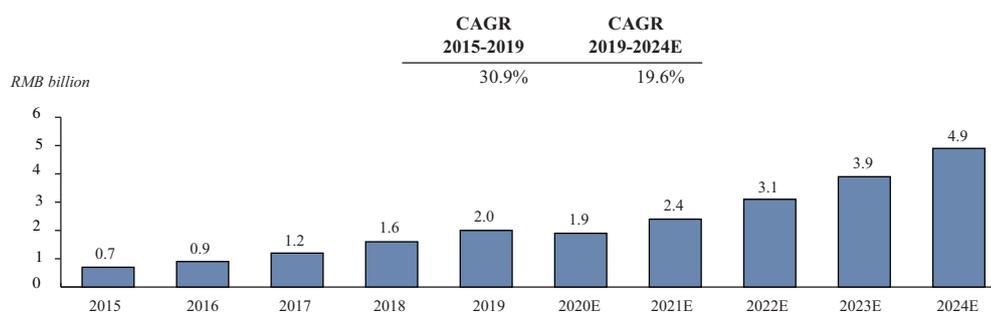
* Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

INDUSTRY OVERVIEW

Market Size of China's Equity Investment Data Service Industry

According to the CIC Report, the market size of China's equity investment data service industry in terms of revenue increased rapidly from RMB0.7 billion in 2015 to RMB2.0 billion in 2019 at a CAGR of 30.9%. In 2020, the market size of China's equity investment data service industry is expected to decrease slightly to RMB1.9 billion as a result of the COVID-19 outbreak, which would lead to decreased investment activities of the institutional investors. However, China's equity investment data service industry is expected to recover from 2021 along with the recovery of the equity investment industry, with the estimated market size reaching RMB4.9 billion in 2024 at a CAGR of 19.6% from 2019 to 2024. The following diagram sets forth the market size of China's equity investment data service industry in terms of historical and forecast revenue for the years indicated.

Market size of China's equity investment data service industry in terms of revenue, 2015-2024E



Source: CIC Report

Key Success Factors of China's Equity Investment Data Service Industry

- **Deep understanding of customer demands.** Equity investment data services target diverse industry participants, including investors, entrepreneurs, growth enterprises and government agencies, the demands of which can vary significantly. Furthermore, alongside the rapid development of China's equity investment industry, customers' information and other needs are constantly evolving. Service providers with profound understanding of the various customer demands can offer tailored services and are more likely to accumulate a large customer base.
- **Synergy among different data services.** Leveraging solid equity investment databases with comprehensive data coverage, service providers can compile standard research reports and customized reports without extensive preparatory tasks on data collection and analysis, thereby improve their operational efficiency. In addition, supported by data extracted from the proprietary databases, service providers can deliver reports and other data services at a consistently high service level, which reinforces the brand image as an industry expert.

Competitive Landscape of China's Equity Investment Data Service Industry

The equity investment data service industry in China is still in its early growth stage and is relatively fragmented. We operate PEdata Database, the largest equity investment database in terms of data coverage measured by the number of institutional investors, investment funds, and entrepreneurs and enterprises as of December 31, 2019, according to the CIC Report. As we

INDUSTRY OVERVIEW

cautiously maintain the authenticity and comprehensiveness of our data services, we have earned the reputation as the go-to expert in China's equity investment industry, according to the CIC Report.

Entry Barriers of China's Equity Investment Data Service Industry

- ***Big data analytics capability.*** As equity investment data services involve massive volumes of unstructured data, the ability to leverage big data analytics technologies to develop sophisticated algorithms, models and systems for data collection, organization and presentation is vital for data service providers to improve operational efficiency and reduce labor cost.
- ***Reliable and abundant data sources.*** A reliable and comprehensive database is the foundation of data services. As a significant portion of the data and information of China's equity investment industry come from non-public sources, access to these data and information often requires accumulated business relationship and established market presence, which can be difficult for new entrants to obtain.
- ***Experienced personnel.*** As a highly specialized industry, the equity investment data service industry values experienced personnel as a critical asset and relies on their knowledge and skills to offer professional and targeted services. However, the demand and competition for qualified personnel in this industry can be intense and understanding the market dynamics usually requires years of experience. As a result, it is challenging for new entrants to attract, retain or cultivate experienced personnel considering their limited capital resources and operating history.
- ***Stable relationship with customers.*** Equity investment data services, especially customized report services, often involve the collection and analysis of private and sensitive data, which exposes customers to significant risks of data privacy and protection. Therefore, customers have shown trust and loyalty to certain leading service providers once the business relationship has been established.

CHINA'S EQUITY INVESTMENT MARKETING SERVICE INDUSTRY

Overview of China's Equity Investment Marketing Service Industry

Equity investment marketing services are designed to increase the brand awareness of participants in the equity investment industry through both online advertising services and offline event services.

Market Size of China's Equity Investment Marketing Service Industry

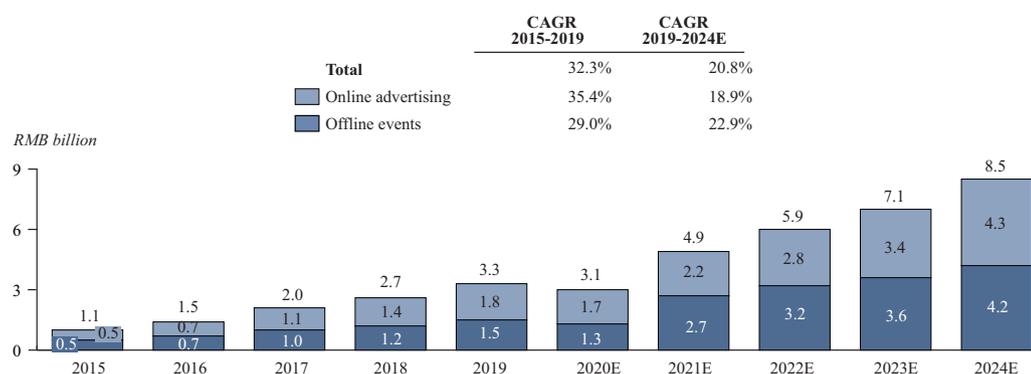
According to the CIC Report, the market size of China's equity investment marketing service industry in terms of revenue increased from RMB1.1 billion in 2015 to RMB3.3 billion in 2019 at a CAGR of 32.3%. In 2020, the market size is expected to decrease slightly to RMB3.1 billion as a result of the potentially reduced marketing expenditures of small and medium-sized enterprises and unexpectedly canceled offline events caused by the COVID-19 outbreak. China's equity investment marketing service industry is expected to recover gradually with the outbreak being effectively controlled and people's confidence in economic development being restored, and the market size is expected to reach RMB8.5 billion in 2024 at a CAGR of 20.8% from 2019 to 2024.

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The market size of China's equity investment online advertising service industry in terms of revenue increased from RMB0.5 billion in 2015 to RMB1.8 billion in 2019 at a CAGR of 35.4%. Driven by the growing demands of industry participants for innovative marketing solutions and enhanced brand awareness and the development of Internet infrastructure supported by advanced technologies, the market size of China's equity investment online advertising service industry in terms of revenue is expected to reach RMB4.3 billion in 2024 at a CAGR of 18.9% from 2019 to 2024, according to the CIC Report. The market size of China's equity investment offline event service industry in terms of revenue increased from RMB0.5 billion in 2015 to RMB1.5 billion in 2019 at a CAGR of 29.0%, and is expected to reach RMB4.2 billion in 2024 at a CAGR of 22.9% from 2019 to 2024, according to the CIC Report.

The following graph sets forth the historical and forecast market size of China's equity investment marketing service industry in terms of revenue for the years indicated.

Market size of China's equity investment marketing service industry in terms of revenue, 2015-2024E



Source: CIC Report

Key Success Factors of China's Equity Investment Marketing Service Industry

- Established brand and network.** Leveraging prominent brand image, equity investment marketing service providers are able to operate online information platforms with massive user traffic and organize offline industry events with industry-wide influence. In addition, service providers with established network can invite prominent investors and professionals to create online content or to speak at offline events, both of which will enlarge the potential audience base for marketing services, therefore achieving brand awareness for customers.
- Sophisticated selection of customers.** Facing entrepreneurs and growth enterprises across various industries and in different stages of development, service providers who are able to identify promising customers are well-positioned to capitalize on their future growth and serve them on a continuous basis. Moreover, track record of serving promising customers can contribute to service providers' reputation, which will in turn attracts more business opportunities.

Competitive Landscape of China's Equity Investment Marketing Service Industry

Our PEdaily is recognized as one of the most influential online information platforms in China's equity investment industry in terms of average monthly page views in 2019, according to the CIC Report.

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The equity investment offline event service industry in China is fragmented, with the top five market players accounting for an aggregate market share of 12.6% in terms of relevant revenue in 2019. Our Zero2IPO events have gained a solid reputation and have been recognized among the most popular industry events in China's equity investment industry. The following table sets forth a ranking of China's top five equity investment offline event service providers in terms of relevant revenue in 2019.

Ranking	Company	Revenue	Market Share
		(RMB in millions)	(%)
1	Our Company	58.1	3.9%
2	Company E ⁽¹⁾	55.0	3.7%
3	Company F ⁽²⁾	35.0	2.4%
4	Company G ⁽³⁾	20.0	1.3%
5	Company B	20.0	1.3%
	Subtotal	188.1	12.6%
	Total	1,487.0	100.0%

Source: CIC Report

Notes:

- (1) Company E is a marketing-focused service platform established in 2010 with marketing services, data services, consulting services and training services.
- (2) Company F is a training-focused service platform established in 2008 with training services, consulting services and marketing services.
- (3) Company G is a marketing-focused service platform established in 2014 with marketing services and data services.

Entry Barriers of China's Equity Investment Marketing Service Industry

- **Proven track record.** A strong brand recognition supported by a proven track record plays an important role in increasing the reach and influence of marketing services and attracting new customers and retaining existing ones. In addition, experience and resources accumulated through the proven track record can ensure qualified services and improve operational efficiency.
- **Experienced personnel.** A professional team with insightful understanding of the equity investment industry and accumulated experience in content creation, online advertising and event organization is crucial for equity investment marketing service providers' success, which can be challenging for new entrants.

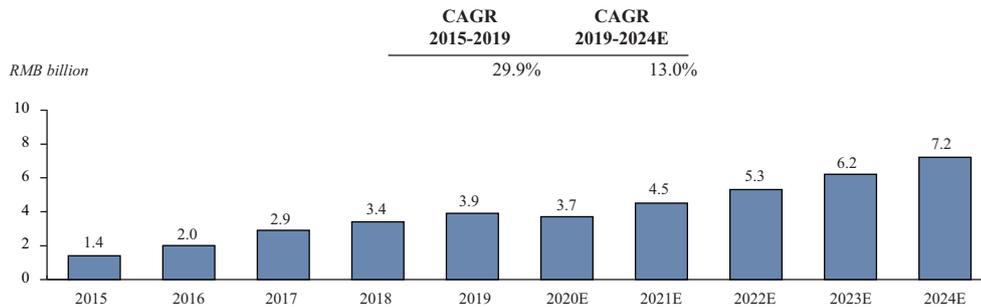
CHINA'S EQUITY INVESTMENT CONSULTING SERVICE INDUSTRY

According to the CIC Report, the market size of China's equity investment consulting service industry in terms of revenue increased from RMB1.4 billion in 2015 to RMB3.9 billion in 2019 at a CAGR of 29.9%. In 2020, the equity investment consulting service industry is expected to experience a slight decrease as a result of postponed or canceled deals and offline consulting projects in the equity investment industry caused by the COVID-19 outbreak. The market size of

INDUSTRY OVERVIEW

China's equity investment consulting service industry is expected to reach RMB7.2 billion in 2024 at a CAGR of 13.0% from 2019 to 2024. The following diagram sets forth the historical and forecast market size of China's equity investment consulting service industry in terms of revenue for the years indicated.

Market size of China's equity investment consulting service industry in terms of revenue, 2015-2024E

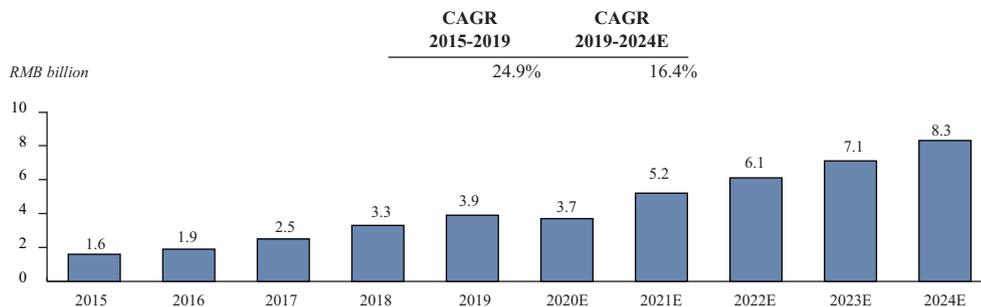


Source: CIC Report

CHINA'S EQUITY INVESTMENT TRAINING SERVICE INDUSTRY

According to the CIC Report, the market size of China's equity investment training service industry in terms of revenue increased from RMB1.6 billion in 2015 to RMB3.9 billion in 2019 at a CAGR of 24.9%. Influenced by the COVID-19 outbreak, offline training services are subject to postpones and cancellations, which are expected to have a negative impact on the equity investment training services industry in 2020. As offline training service providers are increasingly choosing to transfer their course offerings to online platforms, the equity investment online training service industry is expected to experience a rapid development, which would offset the decrease in offline trainings to some extent. However, as the equity investment online training service industry is still expected to account for a smaller market share in the near future as compared to offline training service industry, despite its growth, the overall market size of China's equity investment training service industry is expected to experience a slight decrease in 2020. Considering the strong demand for equity investment training services, once the government-mandated measures prohibiting social gatherings are lifted, the equity investment training service industry is expected to recover rapidly, with the estimated market size reaching RMB8.3 billion in 2024 at a CAGR of 16.4% from 2019 to 2024. The following diagram sets forth the historical and forecast market size of China's equity investment training service industry in terms of revenue for the years indicated.

Market size of China's equity investment training service industry in terms of revenue, 2015-2024E



Source: CIC Report

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OPPORTUNITIES IN THE EMERGING MARKETS

Emerging markets refers to countries and regions that are in the process of market-oriented transformation, with growing opportunities in trade, technology and foreign direct investment, such as member states of the Association of Southeast Asian Nations, India and Africa. According to the CIC Report, the aggregate market size of equity investment industry in the emerging markets including member states of the Association of Southeast Asian Nations, India and Africa in terms of total investment amount is expected to increase rapidly from US\$108.2 million in 2019 to US\$214.5 million in 2024 at a CAGR of 14.7%, indicating strong growth potentials for equity investment services. Leveraging industry expertise along the entire value chain, China's leading equity investment service providers are well positioned to expand into these emerging markets to capture increasing needs.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. We had a market share of 3.1% in the highly fragmented service platform market for equity investment industry in China, according to the CIC Report. The business of our Group can be traced back to the year of 2001 when Mr. Ni, our founder and Controlling Shareholder, started our business in Beijing. Our business constituted major business segments of Zero2IPO Group and its subsidiaries prior to the Reorganization. In anticipation of the Listing, Zero2IPO Group, through a series of corporate and business restructuring, reorganized and transferred our business into our Group. In August 2019, our Company was incorporated under the laws of Cayman Islands as the listing vehicle. After the Reorganization, we operate our business through our Group. See “— Our Reorganization” for details.

Mr. Ni has been the founder and the Controlling Shareholder of our Group since the start of our business. Mr. Ni has over 20 years of experience in the equity investment service industry, steering the development of our business. See “Directors and Senior Management” for his biographical details.

OUR MILESTONES

The following table sets forth major events and milestones in the development of our business.

<u>Year</u>	<u>Event</u>
2001	We organized our first China Venture Capital and Equity Investment Annual Forum and released our first equity investment industry ranking.
2006	We released our first Venture 50 Most Valuable Entrepreneurs ranking.
2007	We launched our PEdata Database, the first equity investment database in China according to the CIC Report.
2008	We organized our first China LP/GP Summit.
2010	We established our online information platform PEdaily.
2016	We released our first Top 100 Investors ranking.
2017	We launched our online investor-entrepreneur matching platform Deal-Market. We launched our online training platform SandHill University and offline training service SandHill College.

* Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR PRINCIPAL SUBSIDIARIES

The following subsidiaries of our Group had made material contribution to our results of operations during the Track Record Period and up to the Latest Practicable Date.

<u>Name</u>	<u>Place of Establishment</u>	<u>Date of Establishment</u>	<u>Interests held by our Group</u>	<u>Principal Business Activities</u>
Zero2IPO Ventures	PRC	September 10, 2013	100%	Data, marketing and consulting services
Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. (西安清科艾西企業管理諮詢有限公司)	PRC	June 29, 2018	100%	Marketing services
Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. (杭州清科沙丘投資管理有限公司)	PRC	July 14, 2017	100%	Training services

HISTORY OF ZERO2IPO GROUP AND OUR GROUP

Zero2IPO Group was established in the PRC in 2005. Since its inception to 2015, Zero2IPO Group was wholly-owned by Zero2IPO Holdings, Inc. (the “**Previous Offshore HoldCo**”), an offshore holding company incorporated in the Cayman Islands in 2005 by Mr. Ni and several other shareholders of Zero2IPO Group.

In 2015, in order to cater to the rapid development in equity investment service and venture capital investment industry in China, Mr. Ni together with other shareholders of the Previous Offshore HoldCo decided to hold their interests in Zero2IPO Group directly instead of holding such interests through the Previous Offshore HoldCo, and conducted the restructuring through the following steps: (1) in October 2015, the Previous Offshore HoldCo transferred its 100% equity interest in Zero2IPO Group to onshore affiliates or designees of then existing shareholders of Previous Offshore HoldCo, on a *pro rata* basis at a total consideration of approximately

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

US\$2,741,645, to reflect their beneficial ownership in the Previous Offshore HoldCo to the extent possible; and (2) at the same time, all such shareholders increased their investments in Zero2IPO Group on a *pro rata* basis by an aggregate amount of RMB128,111,480. The table below indicated the shareholding structure of Zero2IPO Group immediately after these transactions.

Name of shareholders of Zero2IPO Group	Percentage of the equity interest in Zero2IPO Group
Mr. Ni ⁽¹⁾	63.974%
Beijing Yuegao Mingde Equity Investment Center (Limited Partnership) (北京悦高明德股權投資中心(有限合夥)) ⁽²⁾	9.167%
WANG Dong (王東) ⁽²⁾	6.653%
Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) (深圳嘉道功程股權投資基金(有限合夥)) ⁽²⁾	5.000%
Beijing Shengjing Tongchuang Technology Center (Limited Partnership) (北京盛景同創科技中心(有限合夥)) (“Beijing Shengjing”) ⁽³⁾	2.425%
JIANG Weiqiang (江偉強) ⁽²⁾	2.000%
Beijing Sequoia Mingde Equity Investment Center (Limited Partnership) (北京紅杉銘德股權投資中心(有限合夥)) (“Sequoia Mingde”) ⁽²⁾	1.667%
Beijing Jusheng Tongchuang Technology Center (Limited Partnership) (北京聚盛同創科技中心(有限合夥)) (“Beijing Jusheng”) ⁽³⁾	1.173%
Kunshan Xinghua Investment Consulting Center (Limited Partnership) (昆山興華投資諮詢中心(有限合夥)) (“Kunshan Xinghua”) ⁽²⁾	0.833%
YANG Liming (楊麗鳴) ⁽²⁾	0.833%
ZHAO Zhijian (趙志堅) ⁽²⁾	0.458%
Existing and previous management of Zero2IPO Group ⁽⁴⁾	5.817%
Total	100%

Notes:

- (1) Mr. Ni is the founder and controlling shareholder of Zero2IPO Group, and our chairman of the Board, executive Director, chief executive Director, chief executive officer and our Controlling Shareholder.
- (2) See “— Pre-IPO Investments” for details.
- (3) The general partner of each of Beijing Shengjing and Beijing Jusheng is Mr. Ni.
- (4) Include NAN Lixin (南立新), ZHANG Yanyan (張妍妍), FU Xinghua (符星華), WANG Lipeng (王利朋), YUAN Runbing (袁潤兵), YANG Min (楊敏), LI Min (李敏) and WU Xuefeng (吳雪峰), who held 1.416%, 0.800%, 0.800%, 0.800%, 0.800%, 0.667%, 0.267% and 0.267% equity interests in Zero2IPO Group, respectively. They are existing or previous management and officers of Zero2IPO Group, and ZHANG Yanyan and FU Xinghua are our Directors.

In the end of 2016, Zero2IPO Group restructured its business and transferred its data and marketing services business into Zero2IPO Ventures. After a short transitional period, Zero2IPO Ventures became a major operating subsidiary of Zero2IPO Group’s equity investment service business.

Since late 2015, Zero2IPO Group conducted equity financings to fund its rapid business expansion. Such investors and other investors who became shareholders of Zero2IPO Group by virtue of share transfers from other shareholders of Zero2IPO Group are regarded as our pre-IPO

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

investors. See “— Pre-IPO Investments” for details. The table below indicated the shareholding structure of Zero2IPO Group after such equity financings and share transfers but immediately prior to the issuance of our Shares in April 2020 during the Reorganization.

Name of shareholders of Zero2IPO Group	Percentage of the equity interest in Zero2IPO Group
Mr. Ni	54.9337%
Taizhou Hongchao Enterprise Management Consulting Co., Ltd. (台州宏潮企業管理諮詢有限公司) ⁽¹⁾	8.0222%
WANG Dong (王東)	5.8224%
Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) (深圳嘉道功股權投資基金(有限合夥))	4.3757%
Beijing Shengjing	2.1225%
Qingdao Haier Venture Capital Co., Ltd. (青島海爾創業投資有限責任公司) ⁽²⁾	1.7503%
JIANG Weiqiang (江偉強)	1.7503%
Beijing Sequoia Shengde Equity Investment Center (Limited Partnership) (北京紅杉盛德股權投資中心(有限合夥)) ⁽³⁾	1.4586%
Hangzhou Sanren Yanxing Capital L.P. (杭州三仁焱興投資合夥企業(有限合夥)) (“Hangzhou Sanren”) ⁽⁴⁾	1.1669%
QI Shi (其實) ⁽⁵⁾	1.0502%
Beijing Jusheng	1.0268%
Existing and previous management of Zero2IPO Group ⁽⁶⁾	3.9970%
Other shareholders ⁽⁷⁾	12.5234%
Total	100%

Notes:

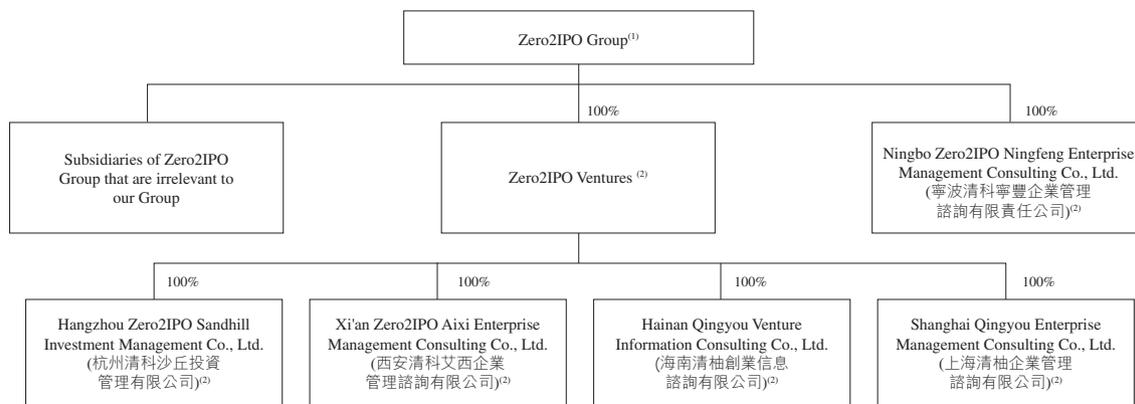
- (1) An affiliate of and received the equity interest in Zero2IPO Group from Shenzhen Hongchao Capital Co., Ltd. (深圳市宏潮資本有限公司), which in turn received the equity interest in Zero2IPO Group from its affiliated entity, Beijing Yuegao Mingde Equity Investment Center (Limited Partnership) (北京悅高明德股權投資中心(有限合夥)) in May 2016.
- (2) Became a shareholder of Zero2IPO Group because of investment in the 2015 Second Round Capital Increase.
- (3) An affiliate of and received the equity interest in Zero2IPO Group from Sequoia Mingde, and became a shareholder of Zero2IPO Group since November 2016.
- (4) Became a shareholder of Zero2IPO Group because of investment in the 2015 Second Round Capital Increase. Mr. Ni beneficially owns 33.33% of the equity interests in the general partner of Hangzhou Sanren and owns 0.5882% interests as a limited partner in Hangzhou Sanren as of the Latest Practicable Date.
- (5) Became a shareholder of Zero2IPO Group because of investment in the 2015 Second Round Capital Increase.
- (6) Include NAN Lixin (南立新), ZHANG Yanyan (張妍妍), WANG Lipeng (王利朋), YANG Min (楊敏), FU Xinghua (符星華), YUAN Runbing (袁潤兵), LI Min (李敏) and WU Xuefeng (吳雪峰), who held 1.2396%, 0.5651%, 0.5601%, 0.5248%, 0.4801%, 0.3355%, 0.1459% and 0.1459% equity interests in Zero2IPO Group, respectively. They are existing or previous management and officers of Zero2IPO Group, and ZHANG Yanyan and FU Xinghua are our Directors.
- (7) See the table under the section headed “— Our Reorganization — Step 4: Issuance of our Shares to the shareholders of Zero2IPO Group” for details of the other shareholders. Each of the other shareholders became a shareholder of Zero2IPO Group during the pre-IPO investments from December 2015 to December 2019, and please see “— Pre-IPO Investments” for details, except that (i) YANG Lele (楊樂樂) is a relative of and received the equity interest in Zero2IPO Group in June 2019 from WANG Han (汪涵), an investor in 2015 Second Round Capital Increase; (ii) GUO Yuying (郭玉英) is a relative of and received the equity interest in Zero2IPO Group in December 2019 from GUO Deying (郭德英), an investor in 2015 Second Round Capital Increase; and (iii) MIAO Zhiqiang (繆志強) is a relative of and received the equity interest in Zero2IPO Group in December 2019 from MIAO Wenbin (繆文彬), an investor in 2015 Second Round Capital Increase.

In anticipation of the Listing, Zero2IPO Group and its subsidiaries went through a series of corporate and business restructuring, and Zero2IPO Group transferred our principal subsidiaries as well as our business into our Group through the Reorganization. After the Reorganization, we started to operate our business through our Group. See “—Our Reorganization” and “— Our Corporate Structure” for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR REORGANIZATION

Prior to the Reorganization, our business constituted major business segments of Zero2IPO Group and its subsidiaries. The following chart sets forth the simplified corporate structure of Zero2IPO Group immediately prior to the Reorganization that relates to our business.



Notes:

- (1) Prior to the Reorganization, our consulting services were operated directly by Zero2IPO Group as a business segment and were subsequently transferred to our Group.
- (2) Prior to the Reorganization, our business was principally carried out through these entities, which were subsequently transferred to our Group.

In anticipation of the Listing, Zero2IPO Group and our Group carried out the Reorganization, which included the following major steps:

Step 1: Establishment of offshore corporate structure

On August 1, 2019, our Company was incorporated under the laws of Cayman Islands as an exempted company with limited liability and acted as our listing vehicle. On the same day, one fully paid share of our Company with a par value of US\$0.00001 was transferred from the incorporator, an Independent Third Party, to JQ Brothers Ltd., an offshore holding company wholly-owned by Mr. Ni, and on August 14, 2019, our Company issued 49,999 shares with a par value of US\$0.00001 each to JQ Brothers Ltd. The authorized share capital of our Company is US\$50,000, which was initially divided into 5,000,000,000 shares with par value of US\$0.00001 each and subsequently consolidated into 500,000,000 shares with par value of US\$0.0001 each on a 10:1 basis on April 14, 2020.

Zero2IPO BVI was incorporated under the laws of BVI on September 2, 2019 and is wholly-owned by our Company.

Zero2IPO HK was incorporated under the laws of Hong Kong on September 12, 2019 and is wholly-owned by Zero2IPO BVI.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Step 2: Establishment of Beijing Zero2IPO and acquisition of 5% equity interest in Beijing Zero2IPO by Dymant Investment Hong Kong Limited; Establishment of certain onshore subsidiaries

On August 14, 2019, Beijing Zero2IPO was established by Zero2IPO Group. On December 17, 2019, Shmuel Gal Dymant, an Independent Third Party investor acting through his indirect wholly-owned offshore company, Dymant Investment Hong Kong Limited, subscribed for 5% equity interests in Beijing Zero2IPO at a consideration of RMB200,000, immediately after which, Beijing Zero2IPO was owned as to 95% by Zero2IPO Group and as to 5% by Dymant Investment Hong Kong Limited. The consideration in the amount of RMB200,000 was determined with reference to the valuation of Beijing Zero2IPO determined in a valuation report prepared by an independent external appraiser.

Beijing Huchuang was established under the laws of the PRC on June 8, 2020 as a wholly-foreign owned entity and a wholly-owned subsidiary of Zero2IPO HK. In addition, Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. (南京清科艾寧企業管理諮詢有限責任公司) was established by Zero2IPO Ventures on August 21, 2019; and Hangzhou Zero2IPO Sandhill Venture Service Co., Ltd. (杭州清科沙丘創業服務有限公司) and Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd. (青島清科艾和企業管理諮詢服務有限公司) were established by Beijing Zero2IPO on November 19, 2019 and November 28, 2019, respectively.

Step 3: Restructuring of our principal subsidiaries and business; Establishment of Contractual Arrangements

Prior to the Reorganization, our business constituted major business segments of Zero2IPO Group and its subsidiaries, such as Zero2IPO Ventures.

As part of the Reorganization and in order to ensure the Contractual Arrangements are narrowly tailored in accordance with the requirements of the Stock Exchange, Zero2IPO Group restructured and transferred substantially all the entities, assets and liabilities as well as rights and obligations that relates to our business into our Group primarily through the following steps:

- Zero2IPO Group and Zero2IPO Ventures transferred our non-foreign investment restricted business that was previously operated through them into Beijing Zero2IPO and/or its subsidiaries. Such businesses primarily comprise our training services and offline business under our data services, marketing services and consulting services. In particular, Zero2IPO Group transferred our offline consulting services and its equity interests in Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd. (寧波清科寧豐企業管理諮詢有限責任公司) to Beijing Zero2IPO; and Zero2IPO Ventures transferred to Beijing Zero2IPO all the equity interests in its subsidiaries, including Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. (杭州清科沙丘投資管理有限公司), Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. (西安清科艾西企業管理諮詢有限公司), Hainan Qingyou Venture Information Consulting Co., Ltd. (海南清柚創業信息諮詢有限公司), Shanghai Qingyou Enterprise Management Consulting Co., Ltd. (上海清柚企業管理諮詢有限公司) and Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. (南京清科艾寧企業管理諮詢有限責任公司).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- Zero2IPO Group transferred our business related to our online consulting services, to Zero2IPO Ventures, such that all of our foreign investment restricted business, namely our online businesses under our data services, marketing services and consulting services, primarily comprising PEdata Database, PEdaily and Deal-Market, are operated by Zero2IPO Ventures.

In June 2020, in order to comply with relevant foreign investment restrictions in the PRC and maintain effective control over the operations of Zero2IPO Ventures, we established the Contractual Arrangements among Beijing Huchuang, Zero2IPO Ventures and the registered shareholder of Zero2IPO Ventures, namely Zero2IPO Group, providing our Group with effective control over, and to consolidate all economic benefits arising from Zero2IPO Ventures into our Group. See “Contractual Arrangements” for details.

After the Reorganization, we primarily provide equity investment service business while Zero2IPO Group and its subsidiaries primarily retain fund management and equity investment business.

Step 4: Issuance of our Shares to the shareholders of Zero2IPO Group

On April 14, 2020, our Company issued an aggregate of 85,070,250 Shares to each of then existing shareholders of Zero2IPO Group (except for the Shares to be issued pursuant to the Share Reservation) or their respective affiliates or designees on a *pro rata* basis at nominal consideration. The table below sets forth details of the Shareholders of our Company immediately after the share issuance on April 14, 2020 as well as their corresponding shareholding in Zero2IPO Group immediately prior to the share issuance.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of shareholders of Zero2IPO Group	Percentage of equity interest in Zero2IPO Group	Name of Shareholders of our Company	Number of Shares in our Company	Percentage of shareholding in our Company	Relationship between shareholders of Zero2IPO Group and Shareholders of our Company
Mr. Ni	54.9337%	JQ Brothers Ltd.	47,078,157	55.3371%	JQ Brothers Ltd. is wholly-owned by Mr. Ni
Beijing Jusheng ⁽¹⁾	1.0268%	JQ Brothers Ltd.	879,999	1.0344%	
Beijing Shengjing ⁽¹⁾	2.1225%	JQ Brothers Ltd.	61,961	0.0728%	
		Yungyung Investment Limited	1,757,029	2.0653%	Yungyung Investment Limited is a BVI company wholly-owned by LI Guochun (李國春)
Taizhou Hongchao Enterprise Management Consulting Co., Ltd. (台州宏潮企業管理諮詢有限公司)	8.0222%	Sentai Intelligent Limited	6,875,000	8.0811%	Sentai Intelligent Limited is owned as to 90% by SU Jiangtao (蘇江濤) and as to 10% by ZHOU Wendong (周文棟), who are shareholders of Taizhou Hongchao Enterprise Management Consulting Co., Ltd.
WANG Dong (王東)	5.8224%	Asia Direct Investment Inc.	4,989,757	5.8651%	Asia Direct Investment Inc. is a Samoa company wholly-owned by WANG Dong
Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) (深圳嘉道功程股權投資基金(有限合夥))	4.3757%	Wealth Strategy Holding Limited (富策控股有限公司)	3,750,000	4.4079%	Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) is an affiliate of KUNG Hung Ka, who wholly owns Wealth Strategy Holding Limited
Qingdao Haier Venture Capital Co., Ltd. (青島海爾創業投資有限責任公司)	1.7503%	Haier (HK) Appliance Products Limited	1,500,000	1.7631%	Haier (HK) Appliance Products Limited is a fellow subsidiary of Qingdao Haier Venture Capital Co., Ltd.
JIANG Weiqiang (江偉強)	1.7503%	JAS Investment Group Limited	1,500,000	1.7631%	JAS Investment Group Limited is a BVI company wholly-owned by JIANG Nanchun, who is a relative of JIANG Weiqiang
Beijing Sequoia Shengde Equity Investment Center (Limited Partnership) (北京紅杉盛德股權投資中心(有限合夥))	1.4586%	Tianjin Sequoia Qingyuan Commercial Management Centre Limited Partnership (天津紅杉清元商業管理中心(有限合夥)) (“Tianjin Sequoia”)	1,250,000	1.4693%	Tianjin Sequoia is an affiliate of Beijing Sequoia Shengde Equity Investment Center (Limited Partnership)
NAN Lixin (南立新) ⁽²⁾	1.2396%	South Mountain Innovation Limited	1,062,347	1.2487%	South Mountain Innovation Limited is a BVI company wholly-owned by NAN Lixin

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of shareholders of Zero2IPO Group	Percentage of equity interest in Zero2IPO Group	Name of Shareholders of our Company	Number of Shares in our Company	Percentage of shareholding in our Company	Relationship between shareholders of Zero2IPO Group and Shareholders of our Company
Hangzhou Sanren ⁽³⁾	1.1669%	Hangzhou Sanren	1,000,000	1.1754%	
QI Shi (其實)	1.0502%	Yoyo Holding Limited	900,000	1.0579%	Yoyo Holding Limited is a BVI company wholly-owned by QI Shi (其實)
Changsha LiuShun Chuangfu Investment Partnership (Limited Partnership) (長沙市六順創富投資合夥企業(有限合夥))	0.8751%	LiuShun Investment Management Co., Ltd.	750,000	0.8816%	LiuShun Investment Management Co., Ltd. is the overseas investment platform of Changsha LiuShun Chuangfu Investment Partnership (Limited Partnership)
Kunshan XingHua Investment Consulting Center (Limited Partnership) (昆山興華投資諮詢中心(有限合夥))	0.7293%	KSQK Holdings Limited	625,000	0.7346%	KSQK Holdings Limited is an affiliate of Kunshan XingHua Investment Consulting Center (Limited Partnership)
Shanghai Yutai Weixia Investment Center (Limited Partnership) (上海郁泰唯夏投資中心(有限合夥)) ⁽⁴⁾	0.7290%	-	-	-	
YANG Liming (楊麗鳴)	0.7293%	Snow Leopard Investment Limited	625,000	0.7346%	Snow Leopard Investment Limited is a BVI company wholly-owned by YANG Liming (楊麗鳴)
ZHANG Yanyan (張妍妍) ⁽²⁾	0.5651%	MRJ Holdings Limited	484,300	0.5693%	MRJ Holdings Limited is a BVI company wholly-owned by ZHANG Yanyan (張妍妍)
FU Xinghua (符星華) ⁽²⁾	0.4801%	HCSHANGHE Holdings Limited	411,450	0.4836%	HCSHANGHE Holdings Limited is a BVI company wholly-owned by FU Xinghua (符星華)
YE Shijie (葉世傑)	0.7296%	Outstanding Investment Management Limited	625,250	0.7349%	Outstanding Investment Management Limited is a BVI company wholly-owned by YE Shijie (葉世傑)
Shenzhen Zhuoxian Investment Management Partnership (Limited Partnership) 深圳市卓顯投資管理合夥企業(有限合夥)	0.5834%	Zhuoxian Management Investment Limited	500,000	0.5877%	Zhuoxian Management Investment Limited is the overseas investment platform of Shenzhen Zhuoxian Investment Management Partnership (Limited Partnership)
YANG Lele (楊樂樂)	0.5834%	Zhiyoyo Limited	500,000	0.5877%	Zhiyoyo Limited is a BVI company wholly-owned by YANG Lele (楊樂樂)

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of shareholders of Zero2IPO Group	Percentage of equity interest in Zero2IPO Group	Name of Shareholders of our Company	Number of Shares in our Company	Percentage of shareholding in our Company	Relationship between shareholders of Zero2IPO Group and Shareholders of our Company
YAN Ansheng (閻安生)	0.5834%	Infinity Domain Holdings Limited	500,000	0.5877%	Infinity Domain Holdings Limited is a BVI company wholly-owned by a relative of YAN Ansheng
WANG Lipeng (王利朋) ⁽²⁾	0.5601%	Brilliant Star Consulting Limited	480,000	0.5642%	Brilliant Star Consulting Limited is a BVI company wholly-owned by WANG Lipeng (王利朋)
YANG Min (楊敏) ⁽²⁾	0.5248%	WD Group Limited	449,750	0.5286%	WD Group Limited is a BVI company wholly-owned by YANG Min (楊敏)
YUAN Runbing (袁潤兵) ⁽²⁾	0.3355%	Linju Investment Limited	287,500	0.3379%	Linju Investment Limited is a BVI company wholly-owned by YUAN Runbing (袁潤兵)
Hubei Meihuashengshi Equity Investment LLP (湖北梅花晟世股權投資合夥企業(有限合夥))	0.2917%	Hubei Meihuashengshi Equity Investment LLP (湖北梅花晟世股權投資合夥企業(有限合夥))	250,000	0.2939%	-
GUO Yuying (郭玉英)	0.4376%	Justin Development Limited	375,000	0.4408%	Justin Development Limited is a BVI company wholly-owned by a relative of GUO Yuying (郭玉英)
LI Xinyu (李新宇)	0.4373%	LXY Technology Limited	374,750	0.4405%	LXY Technology Limited is a BVI company wholly-owned by LI Xinyu (李新宇)
ZHU Weihao (朱偉豪)	0.6511%	Tsing Capital Investment Ltd.	558,000	0.6559%	Tsing Capital Investment Ltd. is a BVI company wholly-owned by ZHU Weihao (朱偉豪)
LV Dalong (呂大龍)	0.2917%	LYU Holdings Limited	250,000	0.2939%	LYU Holdings Limited is a BVI company wholly-owned by LV Dalong (呂大龍)
Shanghai Ke Wen Investment Center (Limited Partnership) (上海科聞投資中心(有限合夥))	0.3501%	Shanghai Ke Wen Investment Center Limited	300,000	0.3526%	Shanghai Ke Wen Investment Center Limited is the overseas investment platform of Shanghai Ke Wen Investment Center (Limited Partnership)
XUE Xiangdong (薛向東)	0.2929%	DHC Asset Management Limited	251,000	0.2950%	DHC Asset Management Limited is a BVI company wholly-owned by XUE Xiangdong (薛向東)

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of shareholders of Zero2IPO Group	Percentage of equity interest in Zero2IPO Group	Name of Shareholders of our Company	Number of Shares in our Company	Percentage of shareholding in our Company	Relationship between shareholders of Zero2IPO Group and Shareholders of our Company
Hangzhou Zhongying Fupu Equity Investment Partnership (Limited Partnership) (杭州中贏樓仁股權投資合夥企業(有限合夥))	0.2917%	Hangzhou Zhongying Fupu Partners Limited	250,000	0.2939%	Hangzhou Zhongying Fupu Partners Limited is the overseas investment platform of Hangzhou Zhongying Fupu Equity Investment Partnership (Limited Partnership)
Shanghai Magvalley Investment Fund L.P. (上海磁谷創業投資合夥企業(有限合夥))	0.2917%	Shanghai Magvalley Investment Fund L.P. (上海磁谷創業投資合夥企業(有限合夥))	250,000	0.2939%	–
Dalian Bolang Technology Co., Ltd. (大連博朗科技有限公司)	0.2917%	Amos Capital Co., Limited	250,000	0.2939%	Amos Capital Co., Limited is the overseas investment platform of Dalian Bolang Technology Co., Ltd.
EHE Capital LLP (北京亦合高科技產業投資合夥企業(有限合夥))	0.2917%	EHE Capital LLP (北京亦合高科技產業投資合夥企業(有限合夥))	250,000	0.2939%	–
Jinhua Tianqin Kehua Equity Investment Partnership (Limited Partnership) (金華市天勤科華股權投資合夥企業(有限合夥))	0.2917%	Jinhua Tianqin Kehua Equity Investment Partnership (Limited Partnership) (金華市天勤科華股權投資合夥企業(有限合夥))	250,000	0.2939%	–
CHEN Datong (陳大同)	0.2917%	Flying Kitten Limited	250,000	0.2939%	Flying Kitten Limited is a BVI company wholly-owned by CHEN Datong (陳大同)
MIAO Zhiqiang (繆志強)	0.2917%	Aquambience Holdings Ltd.	250,000	0.2939%	Aquambience Holdings Ltd. is a BVI company wholly-owned by MIAO Zhiqiang (繆志強)
LIU Xiaofeng (劉曉峰)	0.2917%	Lofty Attic Limited	250,000	0.2939%	Lofty Attic Limited is a BVI company wholly-owned by LIU Xiaofeng (劉曉峰)
XU Weigu (徐衛國)	0.2917%	Rush Forth Company Ltd.	250,000	0.2939%	Rush Forth Company Ltd. is a BVI company wholly-owned by XU Weigu (徐衛國)
XIONG Yigang (熊毅剛)	0.2917%	Splendid Terrace Limited	250,000	0.2939%	Splendid Terrace Limited is a BVI company wholly-owned by XIONG Yigang (熊毅剛)

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of shareholders of Zero2IPO Group	Percentage of equity interest in Zero2IPO Group	Name of Shareholders of our Company	Number of Shares in our Company	Percentage of shareholding in our Company	Relationship between shareholders of Zero2IPO Group and Shareholders of our Company
Beijing Yaxinzhonghe Investment Center (Limited Partnership) (北京亞信眾合投資中心(有限合伙))	0.2914%	Yaxinzhonghe Limited	249,750	0.2936%	Yaxinzhonghe Limited is the overseas investment platform of Beijing Yaxinzhonghe Investment Center (Limited Partnership)
Aier Medical Investment Co., Ltd. (愛爾醫療投資集團有限公司)	0.2914%	CL Kiwi Holding Ltd.	249,750	0.2936%	CL Kiwi Holding Ltd. is the overseas investment platform of Aier Medical Investment Co., Ltd.
Shenzhen ZhongOu Runlong Investment Management Co., Ltd. (深圳市中歐潤隆投資管理有限公司)	0.2914%	Runlong Capital Limited	249,750	0.2936%	Runlong Capital Limited is the overseas investment platform of Shenzhen ZhongOu Runlong Investment Management Co., Ltd.
XIONG Lixia (熊麗霞)	0.2914%	Qiaoyue Brother Limited	249,750	0.2936%	Qiaoyue Brother Limited is a BVI company wholly-owned by XIONG Lixia (熊麗霞)
Zhuhai Hengqin Huagai Investment Company Limited (珠海橫琴蓋玖元股權投資有限公司)	0.1459%	Zhuhai Hengqin Huagai Jiuyuan Investment Company Limited (珠海橫琴蓋玖元股權投資有限公司)	125,000	0.1469%	—
LI Min (李敏)	0.1459%	Rainbow Song Limited	125,000	0.1469%	Rainbow Song Limited is a BVI company wholly-owned by LI Min (李敏)
WU Xuefeng (吳雪峰)	0.1459%	Feng Capital Ltd.	125,000	0.1469%	Feng Capital Ltd. is a BVI company wholly-owned by WU Xuefeng (吳雪峰)
Total	100.00%		85,075,250	100.00%	

Notes:

- (1) Mr. Ni is the general partner of Beijing Shengjing and Beijing Jusheng. LI Guochun is an employee of Zero2IPO Group and a limited partner of Beijing Shengjing, and wholly owns the equity interests in Yungyung Investment Limited.
- (2) Existing or previous management and officers of Zero2IPO Group, and ZHANG Yanyan and FU Xinghua are our Directors.
- (3) Mr. Ni owns 33.33% equity interests in the general partner of Hangzhou Sanren and owns 0.5882% interests as a limited partner of Hangzhou Sanren as of the Latest Practicable Date.
- (4) See “— Step 5: Transfer of Shares and Share Reservation” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Step 5: Transfer of Shares and Share Reservation

As part of the pre-IPO investments, on May 25, 2020, Mr. KUANG Ziping (鄺子平), an Independent Third Party, through his wholly-owned BVI company, DK Ventures Limited, purchased 875,000 Shares with a par value of US\$0.0001 each from JQ Brothers Ltd., at a consideration of RMB18,380,000, which was determined with reference to the valuation of our Group.

On May 29, 2020, our Company reserved 624,750 Shares (subject to adjustment due to any share subdivision, share consolidation, capitalization issue or similar reorganization of the share capital of the Company) as necessary for future issuance to Shanghai Yutai Weixia Investment Center (Limited Partnership) (上海郁泰唯夏投資中心(有限合夥)) (“**Shanghai Yutai**”), an existing shareholder of Zero2IPO Group. Given that (1) we cannot contact Shanghai Yutai, its ultimate equity holders and/or their close relatives during the process of our Reorganization after making reasonable efforts, and one of the ultimate equity holders of Shanghai Yutai had been arrested for fraudulent fund-raising and manipulation of the securities markets according to publicly available information as of the Latest Practicable Date, (2) the equity interests in Zero2IPO Group held by Shanghai Yutai had been frozen under PRC Laws according to publicly available information as of the Latest Practicable Date, and (3) the business license of the general partner of Shanghai Yutai had been revoked because it suspended business operations on its own initiative for a period of six consecutive months or more after it commenced business operations according to publicly available information as of the Latest Practicable Date, we cannot complete the issuance of Shares to Shanghai Yutai without its cooperation to reflect its shareholding in Zero2IPO Group as we did for other shareholders of Zero2IPO Group. Our Directors confirm that, after due enquiry and careful consideration, the abovementioned status of Shanghai Yutai and its ultimate equity holders had no material adverse impact on the Reorganization. To offer Shanghai Yutai a legitimate opportunity for equity participation in our Company and preserve its economic interest derived from its original investment in Zero2IPO Group given the abovementioned status of Shanghai Yutai and its ultimate equity holders, our Company reserved the Shares for Shanghai Yutai during the Reorganization, and the Shares reserved for Shanghai Yutai are to be issued upon share application notice received from and signed by Shanghai Yutai or its affiliates. According to the Cayman Companies Law and the Articles of Association, our Company can reserve certain shares to be issued to potential shareholder(s) by approvals of the Board and the Share Reservation was duly approved by the Board. Based on the above, our legal advisors as to Cayman Islands Law, Maples and Calder (Hong Kong) LLP, are of the view that the Share Reservation would not expose our Group to any material legal risk under the Cayman Islands law; and our PRC Legal Advisors are of the view that the Share Reservation would not expose our Group to any material legal risk under PRC laws and regulations.

Step 6: Acquisition of 95% equity interest in Beijing Zero2IPO by Zero2IPO HK; Acquisition of Dymant Investment Hong Kong Inc.

On June 10, 2020, Zero2IPO Group transferred its equity interest in Beijing Zero2IPO to Zero2IPO HK at a consideration of RMB3.8 million, which was determined with reference to the valuation of Beijing Zero2IPO determined in a valuation report prepared by an independent external appraiser, immediately after which, Beijing Zero2IPO was owned as to 95% by Zero2IPO HK and 5% by Dymant Investment Hong Kong Limited.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On June 19, 2020, Shmuel Gal Dymant swapped all his equity interests in Dymant Investment Hong Kong Inc., his wholly-owned BVI company, to our Company, with 9,454 Shares issued to him, representing approximately 0.0111% of our enlarged issued and outstanding share capital immediately after the Reorganization. Following these transactions, Beijing Zero2IPO became our wholly-owned subsidiary.

See “— Our Corporate Structure” for details of the corporate structure immediately after the Reorganization. The table below sets forth details of the shareholders of our Company immediately after the Reorganization.

Name of Shareholders of our Company	Percentage of shareholding in our Company
JQ Brothers Ltd.	55.4096%
Sentai Intelligent Limited	8.0802%
Asia Direct Investment Inc.	5.8645%
Wealth Strategy Holding Limited (富策控股有限公司)	4.4074%
Haier (HK) Appliance Products Limited	1.7630%
JAS Investment Group Limited	1.7630%
Tianjin Sequoia	1.4691%
Hangzhou Sanren	1.1753%
Yoyo Holding Limited	1.0578%
Existing and previous management of Zero2IPO Group ⁽¹⁾	4.0259%
Other shareholders ⁽¹⁾	14.9842%
Total	100%

Note:

(1) See the table under the section headed “— Our Reorganization — Step 4: Issuance of our Shares to the shareholders of Zero2IPO Group” for details; the numbers of shareholding percentage in that table have not taken into consideration the dilution effect as a result of the issuance of 9,454 Shares of our Company to Shmuel Gal Dymant during the Reorganization.

Our PRC Legal Advisors confirmed that all necessary approvals, permits and licenses required under PRC laws and regulations in connection with the Reorganization have been obtained, and the Reorganization has complied with applicable PRC laws and regulations in all material respects.

CAPITALIZATION ISSUE AND GLOBAL OFFERING

Subject to the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the Offer Shares pursuant to the Global Offering, our Directors are authorized to allot and issue a total of 174,915,296 Shares credited as fully paid at par value to the Shareholder whose name appears on the register of members of our Company at the close of business on the date immediately preceding the date on which the Global Offering becomes unconditional (or as it may direct) by way of capitalization of the sum of US\$17,491.53 standing to the credit of the share premium account of our Company. The Shares allotted and issued pursuant to the above Capitalization Issue will rank *pari passu* in all respects with the existing issued Shares.

PRE-IPO INVESTMENTS

Since late 2015, Zero2IPO Group conducted equity financings to fund its rapid business expansion. Such investors and other investors who became our Shareholders by virtue of 2019 Capital Increase and share transfers from other shareholders of Zero2IPO Group or our Company are regarded as our pre-IPO investors. The following sets forth details of such investments.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Description and Principal Terms of the Pre-IPO Investments

Name of investors	Date of agreement	Date of settlement	Total consideration to Zero2IPO Group ⁽³⁾	Post-money valuation of Zero2IPO Group after the investment ⁽¹⁾	Total Shares held upon the Listing ⁽²⁾	Cost per Share ⁽³⁾	Discount to the Offer Price ⁽³⁾	Shareholding in the Company upon the Listing ⁽²⁾
2015 First Round Capital Increase⁽⁶⁾								
<i>Part I</i>								
Beijing Yuegao Mingde Equity Investment Center (Limited Partnership) (北京悦高明德股權投資中心(有限合夥)) ⁽⁷⁾	October 9, 2015	November 6, 2015	RMB12,284,177	RMB134 million	21,008,476	N/A	N/A	7.0028%
WANG Dong (王東)	October 9, 2015	November 6, 2015	RMB8,915,645	RMB134 million	15,247,592	N/A	N/A	5.0825%
Shenzhen Jiadao Gongcheng Equity Investment Fund (Limited Partnership) (深圳嘉道功程股權投資基金(有限合夥))	October 9, 2015	November 6, 2015	RMB6,700,460	RMB134 million	11,459,169	N/A	N/A	3.8197%
JIANG Weiqiang (江偉強)	October 9, 2015	November 6, 2015	RMB2,680,184	RMB134 million	4,583,668	N/A	N/A	1.5278%
YANG Liming (楊麗鳴)	October 9, 2015	November 6, 2015	RMB1,116,743	RMB134 million	1,909,861	N/A	N/A	0.6366%
ZHAO Zhijian (趙志堅) ⁽⁸⁾	October 9, 2015	November 6, 2015	RMB614,209	RMB134 million	N/A	N/A	N/A	N/A
<i>Part II</i>								
Beijing Sequoia Mingde Equity Investment Center (Limited Partnership) (北京紅杉銘德股權投資中心(有限合夥)) ⁽⁹⁾	October 9, 2015	November 6, 2015	RMB12,800,000	RMB0.8 billion	3,819,723	N/A	N/A	1.2732%
Kunshan Xinghua Investment Consulting Center (Limited Partnership) (昆山興華投資諮詢中心(有限合夥))	October 9, 2015	November 6, 2015	RMB6,400,000	RMB0.8 billion	1,909,861	N/A	N/A	0.6366%
Share transfer in December 2015								
Beijing Yaxinzonghe Investment Center (Limited Partnership) (北京亞信眾合投資中心(有限合夥)) ⁽¹⁰⁾	December 15, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,181	N/A	N/A	0.2544%
Shenzhen ZhongOu Runlong Investment Management Co., Ltd. (深圳市中歐潤隆投資管理有限公司) ⁽¹¹⁾	December 15, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,181	N/A	N/A	0.2544%
Shanghai Yutai Weixia Investment Center (Limited Partnership) (上海郁泰唯夏投資中心(有限合夥)) ⁽¹²⁾	December 15, 2015	December 30, 2015	RMB25,000,000	RMB3.4 billion	N/A	N/A	N/A	N/A
Shanghai Zhenjie Yichang Investment Management Partnership (Limited Partnership) (上海臻界翊暢投資管理合夥企業(有限合夥)) ⁽¹³⁾	December 15, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	N/A	N/A	N/A	N/A
XIONG Lixia (熊麗霞) ⁽¹⁴⁾	December 15, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,181	N/A	N/A	0.2544%
LI Xinyu (李新宇) ⁽¹⁵⁾	December 15, 2015	December 30, 2015	RMB15,000,000	RMB3.4 billion	1,145,153	N/A	N/A	0.3817%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of investors	Date of agreement	Date of settlement	Total consideration to Zero2IPO Group ⁽³⁾	Post-money valuation of Zero2IPO Group after the investment ⁽¹⁾	Total Shares held upon the Listing ⁽²⁾	Cost per Share ⁽³⁾	Discount to the Offer Price ⁽³⁾	Shareholding in the Company upon the Listing ⁽²⁾
XUE Xiangdong (薛向東) ⁽¹⁶⁾	December 15, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	767,000	N/A	N/A	0.2557%
WANG Baotong (王寶桐) ⁽¹⁷⁾	December 15, 2015	December 30, 2015	RMB5,000,000	RMB3.4 billion	N/A	N/A	N/A	N/A
2015 Second Round Capital Increase								
Qingdao Haier Venture Capital Co., Ltd. (青島海爾創業投資有限責任公司)	December 16, 2015	December 30, 2015	RMB60,000,000	RMB3.4 billion	4,583,668	N/A	N/A	1,5278%
Hangzhou Sanren Yanxing Capital L.P. (杭州三仁焱興投資合夥企業(有限合夥))	December 16, 2015	December 30, 2015	RMB40,000,000	RMB3.4 billion	3,055,778	N/A	N/A	1.0186%
Changsha LiuShun Chuangfu Investment Partnership (Limited Partnership) (長沙市六順創富投資合夥企業(有限合夥))	December 16, 2015	December 30, 2015	RMB30,000,000	RMB3.4 billion	2,291,834	N/A	N/A	0.7639%
Shenzhen Zhuoxian Investment Management Partnership (Limited Partnership) 深圳市卓顯投資管理合夥企業(有限合夥)	December 16, 2015	December 30, 2015	RMB20,000,000	RMB3.4 billion	1,527,889	N/A	N/A	0.5093%
Shanghai Leyong Investment Partnership (Limited Partnership) (上海樂永投資合夥企業(有限合夥)) ⁽¹⁸⁾	December 16, 2015	December 30, 2015	RMB15,000,000	RMB3.4 billion	N/A	N/A	N/A	N/A
Shenzhen Qingyi Investment Co., Ltd. (深圳市青儀投資有限公司) ⁽¹⁹⁾	December 16, 2015	December 30, 2015	RMB15,000,000	RMB3.4 billion	N/A	N/A	N/A	N/A
Shanghai Ke Wen Investment Center (Limited Partnership) (上海科聞投資中心(有限合夥))	December 16, 2015	December 30, 2015	RMB12,000,000	RMB3.4 billion	916,734	N/A	N/A	0.3056%
Jinhua Tianqin Kehua Equity Investment Partnership (Limited Partnership) (金華市天勤科華股權投資合夥企業(有限合夥))	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
Hangzhou Zhongying Fupu Equity Investment Partnership (Limited Partnership) (杭州中贏複樸仁股權投資合夥企業(有限合夥))	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
Dalian Bolang Technology Co., Ltd. (大連博朗科技有限公司)	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
EHE Capital LLP (北京亦合高科技產業投資合夥企業(有限合夥))	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
Shanghai Magvalley Investment Fund L.P. (上海磁谷創業投資合夥企業(有限合夥))	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
CHEN Datong (陳大同)	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
GUO Deying (郭德英) ⁽²⁰⁾	December 16, 2015	December 30, 2015	RMB15,000,000	RMB3.4 billion	1,145,917	N/A	N/A	0.3820%

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Name of investors	Date of agreement	Date of settlement	Total consideration to Zero2IPO Group ⁽³⁾	Post-money valuation of Zero2IPO Group after the investment ⁽¹⁾	Total Shares held upon the Listing ⁽²⁾	Cost per Share ⁽³⁾	Discount to the Offer Price ⁽⁵⁾	Shareholding in the Company upon the Listing ⁽²⁾
XIONG Yigang (熊毅剛)	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
XU Weiguo (徐衛國)	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
MIAO Wenbin (繆文彬) ⁽²¹⁾	December 16, 2015	December 30, 2015	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
QI Shi (其實)	December 16, 2015	December 30, 2015	RMB36,000,000	RMB3.4 billion	2,750,201	N/A	N/A	0.9167%
WANG Han (汪涵) ⁽²²⁾	December 16, 2015	December 30, 2015	RMB20,000,000	RMB3.4 billion	1,527,889	N/A	N/A	0.5093%
Other individuals ⁽²³⁾	December 16, 2015	December 30, 2015	RMB65,000,000	RMB3.4 billion	N/A	N/A	N/A	N/A
Share transfer in 2018								
ZHU Weihao (朱偉豪)	April 5, 2018 ⁽²⁴⁾	August 8, 2018	RMB13,750,000	RMB3.4 billion	1,705,124	N/A	N/A	0.5684%
	September 13, 2018 ⁽²⁵⁾	June 24, 2019	RMB8,570,000	RMB3.4 billion				
Share transfer in December 2019								
YE Shijie (葉世傑) ⁽²⁶⁾	December 17, 2019	January 23, 2020	RMB25,000,000	RMB3.4 billion	1,910,625	N/A	N/A	0.6369%
YAN Ansheng (閻安生) ⁽²⁷⁾	December 17, 2019	May 25, 2020	RMB20,000,000	RMB3.4 billion	1,527,889	N/A	N/A	0.5093%
Hubei Meihuashengshi Equity Investment LLP (湖北梅花晟世股權投資合夥企業(有限合夥)) ⁽²⁸⁾	December 17, 2019	January 20, 2020	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
LV Dalong (呂大龍) ⁽²⁹⁾	December 17, 2019	February 28, 2020	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
LIU Xiaofeng (劉曉峰) ⁽³⁰⁾	December 17, 2019	March 8, 2020	RMB10,000,000	RMB3.4 billion	763,945	N/A	N/A	0.2547%
Aier Medical Investment Co., Ltd. (愛爾醫療投資集團有限公司) ⁽³¹⁾	December 17, 2019	January 22, 2020	RMB10,000,000	RMB3.4 billion	763,181	N/A	N/A	0.2544%
Zhuhai Hengqin Huagai Jiuyuan Investment Company Limited (珠海橫琴華蓋玖元股權投資有限公司) ⁽³²⁾	December 17, 2019	January 21, 2020	RMB5,000,000	RMB3.4 billion	381,972	N/A	N/A	0.1273%
Name of investors	Date of agreement	Date of settlement	Total consideration	Post-money valuation of the Company after the investment	Total Shares held upon the Listing	Cost per Share ⁽⁴⁾	Discount to the Offer Price ⁽⁵⁾	Shareholding in the Company upon the Listing
2019 Capital Increase								
Shmuel Gal Dymant	December 17, 2019	February 25, 2020	RMB200,000	RMB1.8 billion	28,889	RMB6.92	22.7%	0.0096%
Share transfer in May 2020								
Mr. KUANG Ziping ⁽³³⁾	May 25, 2020	May 29, 2020	RMB18,380,000	RMB1.8 billion	2,673,806	RMB6.87	23.3%	0.8913%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) Calculated by dividing the total consideration to Zero2IPO Group by the percentage of equity interest in Zero2IPO Group held by the relevant investor at the time of its investment. Post-money valuation reflects then valuation of Zero2IPO Group and its subsidiaries (including the business of the Group and the remaining business of Zero2IPO Group and its subsidiaries) at the time of the investment, except for the post-money valuation for the 2015 First Round Capital Increase which is further explained in note 6 below.
- (2) Represents the number of Shares held by and/or the shareholding of the investor or its affiliate or overseas investment platform in the Company immediately after completion of the Capitalization Issue and the Global Offering. See the table under the section headed “— Our Reorganization — Step 4: Issuance of our Shares to the shareholders of Zero2IPO Group” for details of the corresponding relationship between the investors and the respective offshore shareholding entities.
- (3) The information of cost per Share and discount to the Offer Price are not meaningfully available as to the investment that was made to Zero2IPO Group prior to the Reorganization, because (i) the total consideration of such investment was based on the then valuation of Zero2IPO Group and its subsidiaries as a whole (including the business of the Group and the remaining business of Zero2IPO Group and its subsidiaries) at the time of the investment, and (ii) the division of the investment amount between (a) the business of the Group and (b) the remaining business of Zero2IPO Group and its subsidiaries, primarily including fund management and equity investment business, is not prescribed in the investment agreement.
- (4) Assuming the Capitalization Issue has been completed.
- (5) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$10.00 per Share, being the mid-point of the indicative Offer Price range of HK\$9.00 to HK\$11.00 per Share, and based on the number of Shares in issue upon the completion of the Capitalization Issue and the Global Offering, assuming the Over-allotment Option is not exercised.
- (6) The 2015 First Round Capital Increase was approved by a shareholders’ resolution of Zero2IPO Group passed on October 9, 2015 for restructuring purpose. Total consideration paid by such shareholders represents the aggregate of the amount paid by them during the corporate restructuring in October 2015, including (i) the total consideration of US\$2,741,645.13 paid to acquire 100% equity interest in Zero2IPO Group from the Previous Offshore HoldCo; and (ii) the aggregate amount of RMB128,111,480 paid to increase their investments in Zero2IPO Group. The consideration paid by each of such shareholders in the 2015 First Round Capital Increase, other than Sequoia Mingde and Kunshan Xinghua, was solely for the purpose of reorganization for Zero2IPO Group to repurchase all equity interests held by the then existing shareholders of the Previous Offshore HoldCo and does not reflect the valuation of Zero2IPO Group and its subsidiaries at the time of the reorganization, because such shareholders were onshore affiliates or designators of then existing shareholders of the Previous Offshore HoldCo. The valuation for the last round investment by shareholders of the Previous Offshore HoldCo is approximately RMB0.8 billion. The consideration paid by each of Sequoia Mingde and Kunshan Xinghua was determined with reference to the then valuation of Zero2IPO Group and its subsidiaries, which is approximately RMB0.8 billion, considering that these two entities were deemed as new investors to Zero2IPO Group. Each of Sequoia Mingde and Kunshan Xinghua was an RMB equity fund with completely different limited partners and the same general partner compared to those in their corresponding USD equity funds which were then existing shareholders of the Previous Offshore HoldCo. Thus, each of Sequoia Mingde and Kunshan Xinghua was deemed as a new investor to Zero2IPO Group and acquired the equity interests in Zero2IPO Group, which repurchased the equity interests held by the USD equity funds in the Previous Offshore HoldCo to realize the exit by the USD equity funds at the valuation of RMB0.8 billion. See “— History of Zero2IPO Group and Our Group” for details.
- (7) An affiliate of and transferred the equity interests in Zero2IPO Group to Shenzhen Hongchao Capital Co., Ltd. (深圳市宏潮資本有限公司) in May 2016, which subsequently transferred such equity interests to its affiliate, Taizhou Hongchao Enterprise Management Consulting Co., Ltd. (台州宏潮企業管理諮詢有限公司) in December 2019.
- (8) Equity interests in Zero2IPO Group were transferred to ZHU Weihao (朱偉豪). Also see note 24 below.
- (9) An affiliate of and transferred the equity interests in Zero2IPO Group to Beijing Sequoia Shengde Equity Investment Center (Limited Partnership) (北京紅杉盛德股權投資中心(有限合夥)) in November 2016.
- (10) Transferred from Mr. Ni.
- (11) Transferred from Mr. Ni, YUAN Runbing (袁潤兵) and WU Xuefeng (吳雪峰).
- (12) Transferred from Mr. Ni. Shares in the Company are reserved for future issuance pursuant to the Share Reservation. See “— Step 5: Transfer of Shares and Share Reservation” for details.
- (13) Equity interests in Zero2IPO Group were transferred from Mr. Ni and subsequently transferred to Aier Medical Investment Co., Ltd. (愛爾醫療投資集團有限公司). Also see note 31 below.
- (14) Transferred from Mr. Ni.
- (15) Total consideration paid includes RMB10,000,000 paid in relation to share transfer from WU Xuefeng (吳雪峰), LI Min (李敏), WANG Lipeng (王利朋) and ZHANG Yanyan (張妍妍) in December 2015, and RMB5,000,000 paid as part of the 2015 Second Round Capital Increase.
- (16) Total consideration paid includes RMB5,000,000 paid in relation to share transfer from ZHANG Yanyan (張妍妍), YANG Min (楊敏) and FU Xinghua (符星華) in December 2015, and RMB5,000,000 paid as part of the 2015 Second Round Capital Increase.
- (17) Equity interests in Zero2IPO Group were transferred from Mr. Ni and subsequently transferred to YE Shijie (葉世傑). Also see note 26 below.
- (18) Equity interests in Zero2IPO Group were transferred to Mr. Ni.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (19) Equity interests in Zero2IPO Group were transferred to Mr. Ni and Hubei Meihuashengshi Equity Investment LLP (湖北梅花晟世股權投資合夥企業(有限合夥)). Also see note 28 below.
- (20) A relative of and transferred the equity interest in Zero2IPO Group in December 2019 to GUO Yuying (郭玉英).
- (21) A relative of and transferred the equity interest in Zero2IPO Group in December 2019 to MIAO Zhiqiang (繆志強).
- (22) A relative of and transferred the equity interest in Zero2IPO Group in June 2019 to YANG Lele (楊樂樂).
- (23) Includes WANG Baotong (王寶桐), TAO Qin (陶勤), CHONG Song (崇松), GUO Fengmei (郭鳳梅) and ZHAO Siyuan (趙思園), who subsequently disposed their equity interests in Zero2IPO Group.
- (24) Transferred from ZHAO Zhijian (趙志堅).
- (25) Transferred from FU Xinghua and ZHANG Yanyan.
- (26) Transferred from CHONG Song (崇松) and WANG Baotong (王寶桐).
- (27) Transferred from ZHAO Siyuan (趙思園).
- (28) Transferred from Shenzhen Qingyi Investment Co., Ltd. (深圳市青儀投資有限公司).
- (29) Transferred from TAO Qin (陶勤).
- (30) Transferred from GUO Fengmei (郭鳳梅).
- (31) Transferred from Shanghai Zhenjie Yichang Investment Management Partnership (Limited Partnership) (上海臻界翊暢投資管理合夥企業(有限合夥)).
- (32) Transferred from CHONG Song (崇松) and TAO Qin (陶勤).
- (33) Transferred from Mr. Ni.

The consideration for the pre-IPO investments were determined based on arm's length negotiation between (1) Zero2IPO Group or our Company (as the case may be) and the pre-IPO investors or (2) the transferors and transferees in the pre-IPO investments, after taking into consideration of, among others, the timing of investments, and the business performance and prospect of Zero2IPO Group or our Group (as the case may be). See “— Our Corporate Structure” for details of the respective equity interests held by pre-IPO investors immediately upon the Listing.

Our Directors are of the view that our Company would benefit from the additional capital injected by the pre-IPO investors' investments in our Company, their business resources, knowledge and experience, and potential business opportunities and benefits that may be provided by them.

Information of Principal Pre-IPO Investors

The following sets forth information of the existing pre-IPO investors each holding 1% or above of our total issued and outstanding Shares immediately after the Capitalization Issue and the Global Offering.

Sentai Intelligent Limited

Sentai Intelligent Limited is a company incorporated in the BVI with limited liability and is owned as to 90% by SU Jiangtao (蘇江濤) and as to 10% by ZHOU Wendong (周文棟), both of whom are individual financial investors in the Group and Independent Third Parties. Sentai Intelligent Limited is primarily engaged in investment holding. Mr. SU Jiangtao is an individual investor and became acquainted with Mr. Ni through industry networking events around 2014.

Asia Direct Investment Inc.

Asia Direct Investment Inc. is a company incorporated in Samoa and is wholly-owned by WANG Dong (王東), an Independent Third Party, who became acquainted with Mr. Ni through social events in 2002. Asia Direct Investment Inc. is primarily engaged in investment holding. Mr. WANG Dong is a qualified lawyer and is currently a partner of a law firm in the PRC.

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Wealth Strategy Holding Limited

Wealth Strategy Holding Limited (富策控股有限公司) is a company incorporated in Hong Kong and is wholly-owned by Wealth Strategy Group Limited, an investment vehicle incorporated in the BVI wholly-owned by Mr. KUNG Hung Ka, our non-executive Director. Wealth Strategy Holding Limited is primarily engaged in investment holding. See “Directors and Senior Management” for more details of Mr. KUNG Hung Ka.

Haier (HK) Appliance Products Limited

Haier (HK) Appliance Products Limited is a company incorporated in Hong Kong and ultimately controlled by Haier Group Corporation (海爾集團公司). Haier (HK) Appliance Products Limited is primarily engaged in investment holding.

JAS Investment Group Limited

JAS Investment Group Limited is a company incorporated in the BVI with limited liability and is wholly-owned by JIANG Nanchun, an Independent Third Party. JAS Investment Group Limited is primarily engaged in investment holding. JIANG Nanchun is an entrepreneur, and the founder and chairman of the board of Focus Media Information Technology Co., Ltd. (分眾傳媒信息技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code:002027).

Tianjin Sequoia

Tianjin Sequoia is a limited partnership established in the PRC and primarily engaged in investment holding. The general partner of Tianjin Sequoia is Shanghai Huanyuan Investment Management Co., Ltd. (上海桓遠投資管理有限公司), which is ultimately controlled by ZHOU Kui (周達), an Independent Third Party.

Hangzhou Sanren

Hangzhou Sanren is a limited partnership established in the PRC. The general partner of Hangzhou Sanren is Hangzhou Sanren Investment Management Co., Ltd. (杭州三仁投資管理有限公司), which is owned by Mr. Ni, CAO Guoxiong (曹國熊) and WANG Baotong (王寶桐) as to 33.33%, 33.33% and 33.33%, respectively. Hangzhou Sanren is primarily engaged in investment holding. Each of CAO Guoxiong and WANG Baotong is an Independent Third Party.

Lock-up Period

None of the pre-IPO investors are subject to any lock-up period from the Listing Date.

Public Float

Upon completion of the Global Offering, all the Shares held by the pre-IPO investors will count towards part of the public float, except for the Shares held by (1) Wealth Strategy Holding Limited (富策控股有限公司), a Hong Kong company indirectly wholly-owned by Mr. KUNG Hung Ka, our non-executive Director and a core connected person of our Company, and (2) Hangzhou Sanren, the general partner of which is owned as to 33.33% by Mr. Ni, our chairman of the Board, executive Director, chief executive officer, one of our Controlling Shareholders and a core connected person of our Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Use of Proceeds from the Pre-IPO Investments

All the proceeds from the pre-IPO investments received by the Company was applied towards, among others, the business development and operation, including but not limited to research and development, new business development, administrative expenses and general working capital needs. As of the Latest Practicable Date, such proceeds has been fully utilized by the Company. The Company did not receive any of the proceeds in connection with the share transfers between the transferors and transferees in the pre-IPO investments.

Special Rights of the Pre-IPO Investors

There were no special rights granted to our Shareholders as of the Latest Practicable Date or that will exist after the Listing as stipulated under the Guidance Letter HKEX-GL29-12 issued in January 2012 and updated in March 2017, the Guidance Letter HKEX-GL43-12 issued in October 2012 and updated in July 2013 and March 2017 and the Guidance Letter HKEX-GL44-12 issued in October 2012 and updated in March 2017 by the Stock Exchange.

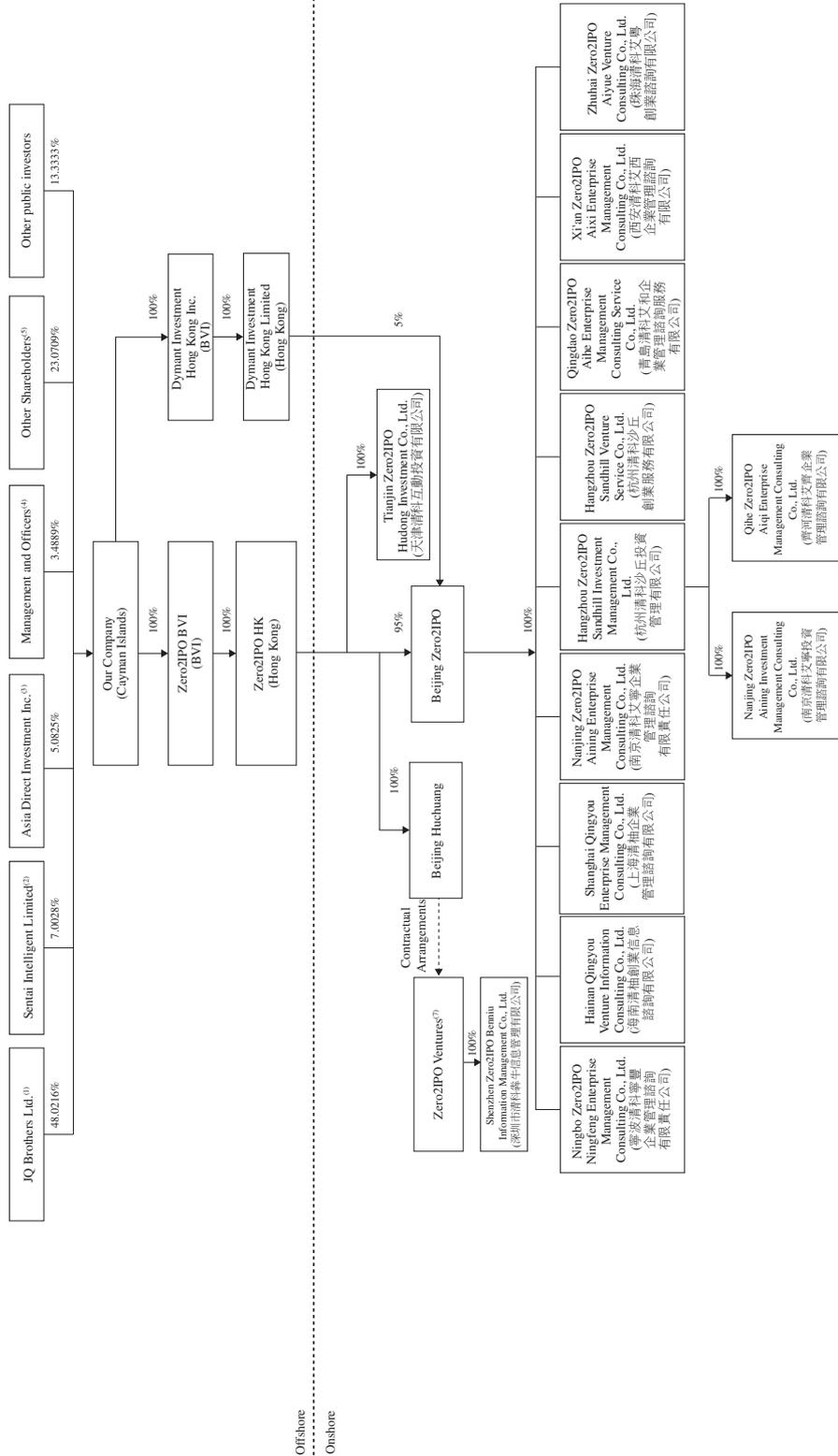
Sole Sponsor's Confirmation

The Sole Sponsor confirms that the pre-IPO investments are in compliance with the Guidance Letter HKEX-GL29-12 issued in January 2012 and updated in March 2017, the Guidance Letter HKEX-GL43-12 issued in October 2012 and updated in July 2013 and March 2017 and the Guidance Letter HKEX-GL44-12 issued in October 2012 and updated in March 2017 by the Stock Exchange.

- (4) Include 1.2486% held by South Mountain Innovation Limited, a BVI company wholly-owned by Ms. NAN Lixin (a previous senior management of Zero2IPO Group and an Independent Third Party), 0.5692% held by MRJ Holdings Limited, a BVI company wholly-owned by Ms. ZHANG Yanyan (our executive Director and senior vice president), 0.4836% held by HCShanghe Holdings Limited, a BVI company wholly-owned by Ms. FU Xinghua (our executive Director and senior vice president), 0.5642% held by Brilliant Star Consulting Limited, a BVI company wholly-owned by Mr. WANG Lipeng (a previous senior management of Zero2IPO Group and an Independent Third Party), 0.5286% held by WD Group Limited, a BVI company wholly-owned by Ms. YANG Min (an existing senior management of Zero2IPO Group and an Independent Third Party), 0.3379% held by Linju Investment Limited, a BVI company wholly-owned by Mr. YUAN Runbing (an existing senior management of Zero2IPO Group and an Independent Third Party), 0.1469% held by Rainbow Song Limited, a BVI company wholly-owned by Ms. LI Min (an existing senior management of Zero2IPO Group and an Independent Third Party), 0.1469% held by Feng Capital Ltd., a BVI company wholly-owned by Ms. WU Xuefeng (an existing senior management of Zero2IPO Group and an Independent Third Party).
- (5) Include 4.4074% held by Wealth Strategy Holding Limited, which is ultimately wholly-owned by Mr. KUNG Hung Ka (our non-executive Director), 1.7630% held by Haier (HK) Appliance Products Limited (an Independent Third Party), 1.7630% held by JAS Investment Group Limited (an Independent Third Party), 1.4691% held by Tianjin Sequoia (an Independent Third Party), 1.1753% held by Hangzhou Sanren, 1.0578% held by Yoyo Holding Limited, a BVI company wholly-owned by Mr. QI Shi (an Independent Third Party), and 14.9842% held by 31 entities, among which, no Shareholder is, individually or collectively, interested in more than 1% of the issued share capital of the Company. See the section headed “— Our Reorganization” for details of these Shareholders.
- (6) See the table under the section headed “— Our Reorganization— Step 4: Issuance of our Shares to the shareholders of Zero2IPO Group” for details of the existing and previous management and other shareholders of Zero2IPO Group.
- (7) See Note 1.2 to the Accountant’s Report in Appendix I to this prospectus for the information of the associated company of Zero2IPO Ventures.

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The following chart illustrates our corporate structure immediately after completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation):



Note:

- (1) - (5) and (7) See notes to the corporate structure of our Company as at the Latest Practicable Date for details.
- (8) The expected public float percentage of our Company immediately following the completion of the Capitalization Issue and the Global Offering is approximately 46% (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

REGULATORY REQUIREMENTS OF CHINA

According to the Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (the “M&A Rules”) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for the listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the Listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Given that (i) Beijing Huchuang was established as a wholly foreign-owned enterprise by means of direct investment rather than by merger or acquisition of the equity or assets of a “PRC domestic company” as defined under the M&A Rules; (ii) at the time of subscription of 5% increased capital of Beijing Zero2IPO by Dymant Investment Hong Kong Limited, Dymant Investment Hong Kong Limited was a foreign investor and was independent from Beijing Zero2IPO and its shareholder; (iii) in the case of acquisition of 95% equity interest in Beijing Zero2IPO by Zero2IPO HK, Beijing Zero2IPO was a foreign invested company, our PRC Legal Advisors are of the opinion that the M&A Rules are not applicable in such circumstances, and the Listing of our Company does not require approvals from the CSRC and MOFCOM under the M&A Rules.

Our PRC Legal Advisors have confirmed that companies established in the PRC within our Group as described in this section have been duly established and regulatory approvals and permits in all material aspects in respect of the incorporation and changes of such companies have been obtained in accordance with PRC laws and regulations.

SAFE REGISTRATION IN CHINA

Pursuant to the Circular of 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融資及返程投資外匯管理有關問題的通知) (the “SAFE Circular 37”), issued by SAFE and effective on July 4, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among others, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be restricted from making profit distributions to the offshore parent and from carrying out

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subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Pursuant to the Circular of 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”), issued by SAFE and effective on June 1, 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.

As advised by our PRC Legal Advisors, all PRC residents as defined under the applicable provisions under SAFE Circular 37 who are the shareholders of the Overseas SPVs in our Group have completed their registration under SAFE Circular 37 on April 3, 2020, which is in compliance with SAFE Circular 37.

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OUR VISION

Our vision is to become a leading service platform for equity investment industry, providing data, marketing, consulting and training services to participants in the equity investment industry in the global market, and help entrepreneurs and investors in their pursuit of business success.

OUR MISSION

Our mission is to empower the equity investment industry in China and other emerging markets with big data and Internet technologies. We aspire to enlighten industry participants, facilitate their discovery of enterprise value and optimize the allocation of financial resources.

OVERVIEW

We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. We had a market share of 3.1% in the highly fragmented service platform market for equity investment industry in China, according to the CIC Report. We are a service provider primarily for private equity/venture capital firms and growth enterprises. In the equity investment industry, PE/VCS, serving as equity investors of growth enterprises, provide them with sufficient capital to help support and grow their business. In return, the business success and profit growth of invested growth enterprises bring PE/VCS yield on investment at the time of exits, such as through sale of their shares to other investors or to the public in initial public offerings. We operate PEdata Database, the largest equity investment database in China in terms of data coverage as of December 31, 2019, according to the CIC Report. We offer a broad range of services through both online and offline channels for all participants in the equity investment industry, including investors, entrepreneurs, growth enterprises and government agencies. We, by providing data resources and research report services, omni-channel marketing solutions and business networking opportunities, development solutions and capital resources for entrepreneurs and growth enterprises, as well as systematic knowledge and advanced skills for individuals with interests or needs in equity investment, have become a hub connecting all industry participants and one of the most recognized brands in the equity investment industry in China, according to the CIC Report. Driven by our robust data capabilities and comprehensive service offerings, we are well positioned to provide our customers with access to, among others, relevant industry data, marketing solutions, capital resources and professional guidance when they navigate the market. We are not permitted to carry out any regulated activities and do not provide any licensed intermediary services such as brokerage, securities dealing, sell-side equity research, or carry out or advise on investments, and we do not advise any initial public offerings or provide IPO-related services.

We take pride in our online platforms, which have been instrumental in our capabilities to offer a diverse set of services. Our four major online platforms consist of PEdata Database, PEDaily, Deal-Market and SandHill University, which are designated platforms providing data services, marketing services, consulting services and training services, respectively. Each of our online platforms has been well received by the industry participants as follows.

- **PEdata Database.** Our proprietary PEdata Database lies at the foundation of our data service offerings. Launched in 2007, it is the first equity investment database in China

* Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

BUSINESS

with the widest data coverage among all equity investment databases in China, according to the CIC Report. As of June 30, 2020, our PEdata Database had a total of over 231,900 registered users.

- **PEdaily.** Established in 2010, our PEdaily offers high-quality content focused on China's equity investment industry and is recognized as one of the most influential online information platforms in the industry in terms of average monthly page views, being approximately 17.7 million in the six months ended June 30, 2020, according to the CIC Report. As of the Latest Practicable Date, our online information platforms have accumulated over two million subscribers across our mobile applications, websites and major third-party platforms including WeChat, Weibo and Toutiao. Leveraging our online information platforms' significant influence and large user base, we provide online advertising services for industry participants to help them build up brand awareness.
- **Deal-Market.** Our online investor-entrepreneur matching platform Deal-Market connects investors with entrepreneurs at all growth phases, enabling the former to locate appropriate investment targets and the latter to obtain capital resources. Deal-Market has experienced rapid growth since its launch in July 2017, and covered over 90,800 business projects as well as over 12,500 investors as of June 30, 2020. We have started to organize offline roadshows to facilitate effective matching since 2018. During the Track Record Period, we organized 24 offline roadshows, connecting approximately 480 institutional investors and approximately 2,450 entrepreneurs.
- **SandHill University.** We cooperate with an Independent Third Party to provide equity investment-related online courses through SandHill University. We have been continuously improving the functionalities and course offerings of SandHill University since its launch in November 2017. As of June 30, 2020, we offered approximately 180 online lectures with a total length of over 13,000 minutes. The number of paying users on SandHill University amounted to over 2,700 during the Track Record Period.

We utilize big data analytics and AI technologies to continuously expand and enhance the functionalities of our online service offerings. For example, leveraging big data analytics and AI technologies, our PEdata Database achieves reliability and comprehensiveness in data collection, organization and presentation at optimal efficiency; our PEdaily analyzes browsing preferences and other user data and makes content recommendations; and our Deal-Market analyzes the backgrounds, credentials and preferences of investors and entrepreneurs and makes recommendations accordingly, therefore boosting the likelihood of successful matching.

With the brand recognition and user traffic accumulated through our online platforms, we offer synergistic offline services to effectively extend our value chain and enhance our monetization capability.

- **Research Reports.** Supported by industry data on our PEdata Database, we compile customized reports to address our customers' specific information needs and support their strategic decision-making process. During the Track Record Period, the average revenue per customer of our customized reports sustained continuous growth and amounted to approximately RMB160,000, RMB221,000, RMB241,000 and RMB159,000 in 2017, 2018, 2019 and the six months ended June 30, 2020, respectively. We also provide periodic standardized research reports enabling industry participants to track, understand and analyze China's equity investment industry.

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- **Offline Industry Events.** We organize offline industry events covering various topics in China's equity investment industry, which offer industry participants opportunities to interact and socialize face-to-face. Our Zero2IPO events are recognized among the most popular industry events in China's equity investment industry, according to the CIC Report. We also organize customized events primarily for local government agencies and investors. During the Track Record Period, we organized a total of 75 Zero2IPO events and customized events, covering over 48,000 industry participants.
- **Offline Consulting Services.** We offer offline consulting services that help entrepreneurs find capital resources and grow their businesses. During the Track Record Period, we provided services to approximately 210 entrepreneurs and growth enterprises.
- **Offline Training Services.** We offer offline training services through SandHill College and Investment College that enable interactive learning, the total course enrollment of which reached over 1,400 during the Track Record Period. We have also started to provide customized training services targeting institutional customers, especially government agencies and large enterprises since 2018. During the Track Record Period, we organized 42 customized trainings, covering approximately 3,800 participants.

Our revenue increased by 26.9% from RMB129.3 million in 2017 to RMB164.1 million in 2018, and further increased by 2.0% to RMB167.4 million in 2019. Our revenue decreased by 15.0% from RMB46.8 million in the six months ended June 30, 2019 to RMB39.8 million in the six months ended June 30, 2020. Our net profit increased by 47.8% from RMB18.4 million in 2017 to RMB27.2 million in 2018, and further increased by 26.8% to RMB34.5 million in 2019. We recognized net loss of RMB0.5 million and RMB5.1 million in the six months ended June 30, 2019 and 2020, respectively. Our adjusted net profit, a non-HKFRS measure, increased by 23.1% from RMB22.1 million in 2017 to RMB27.2 million in 2018, and further increased by 42.6% to RMB38.8 million in 2019. We recognized adjusted net loss, a non-HKFRS measure, of RMB0.4 million in six months ended June 30, 2019, and we recognized adjusted net profit, a non-HKFRS measure, of RMB49,000 in the six months ended June 30, 2020. Our adjusted net profit/loss, a non-HKFRS measure, represents our profit/loss for the period excluding the effect of share-based compensation and listing expenses. See "Financial Information — Consolidated Statements of Comprehensive Income — Non-HKFRS Measure."

OUR BUSINESS MODEL

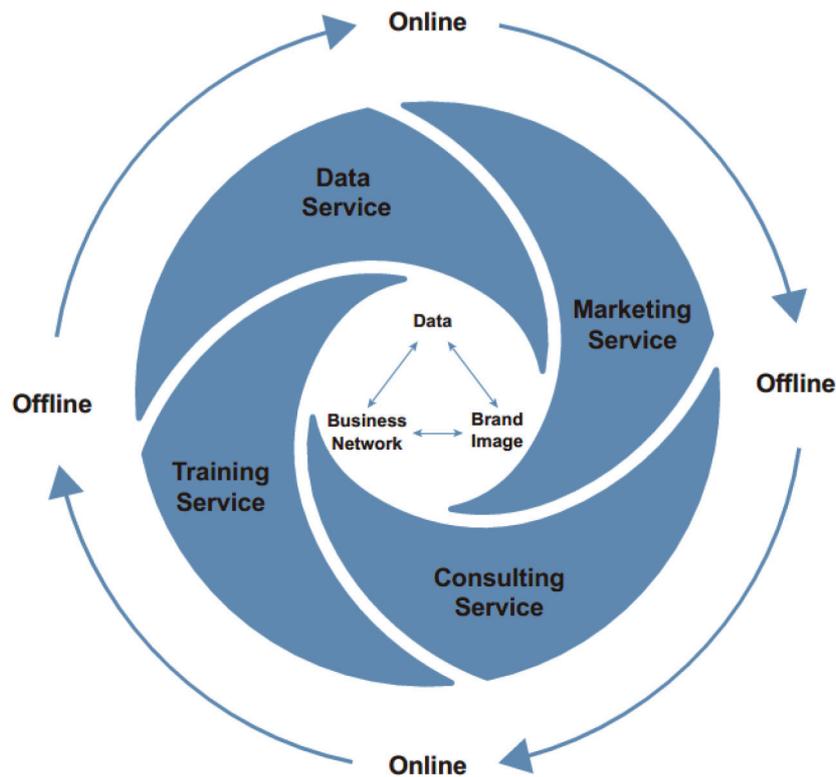
We offer a comprehensive portfolio of online services through platforms such as PEdata Database, PEdaily, Deal-Market and SandHill University, as well as offline services to satisfy our customers' diverse needs. Our services can be categorized into data services, marketing services, consulting services and training services.

- **Data Services.** We enable convenient and easy-to-navigate access to industry data and informed decision-making through our PEdata Database and research report services, leveraging our extensive data resources as well as our robust data collection, analytics and research capabilities.
- **Marketing Services.** We offer omni-channel marketing services through our online information platforms such as PEdaily and offline industry events, which also track industry trends and facilitate intra- and inter-industry networking.

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- **Consulting Services.** We connect entrepreneurs and growth enterprises with investors through our online investor-entrepreneur matching platform Deal-Market and offline consulting services, providing them with business development solutions throughout their lifecycles.
- **Training Services.** We offer a variety of equity investment-related online and offline training courses primarily through SandHill University, SandHill College and Investment College, targeting at a wide variety of audience including investment professionals, entrepreneurs, government officials, and college students seeking a career in the equity investment industry.

Our data capabilities lie at the foundation of our business operations. Empowered by our data capabilities, we have established an extensive business network of industry participants and become one of the most recognized brands in China's equity investment industry, according to the CIC Report. Serving as a hub for all participants in the industry, we are well-positioned to capitalize on their potential growth by offering targeted services addressing their needs as they thrive in the equity investment industry. Moreover, our extensive business network and prominent brand image in China's equity investment industry have in turn enlarged our data sources and contributed to our data collection capability. The following graph illustrates our business model.



OUR COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success and differentiated us from our competitors.

Integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry

We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. We, as a one-stop provider for equity investment services, are dedicated to providing our customers with access to, among others, relevant industry data, marketing solutions, capital resources and professional guidance when they navigate the market. Leveraging comprehensive offerings through both online and offline channels, our service platform has attracted and interconnected a diverse range of participants in China's equity investment industry, such as investors, entrepreneurs, growth enterprises and government agencies.

Our online platforms primarily consist of PEdata Database, PEdaily, Deal-Market and SandHill University. By enabling convenient and easy-to-navigate access to industry data through our PEdata Database, we have established an extensive business network of industry participants. Our PEdaily, serving as a valuable online marketing and information dissemination channel, enables us to exert significant influence on industry participants and effectively market our other services to achieve greater synergy across our service lines. Our Deal-Market connects investors with entrepreneurs, which strengthens our status as a hub connecting the various industry participants. Our SandHill University offers online training services on equity investment-related topics, enhancing our reputation as the go-to expert in China's equity investment industry. We believe our online platforms have greatly expanded our service outreach and fueled our business growth.

With the brand recognition and user traffic accumulated through our online platforms, we offer synergistic offline services to effectively extend our value chain and enhance our monetization capability. We offer research reports to address our customers' diverse information needs and enabling informed decision-making. We started to organize offline industry events since 2001 to facilitate intra- and inter- industry networking, which are recognized among the most popular industry events in China's equity investment industry, according to the CIC Report. Leveraging our significant brand influence and extensive business network, we also identify entrepreneurs and growth enterprises with financing and other development needs and provide targeted offline consulting services. We offer offline training services to enable interactive learning, which also serve as an effective channel to accumulate business contacts. We believe such offline components expand our business network, maintain our brand image and contribute to our overall ability to satisfy customer needs.

Rich database and robust data collection, analytics and research capabilities

Our proprietary PEdata Database has been held in high esteem by participants of China's equity investment industry since it went live in 2007, accumulating long-standing industry expertise. Our PEdata Database has established an industry-leading sophisticated data structure, and chronicled and presented detailed information on over 68,000 institutional investors, 164,000 investment funds, 44,429,000 entrepreneurs and enterprises, and 194,000 investment transactions in China as of June 30, 2020, representing the widest data coverage among all equity investment databases in China, according to the CIC Report. As of June 30, 2020, our PEdata Database is one of the top three equity investment databases in China in terms of number of registered users, according to the CIC Report. Our PEdata Database also deploys innovative technologies, such as

* Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

big data analytics and AI, to collect, organize and present data to ensure its reliability and comprehensiveness. Leveraging our rich database and robust data collection, analytics and research capabilities, we also compile customized reports for customers, addressing their information needs and supporting their strategic decision-making processes, and provide periodic standardized research reports enabling industry participants to track, understand and analyze China's equity investment industry. We have established an all-inclusive knowledge management system for our underlying data resources and data service related collective knowledge, which allows us to quickly locate resources, navigate issues, and achieve effective quality control and optimal operational efficiency.

Our other services also contribute to our robust data collection, analytics and research capabilities. For example, the proprietary information to which we gained access during the investor-entrepreneur connecting process and course preparation further enriches our PEdata Database and allows us to explore more application scenarios of our data resources.

Long-established and highly-recognized brand

We believe we have one of the longest-established brands in China's equity investment industry. In 2007, our PEdata Database, the first equity investment database in China according to the CIC Report, went live. We cautiously maintain the authenticity and comprehensiveness of our PEdata Database and other data services, which rendered us the go-to expert in China's equity investment industry, according to the CIC Report. Furthermore, we released our first industry ranking, China VC/PE Annual Ranking (中國投資股權年度排名), in 2001, which is also the first equity investment industry ranking in China according to the CIC Report. To date, we have produced a number of objective and comprehensive equity investment-related industry rankings covering the entire value chain, which have been widely recognized as authoritative performance indicators among industry participants, according to the CIC Report.

Our online information platforms such as PEdaily offer high-quality content on a wide range of topics including the latest trends and developments in equity investment industry in China. In particular, PEdaily was granted an "In-depth Focus on Industry Vertical Award (垂直行業深耕獎)" by PR Newswire (美通社) for the year of 2018, in recognition of our expertise and influence in China's equity investment industry. Meanwhile, our offline industry events, such as the China CEO Summit (中國高成長企業CEO峰會) and the China Venture Capital and Equity Investment Annual Forum (中國投資股權年度論壇), have been widely recognized among the most popular industry events connecting investors seeking promising investment targets on the one hand, and entrepreneurs and growth enterprises seeking capital resources to grow their enterprises on the other hand. According to the CIC Report, in 2019, 49 of China's top 100 VC/PE/early-stage institutional investors as measured by AUM of the same year participated in our Zero2IPO events and purchased our marketing services.

We have also earned numerous industry recognitions and served important roles in equity investment industry associations. For example, we have served as the vice president (副會長單位) of Zhongguancun Venture Capital and Equity Investment Association (中關村創業投資和股權投資基金協會) since March 2011. We believe our trusted brand and prestigious reputation enable us to attract a broad range of industry participants.

Extensive and diversified user base

Our comprehensive service portfolio has attracted and retained an extensive and diversified user base and have served over 72,000 institutions across our service lines since our inception. Customers for our data services include participants in the equity investment industry, as well as regulatory authorities and associations. As of June 30, 2020, our PEdata Database had over 231,900 registered users. Our PEDaily achieved average monthly page views of approximately 17.7 million in the six months ended June 30, 2020, and our offline industry events served a total of approximately 48,000 participants during the Track Record Period. As of June 30, 2020, our Deal-Market has covered over 90,800 business projects as well as over 12,500 investors. During the Track Record Period, our online and offline training services provided over 15,000 new entrants and experienced professionals with foundational knowledge of and perceptive insights into China's equity investment industry. Across our various service lines, we have covered the demands from a diverse range of participants in the equity investment industry primarily including investors, entrepreneurs, growth enterprises, and government agencies. Benefiting from our diversified user base, our top five customers accounted for less than 30% of our total revenue in 2017, 2018, 2019 and the six months ended June 30, 2020, indicating our significant profit potential. Acknowledging our brand and industry expertise, our existing customers often engage us for future businesses and many of the industry participants approach us actively for potential business cooperation opportunities, which serves as a steady stream of business growth. According to CIC Report, in 2019, we served 71 of the top 100 VC/PE/early-stage institutional investors as measured by AUM in the same year.

We believe our ability to attract and retain customers relies in part on the comprehensiveness of our service offerings. Acting as a one-stop service provider for participants in China's equity investment industry, we are well positioned to satisfy diverse customer demands and capitalize on customers' growth along the entire industry value chain, which we believe also brings us cross-sell opportunities and allow us to further expand our business network.

Visionary management and experienced professional team

Our visionary management team are dedicated to serving the equity investment community, with a proven track record of success, as well as solid, diverse and complementary backgrounds. Our core management team members have worked collaboratively for more than ten years, accumulating rich experience in equity investment service, finance and Internet sectors. In particular, our founder, chairman of the Board and chief executive officer, Mr. Ni, has over 20 years of experience in the equity investment service industry, and has served as the chair of the Limited Partners Association of China (中華有限合夥人聯合會) since July 2019 with a term of two years. Mr. Ni has also served as the secretary general of China Angel Investment Association (中國天使投資聯席會) since 2016. Ms. Xinghua Fu, our executive Director and senior vice president, is primarily responsible for our data services and has over 15 years of experience in data and information analytics. Ms. Yanyan Zhang, our executive Director and senior vice president responsible for marketing services, has accumulated over 15 years of experience in business relationship management. Mr. Zhiguang Hu, our senior vice president responsible for consulting services and training services, has over 20 years of experience in Internet industry. Ms. Zhen Yang, our chief financial officer and joint company secretary, has over 10 years of experience in finance and business management. Mr. Lei Zhang, our chief technology officer, has over 15 years of experience in software development and data and information analytics.

We also engage the services of a highly qualified business execution team. Relying on their extensive experience and industry insights, we are able to keep abreast of the ever-changing industry trends and customer demands in China's equity investment service industry and deliver

high-quality targeted services. Our core business execution team has been stable, and many team members have been with us since our inception or joined us in our early years. We believe the services by our dedicated and experienced professional staff have played a crucial role in our success in retaining and expanding our customer base and in maintaining our brand and reputation as a one-stop service provider for our customers.

OUR GROWTH STRATEGIES

We intend to pursue the following strategies to strengthen our market position and further grow our business.

Expand our geographical coverage in China

According to the CIC Report, China's local equity investment communities have experienced significant growth in recent years while remaining relatively underserved due to lack of skilled talents, and advanced technology and infrastructure, presenting opportunities for the development of equity investment services. We seek to capture the demands from such underserved markets by expanding into second and lower tier cities in China and we aim to cover more than 100 cities in China in the long run. We intend to further scale our services into China's major second-tier cities leveraging our extensive experience in cooperating with local government agencies and serving equity investment communities. Particularly, we intend to enter into seven of these major second-tier cities where local equity investment activities are vigorous, including Guangzhou, Zhuhai, Wuhan, Qingdao, Suzhou, Nanjing and Chongqing. According to the CIC Report, the aggregate market size of equity investment industry in these cities in terms of total investment amount is expected to increase rapidly from RMB166.5 billion in 2019 to RMB345.4 billion in 2024 at a CAGR of 15.7%. We plan to offer our comprehensive portfolio of equity investment services including data services, marketing services, consulting services and training services in these localities. Through our comprehensive service offerings, we intend to assist investors, entrepreneurs and growth enterprises to build their presence and explore opportunities in these specific localities, as well as help local government agencies in investment attraction and strategic planning. We also plan to partner with local government agencies to organize an increasing number of roadshows associated with our Deal-Market, to facilitate investor-entrepreneur matching and attract investments to fuel local economic growth. We also intend to establish our business contact in China's lower-tier cities to further extend our business reach, build connections and explore business opportunities.

Explore emerging markets overseas

Leveraging our operational expertise in China's equity investment service industry and our robust big data analytics and AI capabilities, we plan to expand into emerging markets overseas such as Southeast Asia and India, to unlock new growth opportunities and establish our international presence. According to the CIC Report, the aggregate market size of equity investment industry in the emerging markets including member states of the Association of Southeast Asian Nations, India and Africa in terms of total investment amount is expected to increase rapidly from US\$108.2 million in 2019 to US\$214.5 million in 2024 at a CAGR of 14.7%, indicating strong growth potentials for equity investment services. We have developed PEdata, a mobile equity investment database, targeting users in Southeast Asia, India and other emerging markets, and expect to launch it in the second half of 2020. PEdata offers localized data resources by providing detailed information on industry participants and investment transactions in the emerging markets. We intend to continue to refine its functionalities, enlarge its data coverage, and

explore more application scenarios. Acting as a pioneer, we believe we are well positioned to explore opportunities and capture increasing demands in overseas emerging markets with high growth potentials.

We are committed to serving participants in the equity investment industry and addressing their needs as they emerge. With Chinese investors' ability and willingness to invest continuing to evolve, they are seeking to fuel their future growth by investing overseas; and these emerging markets, with proliferating business projects, have presented significant growth potentials and become favored investment options. Following the footsteps of Chinese investors, which play a critical role in our business network, we intend to scale our equity investment service offerings into the emerging markets to assist their international exploration, which will allow us to capitalize on their growth and strengthen our presence in these overseas emerging markets. Through our overseas expansion, we also intend to serve as a hub to connect international investors who are interested in the growing China market with Chinese entrepreneurs and growth enterprises seeking overseas financings and development opportunities.

To implement the foregoing strategies, we intend to recruit qualified specialists that are familiar with the equity investment industry in the overseas emerging markets, which we believe will provide our insights into the local markets and equip us with the expertise to provide localized equity investment services and assist Chinese investors' international exploration. We intend to enrich our data resources through purchases to include equity investment data in the overseas emerging markets, which we believe will help us establish presence in local markets, attract new users and capture business opportunities. We also intend to open two overseas branches in Southeast Asia and India, which may serve as contact points to connect with potential customers in local markets and to provide localized support for Chinese investors exploring opportunities in overseas emerging markets.

Upgrade our online platforms and enrich our online service offerings

We intend to upgrade our various online platforms, such as PEdata Database, PEdaily, Deal-Market and SandHill University, and enrich our online service offerings, to effectively improve their efficiency, expand their coverage, and extend their value chains. Particularly, we intend to roll out a new version of PEdata Database, with the goal of making it a handy tool for investment due diligence. We will continue to gather information on an increasing number of industry participants and establish business relationships with players from more industry verticals to broaden its data coverage. For example, we plan to further expand our data services to cover equity investment secondary market, and provide services including, among others, valuation, consultation and due diligence. We also plan to expand our application of big data analytics and AI technologies to further automate our data collection, analytics and research processes, which we believe will reinforce our capabilities in processing and integrating multi-source raw industry data and thereby improve data reliability and user experience. We intend to upgrade our Deal-Market by improving its UI design and including more interactive features and value-added services, such as helping entrepreneurs prepare and review their business presentation materials. We also intend to enlarge its investor pool and expand its business coverage by connecting entrepreneurs with providers for promotion, taxation, strategic consulting and other entrepreneurship-related services. We also intend to cooperate with more third-party content providers and hire more in-house content creation talents to complement our content offerings on our PEdaily and NewSeed. We believe that improved functionalities and user experience on our online platforms will enhance our online presence and attract more customers in a cost-effective manner.

Improve our offline service offerings and enhance online-offline synergy

We believe our various offline services work in synergy with our online platforms in satisfying our customers' diverse needs. We seek to enhance the synergy among our various service offerings to achieve effective cross-selling, therefore increasing our customer lifetime value. For example, we intend to channel the massive user traffic accumulated through our high-quality content offerings on PEdaily to our other services to facilitate overall growth. We also plan to extend the reach of certain offline services online. In particular, we intend to establish a platform to host industry events online leveraging our internal research and development efforts and selective purchases of function modules, which will serve as an alternative to offline venues. We also intend to establish an online platform for our Investment College to reach a wider audience and provide more flexible learning options. We believe that, live interactions and in-depth discussions through online platforms will become an industry new norm given their flexibility and efficiency. By introducing such online platforms, we believe that we will be able to stay at the forefront of the industry and capture the emerging demands in this field.

In addition, leveraging our long-standing industry expertise, we seek to refine our offline service offerings, especially our SandHill College. We intend to establish a training center with an eye toward offering more systematic equity investment-focused trainings and facilitating after-class communications and collaboration. We believe that such a training center will offer our customers the opportunities not only to learn, but also to build connections with their fellow classmates. With our readily-scalable course offerings at SandHill College, we also intend to introduce a new course series with less comprehensive course offerings and larger class size in order to enhance our monetization capability.

Pursue selective strategic investments and acquisitions

We intend to selectively pursue strategic investments and acquisitions that can have complementary or synergistic effects on our current business, including, among others, data service providers focusing on equity investment secondary markets and offline event service providers, in order to solidify our industry leadership position and enter into new markets. In selecting potential investment and acquisition targets, we generally will consider a variety of factors, including the suitability with our strategic planning, degree of potential synergies, market position, experience of management team, valuation, historical operating metrics and financial performance. Our management plans to diligently evaluate such opportunities that may arise from time to time. We believe that strategic investments and acquisitions will drive our business growth, enhance our technological and operational capabilities, supplement our service offerings, and expand our customer base in a cost-effective manner. As of the Latest Practicable Date, we had not identified any potential target company for investment or acquisition.

OUR SERVICES

We offer a comprehensive portfolio of online and offline services that are designed to facilitate mutually beneficial relationships between capital and social resources on the one hand and entrepreneurs and growth enterprises on the other hand, making us a one-stop service provider for various participants in China's equity investment industry. Our services can be categorized into data services, marketing services, consulting services and training services. We provide each of our equity investment services on a stand-alone basis or as a part of our various packaged membership

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benefits. Our customers who subscribe to our membership generally pay us fees on an annual basis, which vary upon different benefits in relation to PEdata Database, standardized research reports, Zero2IPO events and other value-added services. We believe membership enables us to provide our customers with continuous supports along the entire industry value chain, which in turn increases customer loyalty. We allocate revenue from such membership to each service included, with reference to its stand-alone selling price. The following table sets forth a breakdown of our revenue by business sub-segment for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Data services	38,314	29.6%	52,119	31.8%	53,105	31.7%	20,434	43.6%	20,350	51.1%
PEdata Database	13,379	10.3%	17,556	10.7%	17,011	10.1%	7,516	16.0%	6,685	16.8%
Customized										
Reports	19,891	15.4%	28,404	17.3%	29,237	17.5%	9,160	19.6%	10,358	26.0%
Standardized										
Research Reports	5,044	3.9%	6,159	3.8%	6,857	4.1%	3,758	8.0%	3,307	8.3%
Marketing services	70,245	54.3%	79,738	48.5%	67,770	40.5%	14,291	30.5%	10,449	26.2%
Online Information										
Platforms	4,775	3.7%	7,076	4.3%	9,699	5.8%	3,745	8.0%	3,883	9.7%
Zero2IPO Events	37,091	28.7%	39,467	24.0%	34,690	20.7%	5,193	11.1%	2,789	7.0%
Customized Events	28,379	21.9%	33,195	20.2%	23,381	14.0%	5,353	11.4%	3,777	9.5%
Consulting services	11,726	9.1%	15,392	9.4%	24,092	14.4%	3,117	6.7%	5,315	13.3%
Deal-Market	—	—	1,754	1.1%	7,591	4.5%	4	0.1%	300	0.7%
Offline Consulting										
Services	11,726	9.1%	13,638	8.3%	16,501	9.9%	3,113	6.6%	5,015	12.6%
Training services	9,058	7.0%	16,881	10.3%	22,475	13.4%	8,980	19.2%	3,715	9.4%
SandHill University	—	—	127	0.1%	1,391	0.8%	743	1.6%	520	1.3%
SandHill College	5,759	4.4%	12,723	7.7%	9,360	5.6%	4,653	9.9%	582	1.5%
Investment College	3,299	2.6%	4,031	2.5%	11,724	7.0%	3,584	7.7%	2,613	6.6%
Total	<u>129,343</u>	<u>100.0%</u>	<u>164,130</u>	<u>100.0%</u>	<u>167,442</u>	<u>100.0%</u>	<u>46,822</u>	<u>100.0%</u>	<u>39,829</u>	<u>100.0%</u>

Our revenue increased by 26.9% from RMB129.3 million in 2017 to RMB164.1 million in 2018, and further increased by 2.0% to RMB167.4 million in 2019. Our revenue decreased by 15.0% from RMB46.8 million in the six months ended June 30, 2019 to RMB39.8 million in the six months ended June 30, 2020. Our revenue from customized reports increased by 42.7% from RMB19.9 million in 2017 to RMB28.4 million in 2018, primarily due to a 38.1% increase in the average revenue per customer of our customized reports from approximately RMB160,000 in 2017 to approximately RMB221,000 in 2018, which was in turn due to the increased complexity of our customized reports to accommodate customers' demands. Our revenue from online information platforms increased by 47.9% from RMB4.8 million in 2017 to RMB7.1 million in 2018, primarily due to increased number of online advertising customers and average revenue per customer. Our revenue from online information platforms then increased by 36.6% to RMB9.7 million in 2019, primarily due to increased average revenue per customer. Our revenue from customized events increased by 16.9% from RMB28.4 million in 2017 to RMB33.2 million in 2018, primarily due to a large-scale customized event we organized in 2018. Our revenue from customized events then decreased by 29.5% to RMB23.4 million in 2019, primarily because a customized event was downsized in 2019 due to commercial reasons. Our revenue from offline industry events, including Zero2IPO events and customized events, decreased by 37.1% from RMB10.5 million in the six

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months ended June 30, 2019 to RMB6.6 million in the six months ended June 30, 2020, primarily because our offline industry events previously scheduled to be organized in the six months ended June 30, 2020 were canceled or postponed to the second half of 2020 due to the COVID-19 outbreak. Our revenue from Deal-Market increased significantly from RMB1.8 million in 2018 to RMB7.6 million in 2019, primarily due to the increased business scale of its offline roadshow services. We launched such offline roadshow services in 2018 and expanded such business in 2019. Our revenue from offline consulting services increased by 16.2% from RMB11.7 million in 2017 to RMB13.6 million in 2018, primarily due to an increase in the average revenue per offline consulting project from RMB1.5 million in 2017 to RMB1.7 million in 2018. Our revenue from offline consulting services then increased by 21.3% to RMB16.5 million in 2019, primarily due to an increase in the number of offline consulting projects we conducted for local government agencies regarding equity investment strategy design and implementation, for which we charged fixed-amount consulting fees. Our revenue from offline consulting services increased by 61.3% from RMB3.1 million in the six months ended June 30, 2019 to RMB5.0 million in the six months ended June 30, 2020, primarily due to an increase in the number of offline consulting projects we concluded. Our revenue from SandHill College increased significantly from RMB5.8 million in 2017 to RMB12.7 million in 2018, primarily because we raised the tuition as we enriched our course offerings while taking into consideration market pricing level of high-end equity investment training courses provided by other training service providers. Our revenue from SandHill College then decreased by 26.0% to RMB9.4 million in 2019, primarily because we rearranged the course settings of our SandHill College (i.e., from six three-day sessions to seven or eight three-day sessions) starting from fall 2019, leading to more training sessions being rendered in the following year and therefore a relatively smaller portion of the revenue being recognized in the current year. Our revenue generated from SandHill College decreased significantly from RMB4.7 million in the six months ended June 30, 2019 to RMB0.6 million in the six months ended June 30, 2020, primarily because courses that were previously scheduled to be delivered in the six months ended June 30, 2020 were postponed to the second half of 2020, leading to the delayed recognition of related revenue. Our revenue generated from Investment College increased significantly from RMB4.0 million in 2018 to RMB11.7 million in 2019, primarily due to an increase in revenue from our customized offline training services targeting institutional customers which was initially launched in 2018 and expanded in 2019.

The following table sets forth a breakdown of our gross profit and gross margin by business segment for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	Gross margin	Amount	Gross margin	Amount	Gross margin	Amount	Gross margin	Amount	Gross margin
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Data services	15,944	41.6%	25,582	49.1%	27,462	51.7%	8,406	41.1%	11,710	57.5%
Marketing services	33,103	47.1%	40,024	50.2%	36,158	53.4%	3,627	25.4%	3,525	33.7%
Consulting services	2,312	19.7%	3,981	25.9%	11,488	47.7%	(1,831)	(58.7)%	1,723	32.4%
Training services	2,364	26.1%	(54)	(0.3)%	6,286	28.0%	1,462	16.3%	(1,012)	(27.2)%
Total	<u>53,723</u>	41.5%	<u>69,533</u>	42.4%	<u>81,394</u>	48.6%	<u>11,664</u>	24.9%	<u>15,946</u>	40.0%

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Our gross margin increased from 41.5% in 2017 to 42.4% in 2018, primarily because our gross margin for consulting services increased from 19.7% in 2017 to 25.9% in 2018 as the cost of revenue in relation to offline consulting services other than employee benefit expenses remained relatively stable while related revenue increased, partially offset by the decrease in our gross margin for training services from 26.1% in 2017 to (0.3)% in 2018, primarily as a result of our increased overall employee benefit expenses and professional service fees to support our business growth including the development of our SandHill University. Our gross margin further increased to 48.6% in 2019, primarily because (1) our gross margin for consulting services increased from 25.9% in 2018 to 47.7% in 2019, as the increase in revenue as a result of the increased business scale of our offline roadshow services of Deal-Market outpaced the increase in our overall manpower investment in our consulting services in 2019, and (2) our gross margin for training services increased from (0.3)% in 2018 to 28.0% in 2019. Our gross margin increased from 24.9% in the six months ended June 30, 2019 to 40.0% in the six months ended June 30, 2020, primarily due to (1) the increased gross margins for data services and consulting services, because employee benefit expenses decreased as a result of exempted or reduced social insurance contribution during the COVID-19 outbreak, and depreciation and amortization decreased as a result of our surrender of leased property in 2019, while related revenue remained relatively stable or increased; and (2) the increased gross margin for marketing services, because the decrease in our revenue from marketing services was outpaced by the decrease in our cost of revenue in relation to marketing services as a result of decreased venue rental and event set-up costs associated with the canceled or postponed offline industry events and our enhanced cost control and decreased employee benefit expenses; partially offset by the decreased gross margin for training services, which was primarily because the decrease in revenue generated from training services resulting from the postponed delivery of courses at SandHill College outpaced the decrease in cost of revenue of our training services.

See “Financial Information — Period to Period Comparison of Results of Operations” for a detailed discussion of the factors affecting our revenue and gross profit during the Track Record Period.

Data Services

We offer customers convenient and easy-to-navigate access to industry data, insightful research reports and other data-related services, to facilitate their investment, financing, business development, and policy-making processes. Our data services can be further categorized into PEdata Database and research reports. Customers for our data services include participants in the equity investment industry, as well as regulatory authorities and associations. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our revenue generated from data services was RMB38.3 million, RMB52.1 million, RMB53.1 million, RMB20.4 million and RMB20.4 million, respectively, representing 29.6%, 31.8%, 31.7%, 43.6% and 51.1% of our total revenue for the same periods, respectively.

To ensure effective quality control and optimal operational efficiency, we have established an all-inclusive knowledge management system to store our underlying data resources and collective knowledge, which allows us to quickly locate resources and navigate issues. We place great emphasis on the authenticity and comprehensiveness of our data services, which have earned us the reputation as the go-expert in China’s equity investment industry, according to the CIC Report. We have maintained a data collection team specialized in China’s equity investment industry, covering the entire industry value chain. With trusted relationships with industry participants accumulated

over years of operations, we are able to collect industry data from both public and non-public sources as well as conduct industry-wide surveys and in-depth interviews with relevant industry participants and experts. Through an extensive data verification process leveraging advanced technologies and human expertise, we ensure the integrity of our data. We value prudence in reaching and interpreting research and analytics results, which we believe further contributes to the reliability of our data services.

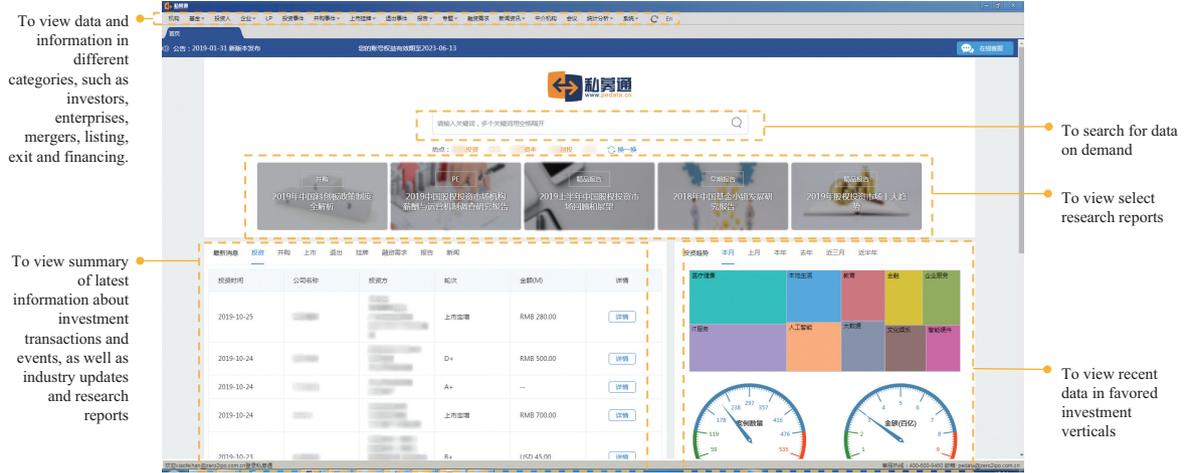
PEdata Database (私募通)

Our proprietary PEdata Database lies at the foundation of our data service offerings. In 2007, our PEdata Database, the first equity investment database in China, according to the CIC Report, went live. After over ten years of operations, our PEdata Database has established an industry-leading sophisticated data structure amassing a significant amount of data relating to equity investment. As of June 30, 2020, our PEdata Database chronicled and presented detailed information of over 68,000 institutional investors, 164,000 investment funds, 44,429,000 entrepreneurs and enterprises, and 194,000 investment transactions in China, representing the widest data coverage among all equity investment databases in China, according to the CIC Report. As of December 31, 2017, 2018 and 2019 and June 30, 2020, our PEdata Database had a total of over 137,300, 178,900, 213,300 and 231,900 registered users, respectively. Leveraging its rich data resources and analytics features, our PEdata Database has become an integral part of our customers' daily operations, enabling us to foster long-term business relationship with our customers.

We intend to leverage our sophisticated data structure, comprehensive data coverage and robust data collection, analytics and research capabilities to reduce the information asymmetry in the equity investment industry. Our data collection team sorts through public records and distributes questionnaires to participants in China's equity investment industry leveraging our established network to collect underlying data. With the effective assistance of big data analytics and AI technologies, we filter and consolidate raw data in order to eliminate abnormal or low-value data that were erroneously generated or mistakenly collected to ensure reliability, which frees our specialists from menial work and therefore greatly improves our operational efficiency. Furthermore, leveraging big data analytics and AI-enabled data structuring system, we further analyze, summarize and classify data, in order to present them in a structured and meaningful manner. Our PEdata Database presents data in a variety of formats, such as documentations and statistical charts, to visualize the data collected and analyzed. Users can also customize their searches by selecting specific dimensions and parameters to reach the target data groups in formats and manners of presentation that best suit their respective needs.

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We provide PEdata Database primarily through its PC application and mobile application. We also furnish PC and mobile websites for our PEdata Database, which share largely all major functions of the applications. The following graphics are screenshots of PEdata Database' PC application interface. The mobile application, which enables on-the-go access to key functions of PEdata Database, employs a more simplified interface.



PC Application Homepage



PC Application Search Page

We offer free content as well as high-value paid services through our PEdata Database. Once registered, users may access a limited range of data on our PEdata Database for free. Paying users are our registered users who pay for our subscription to gain full access to our PEdata Database. We generate revenue from our PEdata Database primarily by charging a subscription fee on a monthly or annual basis, which provides users with full access to our PEdata Database and authority to export its data during the relevant period. During the Track Record Period, we offered a variety of subscription packages for our PEdata Database, which typically included annual subscription packages of RMB38,000 for one paying user, RMB48,000 for two paying users and RMB58,000 for three paying users. Based on our customers' specific needs, we also provided monthly subscription packages of approximately RMB3,000 per paying user. In 2017, 2018, 2019 and the six months ended June 30, 2020, we had 2,335, 2,381, 2,371 and 1,735 paying users for our PEdata Database, respectively, and the ARPPU amounted to approximately RMB5,700, RMB7,300, RMB7,100 and RMB3,800, respectively. The increase in the ARPPU for our PEdata Database from 2017 to 2018 was primarily due to the increased price of our packaged membership

benefits, which include, among others, access to PEdata Database. During the Track Record Period, approximately 32.2% of our customers for PEdata Database were repeat customers, and the revenue contribution from such repeat customers amounted to 63.1% of the total revenue generated from PEdata Database during the Track Record Period.

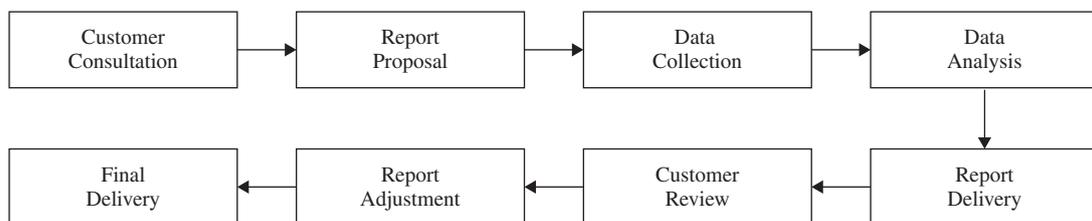
Apart from standardized PEdata Database, leveraging application programming interfaces, we offer customized data packages that can be readily embedded into our customers' existing business applications, enabling strong and easy-to-use information and analytics capabilities. For example, we offer regional data packages to address local government agencies and investors' specific data needs.

Research Reports

Customized Reports

Supported by industry data on our PEdata Database, we offer customized reports in an efficient and cost-effective manner, dedicated to addressing our customers' specific needs and enabling informed decision-making. For example, we prepare due diligence reports covering various targeted industries, geographical regions, or entrepreneurial projects to help institutional investors evaluate potential investment opportunities. In addition, we assist enterprises to better integrate acquired businesses by formulating detailed strategic investment plans covering all facets of business operations, such as organizational structure, business process management and human resource management. We also formulate restructuring plans for our state-owned enterprise customers to help them achieve optimal efficiency. Moreover, we offer research reports tailored for local government agencies' needs, which help them capture the recent developments of local equity investment industry and facilitate their decision-making process regarding equity investment-related policies. With the rise of government-guided funds (政府引導基金) in China in recent years, we also started to provide local government agencies with related strategic plans to support the initial planning and future developments.

Our customized report services typically begin with customer consultation where we gain an understanding of our customers' needs and expectations. Based on such understanding, we prepare and circulate a preliminary proposal and price quote to our customers for review. Upon our customers' confirmation of our engagement, we begin sorting and analyzing data from our PEdata Database, and may sometimes collect new data from public records or other sources, depending on the scope of our engagement. We then compile reports based on our research and analytics results, which is subject to internal review before delivering to our customers. After consultation with and review by our customers, we deliver the final versions to our customers via e-mail or in physical copies, according to our customers' requests. The following chart illustrates the service process of customized reports.



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In 2017, 2018, 2019 and the six months ended June 30, 2020, we compiled customized reports for 124, 128, 121 and 65 customers, respectively. We typically retain the exclusive rights to techniques, algorithms, methodologies and other knowledge or materials we acquire or develop during the preparation of the customized reports. The term of our agreements is project-specific and generally varies from one week to one year, and under certain arrangements we may also provide customized reports periodically during the agreed-upon contracted periods. Our fee arrangements for customized reports also vary project by project and are typically dependent upon our operating costs, which are calculated based upon the manpower involved and amount of time and resources devoted by our specialists. During the Track Record Period, the average revenue per customer of our customized reports sustained continuous growth and amounted to approximately RMB160,000, RMB221,000, RMB241,000 and RMB159,000 in 2017, 2018, 2019 and the six months ended June 30, 2020, respectively, demonstrating the quality of our customer base and our revenue generation capability. During the Track Record Period, approximately 31.9% of our customers for customized reports were repeat customers, and the revenue contribution from such repeat customers amounted to 53.6% of the total revenue generated from customized reports during the Track Record Period. Our customers typically pay us by installment in accordance with agreed-upon project milestones, which generally includes prepayment of the majority of the total contract value upon signing and final payment upon delivery. For certain due diligence reports that had relatively short project cycles, we typically collected fees upon final delivery.

Standardized Research Reports

In addition to our customized reports, we also provide periodic standardized research reports enabling industry participants to track, understand and analyze China's equity investment industry. We disseminate to our registered users free influential weekly updates and monthly industry research reports covering selected key topics including early-stage investment, venture capital, equity investment, public offering and listing, and mergers and acquisitions to attract user traffic and forge our reputation as an industry expert. On quarterly and yearly bases, we provide comprehensive reports and detailed statistical presentations covering key topics, as well as in-depth reports focusing on certain industry trends. Customers may purchase subscriptions of such quarterly/yearly reports or purchase selected reports outright. The fee arrangement for such quarterly/yearly reports is generally determined with reference to the level of coverage of relevant report, and the price range of our quarterly/yearly report was from RMB900 to RMB6,000 during the Track Record Period. Our customers generally pay us the full amount upon signing the agreement.

Marketing Services

We offer omni-channel marketing services for various participants in China's equity investment industry through our online information platforms and offline industry events, as well as track industry trends and facilitate intra- and inter-industry networking. The broad coverage and significant influence of our marketing services enhance our brand recognition, enlarge our customer base and improve our monetization capabilities. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our revenue generated from marketing services was RMB70.2 million, RMB79.7 million, RMB67.8 million, RMB14.3 million and RMB10.4 million, respectively, representing 54.3%, 48.6%, 40.5%, 30.5% and 26.2% of our total revenue for the same periods, respectively.

Online Information Platforms

We established our PEdaily (投資界) in 2010, focusing on venture capital. We then complemented our online content offerings by establishing NewSeed (新芽) in 2014, focusing on early-stage entrepreneurship. These online information platforms offer free high-quality content

including timely industry updates as well as perceptive views on trending issues and prominent industry professionals, strategically targeting participants in China’s equity investment industry. Our PEdaily is recognized as one of the most influential online information platforms in the industry in terms of average monthly page views, being approximately 17.7 million in the six months ended June 30, 2020, according to the CIC Report. The following graphics are screenshots of PEdaily and NewSeed’s mobile application interfaces.



We maintain a professional in-house content creation team and cooperate with selected third-party professional content providers, such as key opinion leaders focusing on technology, finance, entertainment or other evolving industries, to enrich our content-offerings. We generally enter into a cooperation agreement with such third-party professional content providers, under which we are authorized to select, use and repost content created by them on our platforms at no cost. In exchange, we shall indicate prominently the source and the identity of the content creator when reposting. The content providers are obligated to ensure that the content provided by them does not infringe other parties’ legal rights. Leveraging our established online information platforms and significant user traffic, such third-party content providers can effectively increase the exposure of their content and themselves to a wider audience through cooperation with us. We distribute our content through our mobile applications and websites, as well as our accounts on major third-party platforms such as WeChat, Weibo and Toutiao, which we are able to use without any charge. Leveraging big data analytics and AI technologies, we analyze browsing preferences and other user data gathered through our online information platforms to personalize content recommendations. In 2017, 2018, 2019 and the six months ended June 30, 2020, we distributed over 18,200, 18,600, 16,100 and 8,500 articles, respectively, across our online information platforms, among which over 8,800, 9,100, 7,600 and 3,600 articles were sourced from our third-party content providers, respectively. In the same periods, PEdaily achieved average monthly page views of 7.8 million, 8.9 million, 13.5 million and 17.7 million, respectively, and NewSeed achieved average

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monthly page views of 1.5 million, 1.4 million, 1.3 million and 0.8 million, respectively. As of the Latest Practicable Date, our online information platforms have accumulated over two million subscribers across our mobile applications, websites and major third-party platforms including WeChat, Weibo and Toutiao.

Utilizing our significant user traffic, our online information platforms generate revenue primarily through online advertising in the forms of banners and advertorials. In 2017, 2018, 2019 and the six months ended June 30, 2020, we provided online advertising services to 81, 99, 99 and 34 customers, respectively, and the average revenue per customer amounted to approximately RMB58,000, RMB71,000, RMB97,000 and RMB114,000, respectively. The continued increase in the average revenue per customer during the Track Record Period was primarily due to increases in (1) our pricing level in accordance with market trends and attributable to the increased popularity of our online information platforms, and (2) the number of comprehensive online advertising solutions we offered, for which we generally charged higher fees as compared to stand-alone online advertising services. Our service fees vary upon the number, form and duration displayed of the advertisements. The approximate fees we charged for each online advertising customer ranged from RMB900 to RMB236,000 in 2017, from RMB900 to RMB708,000 in 2018, from RMB1,700 to RMB2.8 million in 2019, and from RMB1,900 to RMB1.4 million in the six months ended June 30, 2020. The fees we charged for each online advertising customer varied significantly, based on the comprehensiveness of the online advertising services we provided. For example, in exchange of the fees in the amount of RMB2.8 million, we were obligated to provide a comprehensive marketing solution including a specific column on our PEdaily and 500 online advertisements pursuant to our agreement with the relevant customer, while the low-ends of such fee ranges generally represented the fees we charged for a single advertisement. Through high-quality content offering focused on equity investment industry and massive user traffic accumulated, our online information platforms exert significant influence over investors and entrepreneurs alike, which allows us to effectively market our other services such as our offline industry events, thus helping us achieve greater synergy among our various service lines. During the Track Record Period, approximately 19.4% of our customers for online advertising services were repeat customers, and the revenue contribution from such repeat customers amounted to 52.2% of the total revenue generated from online advertising services during the Track Record Period.

Offline Industry Events

Leveraging our significant brand influence and extensive business network in China's equity investment industry, we organize and host large-scale industry-wide themed events to help our customers enhance brand awareness and locate business cooperation and investment opportunities. Prompted by the pressing needs for industry networking during the COVID-19 outbreak, we also organized online industry events in the six months ended June 30, 2020 as an alternative.

Zero2IPO Events

We organize offline industry events under our "Zero2IPO" brand which attract investors, entrepreneurs, growth enterprises and government agencies, offering them a forum to share their success stories and their insights into China's equity investment industry. Our events also serve as a networking forum, enabling China's entrepreneurs and growth enterprises to showcase their innovative ideas and business models and get connected to capital sources that best suit their growth strategies, and enabling investors to establish business and investment connections. In 2001, we organized our first China Venture Capital and Equity Investment Annual Forum (中國股權投資年度論壇), which was one of the earliest industry-wide events in China's equity investment industry, according to CIC Report. Our Zero2IPO events have gained a solid reputation in the industry since then and are recognized among the most popular industry events among

participants in China’s equity investment industry. According to the CIC Report, in 2019, 49 of China’s top 100 VC/PE/early-stage institutional investors as measured by AUM of the same year participated our Zero2IPO events and purchased our marketing services. During the Track Record Period, we organized 20 Zero2IPO events, covering over 15,000 participants.

We currently organize five annual themed events under our “Zero2IPO” brand, covering a variety of topics in China’s equity investment industry, aiming to foster cooperation and facilitate intra-industry communication. In addition to these annual events, we closely follow industry trends and organize other themed events catering to market demands. For example, we organized F40 China Young Investor Summit (F40中國青年投資人峰會) in 2018 as a component of our China Venture Capital and Equity Investment Annual Forum, to bring vitality to the equity investment industry. We also organize boutique seminars covering industry trending issues exclusively for customers who subscribe to our membership, to facilitate interchange of ideas and experience.



Themed guest talk at China Venture Capital and Equity Investment Annual Forum 2019



Audience at China Venture Capital and Equity Investment Annual Forum 2019

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The following table sets forth detailed information of our annual themed Zero2IPO events.

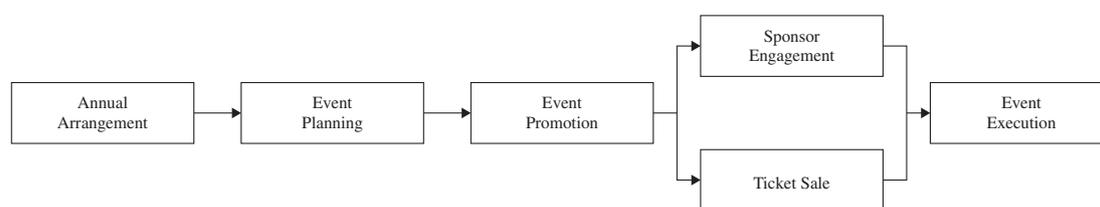
Name	Introduction	Expected coverage
China Investors 100 Forum (投資界百人論壇)	Two-day forum for investors with Top 100 Investors (投資界TOP100投資人) award ceremony to encourage intra-industry communications and networking.	Approximately 300 participants
China LP/GP Summit (中國基金合夥人峰會)	Three-day summit connecting limited partners with general partners to promote limited partners' fundraising efforts.	Approximately 800 participants
China VC/PE Elite Outdoor Challenge (中國創投精英挑戰賽)	Two-to-three-day outdoor hiking activity targeting all industry participants to promote in-depth communications and reinforce business connections. Participants can apply for this event either individually or as a team.	Approximately 300 participants
China CEO Summit (中國高成長企業CEO峰會)	Two-to-three-day summit with insightful guest lectures, roadshows and Venture 50 Most Valuable Entrepreneurs (最具投資價值企業50強) award ceremony, which fosters the spirit of entrepreneurship and connects entrepreneurs and growth enterprises with capital resources and business opportunities for their future development.	Approximately 2,000 participants
China Venture Capital and Equity Investment Annual Forum (中國股權投資年度論壇)	Three-day high-profile annual forum for all industry participants including investors, growth enterprises, established businesses and government agencies with insightful themed guest lectures and talks as well as roadshows, networking sessions and the release of China VC/PE Annual Ranking (中國股權投資年度排名).	Approximately 3,000 participants

In 2017, 2018 and 2019, we organized ten, five and five Zero2IPO events, respectively. Our Zero2IPO events previously scheduled to be held in the six months ended June 30, 2020 were canceled or postponed due to the COVID-19 outbreak. The ten Zero2IPO events we organized in 2017 consisted of five annual themed Zero2IPO events and five boutique seminar and other themed events as an exploration to diversify our event offerings. Starting from 2018, we adjusted our business strategy for Zero2IPO events and focused on our annual themed events, which had exerted significant influence in the equity investment industry and established stable revenue streams, and thus the number of our Zero2IPO events decreased to five in 2018. See “Summary — Recent Developments.” Our Zero2IPO events generate revenue primarily through event sponsorships and ticket sales. We provide our event sponsors with comprehensive marketing solutions at different fee levels, varying upon expected coverage of relevant event and services included in the solutions, such as naming right for a specific event, exhibit booth in event venue and advertisements on

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marketing brochures targeting event participants. Our event sponsors typically pay us in installments in accordance with agreed-upon payment schedules, which generally requires the prepayment of the majority of the total contract value upon signing and final payment upon completion of the event. In 2017, 2018 and 2019, we had 150, 166 and 131 sponsors for our Zero2IPO events, respectively. No sponsorship was solicited in the six months ended June 30, 2020 as no Zero2IPO event was held in such period. In 2017, 2018 and 2019, revenue generated from event sponsorships of our Zero2IPO events amounted to RMB27.5 million, RMB30.7 million and RMB26.9 million, respectively, and the average revenue per event sponsor was approximately RMB183,000, RMB185,000 and RMB205,000, respectively. During the Track Record Period, approximately 34.0% of our customers for event sponsorship of our Zero2IPO events were repeat customers, and the revenue contribution from such repeat customers amounted to 56.1% of the total revenue generated from event sponsorships of our Zero2IPO events during the Track Record Period. The ticket price of our Zero2IPO events generally are determined according to market pricing levels and the duration and comprehensiveness of relevant event. The approximate price per ticket ranged from RMB500 to RMB7,500 in 2017, from RMB1,900 to RMB9,100 in 2018, and from RMB1,900 to RMB9,400 in 2019. We typically receive payments for tickets in the form of prepayment. In 2017, 2018, 2019 and the six months ended June 30, 2020, revenue generated from ticket sales amounted to RMB9.6 million, RMB8.8 million, RMB7.8 million and RMB2.8 million, respectively, and the average revenue we generated from each ticket amounted to approximately RMB4,600, RMB5,500, RMB4,800 and RMB4,100, respectively. In the first half of 2020, we also organized a total of 23 online industry events in light of the emerging market demands during the pandemic outbreak. Our revenue generated from ticket sales in the six months ended June 30, 2020 primarily represented the portion of revenue generated from our membership relating to the access to the online industry events as a part of the packaged membership benefits, which was recognized over the subscription period. The decrease in the revenue from both sponsorship and ticket sale of our Zero2IPO events in 2019 were primarily because we downsized certain events in 2019 based on the market conditions and customer needs.

We generally start the preparation for next year's events, including event scheduling and budgeting, during the last quarter of each year. After the event schedules and budgets are determined, we formulate, review and adjust specific plans for each event. These plans typically cover activities such as (1) coordinating with prominent industry participants regarding their availability to speak at our events and confirming their attendance, (2) securing event venues, and (3) engaging event set-up and other services providers. When the specific event plan is nearly finalized, we begin promoting our events through our own online and offline channels as well as third-party media partners to enhance our events' influence and our brand awareness. We may also adjust our event set-ups to cater to our event sponsors' marketing needs. The following chart illustrates the service process of our Zero2IPO events.

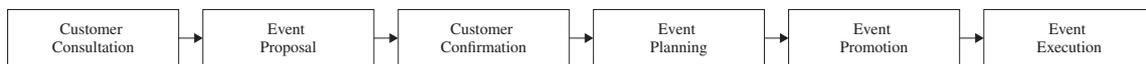


Customized Events

In addition to our Zero2IPO events, we organize various customized events on entrepreneurship, industry innovation, investment attraction and investor-entrepreneur matching on demand, primarily for local government agencies and investors. In 2017, 2018, 2019 and the six months ended June 30, 2020, we organized 18, 19, 13 and five offline customized events, respectively, covering an aggregate of over 32,000 participants.

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Customized events generally start from customer consultation, through which we understand their needs and expectations and propose a tailored event plan. Upon customers' confirmation, we then further design the event plans based on our customers' advice and prepare required resources for event promotion and execution. Our agreements generally provide that we are responsible for the planning, promotion and execution of the relevant events, while our customers are responsible for providing general guidance, as well as other information and resources required for the successful execution of the events. Our fee arrangements for organizing customized events generally depend upon our operating costs including the amount of time and resources devoted by our specialists as well as the costs for venue, event set-up and other services, and we do not sell tickets or engage event sponsors for customized events. The average revenue per customized event was RMB1.6 million, RMB1.7 million, RMB1.8 million and RMB0.8 million in 2017, 2018, 2019 and the six months ended June 30, 2020, respectively. Customers typically pay us in installments in accordance with agreed-upon project milestones, which generally includes prepayment of the majority of the total contract value upon signing and final payment upon completion of the event. Certain local government agencies and investors generally need to hold such events on a regular basis to promote local economic development or reinforce their presence in local equity investment communities. During the Track Record Period, approximately 15.9% of our customers for customized events were repeat customers, and the revenue contribution from such repeat customers amounted to 59.6% of the total revenue generated from customized events during the Track Record Period. The following chart illustrates the service process of our customized events.



Consulting Services

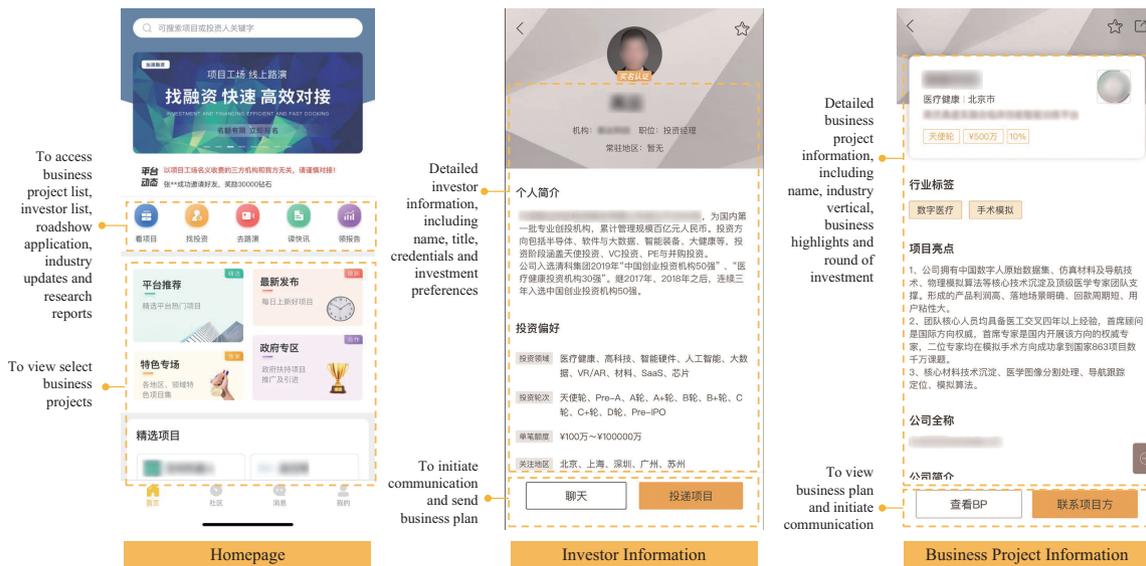
Leveraging our position as a hub in China's equity investment industry and our proprietary data collection, analytics and presentation capabilities, we are well-positioned to provide our customers with outstanding consulting services through both online and offline channels, and throughout their entire lifecycles. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our revenue generated from consulting services was RMB11.7 million, RMB15.4 million, RMB24.1 million, RMB3.1 million and RMB5.3 million, respectively, representing 9.1%, 9.4%, 14.4%, 6.7% and 13.3% of our total revenue for the same periods, respectively.

Deal-Market (項目工場)

Our online investor-entrepreneur matching platform Deal-Market is dedicated to facilitating interactions between investors and entrepreneurs at all growth phases and enhancing efficiency of the connecting process. We launched Deal-Market in July 2017, and started to generate revenue from it since 2018. We offer Deal-Market through its mobile application and website.

Deal-Market enables entrepreneurs to access investors, check their credentials and investment preferences, initiate discussions and directly present their business plans. Investors can discover vetted investment opportunities and keep abreast of emerging entrepreneurs in the industry. Enabled by big data analytics and AI technologies, Deal-Market analyzes backgrounds, credentials and preferences of investors and entrepreneurs to provide recommendations, therefore boosting the likelihood of successful matching. To facilitate effective matching, starting from 2018, we collaborate with local government agencies to organize offline roadshows covering entrepreneurs

across various industry verticals, offering them the opportunities to communicate with investors interactively. Leveraging our extensive business network connecting entrepreneurs, growth enterprises and investors, we assist local government agencies in attracting investments to fuel local economic growth through such roadshows. In 2018, 2019 and the six months ended June 30, 2020, we organized 24 offline roadshows in major cities nationwide, connecting approximately 480 institutional investors and approximately 2,450 entrepreneurs. We generally cover approximately 20 institutional investors and approximately 100 entrepreneurs for each roadshow. For such roadshows, we charge local government agencies service fees based on our operating costs in organizing the roadshows, including the amount of time and resources devoted by our specialists as well as the costs for venue, event set-up and other services, and provide requested number of places in such roadshows to the local government agencies so that they can invite entrepreneurs in local areas to attend our roadshows. The approximate fees we charged for each offline roadshow ranged from RMB189,000 to RMB594,000 in 2018, from RMB47,000 to RMB566,000 in 2019, and was approximately RMB180,000 in the six months ended June 30, 2020. In 2018, 2019 and the six months ended June 30, 2020, the average revenue per offline roadshow amounted to approximately RMB438,000, RMB416,000 and RMB180,000, respectively. Entrepreneurs which subscribe to Deal-Market’s service packages are eligible to participate such roadshows for free. In the six months ended June 30, 2020, we also organized online roadshows as an alternative to our offline services. Deal-Market also allows users to review the latest trending industry issues. The following graphics are screenshots of Deal-Market’s user interfaces.



To ensure the integrity of the discovery and matching process, we require investors and entrepreneurs who want to register for the Deal-Market to go through a preliminary certifying process. For entrepreneurs, we generally review their business projects, financing history, as well as their business registration information if applicable. We currently only accept investors who work for investment institutions to register for Deal-Market, and we verify their identities and credentials through reviewing public records and verifying work email addresses. As of June 30, 2020, Deal-Market covered over 90,800 business projects as well as over 12,500 investors.

BUSINESS

We generate revenue from Deal-Market by charging entrepreneurs subscription fees and charging local government agencies service fees for our offline roadshows. By subscribing to our service packages, users of Deal-Market can get connected to a wider range of investors and benefit from our value-added services such as big data and AI-enabled investor recommendations. During the Track Record Period, the subscription fees for our service packages on Deal-Market ranged from approximately RMB4,000 to approximately RMB13,000, varying upon length of subscription periods and benefits included, such as the number of investors one can contact, the number of opportunities to directly present business plans to investors and the number of big data and AI-enabled investor recommendations. Our Deal-Market is still at its early stage of development and is thriving to establish a viable business model to discover enterprise value and realize efficient monetization leveraging our extensive business network. During the Track Record Period, our Deal-Market had a limited number of paying users. In 2019 and the six months ended June 30, 2020, revenue generated from the subscription fees of our Deal-Market amounted to RMB99,000 and RMB120,000, respectively.

Offline Consulting Services

In response to entrepreneurs' and growth enterprises' growing needs for strategic advice, we offer offline consulting services on equity and debt financings as well as mergers and acquisitions, with a focus in TMT, healthcare and consumer industries. Our offline consulting services focus primarily on series B or later rounds of financings. In 2017, 2018, 2019 and the six months ended June 30, 2020, we provided services to approximately 41, 74, 52 and 47 entrepreneurs and growth enterprises, respectively. Our service team of offline consulting service business consisted of 12 members as of June 30, 2020. Our team members generally have academic background in finance management and/or work experience in the equity investment service industry. As advised by our PRC Legal Advisors, we are not required to obtain any license to conduct our offline consulting services other than our business license which covers our offline consulting service business in the permitted business scope.

Leveraging our significant brand influence and comprehensive service offerings, we identify entrepreneurs and growth enterprises with financing and other business development needs through a number of channels including networking, industry events, and customer inquiries. Upon preliminary due diligence, our insightful professional team assesses the business models, general operations, growth prospects, and financing options and opportunities of our potential customers. After confirming engagement, we help our customers obtain financings and other business opportunities primarily through (1) refining their business models and processes, (2) reassessing their competitive positions and strengths, (3) broadening their accesses to capital and other resources from prominent investors, and (4) advising on essential skills in business presentations and negotiations. In addition, we provide our customers with ongoing support throughout the implementation of the abovementioned measures. After the closing of individual deals, we follow up with our customers to address their further business development needs and foster long-term trusted relationships, which we believe enables us to capture new opportunities and capitalize on their growth. Our offline consulting services also enable us to introduce suitable investment targets for investors, gain understanding of their investment preferences and strengthen our cooperation relationships with them, which further allow us to increase the financing success rates and get access to more business opportunities from investors.

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In 2017, 2018, 2019 and the six months ended June 30, 2020, we conducted eight, eight, 14 and seven offline consulting projects, respectively, and the average revenue per project amounted to RMB1.5 million, RMB1.7 million, RMB1.2 million and RMB0.7 million, respectively. We primarily generate revenue from our offline consulting services by charging consulting fees or commissions upon successful conclusion of a financing transaction based on a certain percentage of the deal size, which generally ranges from 1% to 5%, or by charging a fixed amount of consulting fees. The fee arrangement for the commission-based consulting services sometimes also provides for an agreed-upon fixed amount if the deal fails to conclude. In 2017, 2018, 2019 and the six months ended June 30, 2020, we successfully concluded six, four, six and five financing transactions, respectively, with the average deal size amounted to approximately RMB102.8 million, RMB102.5 million, RMB93.5 million and RMB30.5 million, respectively. The approximate deal sizes of the concluded deals ranged from RMB20.0 million to RMB400.0 million in 2017, from RMB10.0 million to RMB190.0 million in 2018, from RMB20.0 million to RMB240.0 million in 2019, and from RMB10.0 million to RMB45.9 million in the six months ended June 30, 2020. Our agreements generally provide that, our customers are responsible for providing relevant information and materials regarding their businesses, and to ensure integrity and update them in a timely manner, while we own obligations to keep confidential such information and materials as well as other details of relevant deals.

Training Services

We are dedicated to enlightening more people with interests or needs in equity investment and helping them obtain the necessary knowledge and qualifications. To that end, we offer diverse online and offline training courses, targeting a wide variety of audience including equity investment professionals seeking advanced knowledge and new perspectives, as well as entrepreneurs, government officials, and college students seeking systematic understandings of the equity investment industry. Enabled by our accumulated business connections in the equity investment industry, we invite (1) prominent investors with extensive work and management experience in China's top-tier investment institutions, (2) business professionals with extensive experience in the equity investment industry, such as lawyers, accountants and senior business managers, and (3) professors and lecturers in China's prestigious universities, as our instructors. The service fees for our instructors are primarily determined with reference to the market payment levels in the equity investment training service industry.

Leveraging our long-standing industry expertise and comprehensive course offerings, we offer high-end equity investment training services and charge premium fees comparable to trainings services of the same category for our courses, according to the CIC Report. For example, during the Track Record Period, we generally charged a tuition ranging from RMB129,000 to RMB198,000 per customer for each course series of our SandHill College, while the majority of equity investment training service providers charged fees ranging from RMB20,000 to RMB100,000 per customer for each offline course series, according to the CIC Report. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our revenue generated from training services was RMB9.1 million, RMB16.9 million, RMB22.5 million, RMB9.0 million and RMB3.7 million, respectively, representing 7.0%, 10.3%, 13.4%, 19.2% and 9.4% of our total revenue for the same periods, respectively.

We typically select topics with a focus on the knowledge and skills our customers may need in the field of equity investment and entrepreneurship and arrange syllabus for the incoming training session. Upon selecting a specific topic, we communicate with suitable instructors in our well-maintained instructor base to co-design our courses. For in-person training services including SandHill College (沙丘學院) and Investment College (投資學院), we then solicit customers,

communicate with venue and other service providers, and deliver our courses on site. For our online training platform SandHill University (沙丘大學), we coordinate with instructors to record courses and review and edit the recordings before we launch our courses online. We also record certain courses offered at SandHill College and make them available online through SandHill University. Users can then subscribe to specific series of courses or purchases individual courses through our online platform. In addition, we also offer customized training services for institutional customers, especially government agencies and large enterprises, based on their specific needs. In the six months ended June 30, 2020, we also offered courses of our Investment College and our customized training services online as an alternative during the COVID-19 outbreak. We have designated personnel with extensive experience in the equity investment industry as our course designers, responsible for coordinating with instructors in selecting course subject, arranging course syllabus and designing and reviewing course materials. We also constantly review and update our course offerings in accordance with industry trends and actively seek our customers' feedback in order to further improve the settings and contents of our courses.

Our PRC Legal Advisors, based on the business substance of our training services offered under the brands "SandHill University," "SandHill College," and "Investment College" and consultation with government authorities, are of the opinion that such services are training services offered within the business scope of the relevant operating entities, and such training services do not require additional licenses, registrations or qualifications under applicable PRC laws and regulations.

SandHill University (沙丘大學)

We launched SandHill University in November 2017 to provide online training services, which started to generate revenue from 2018. We cooperate with an Independent Third Party, a company incorporated in the PRC focusing on online video streaming services, to distribute our course offerings on the mobile application "SandHill University" owned by such third party. Our cooperation agreement with such Independent Third Party regarding the distribution of our course offerings has the following major terms.

- ***Term.*** The term of the cooperation agreement is one year. During the Track Record Period, we were able to renew our cooperation agreement with the Independent Third Party on comparable terms. We intend to continue to renew such agreement on an annual basis.
- ***Rights and obligations.*** The Independent Third Party, as the owner of SandHill University mobile application, is responsible for its hosting. The Independent Third Party shall also ensure that the License for Online Transmission of Audio-Visual Programs it holds remains valid and in full force and effect during the term of our cooperation, and that there has been no existing or potential risks or uncertainties which could result in the revocation or termination of the License for Online Transmission of Audio-Visual Programs. We are responsible for providing all of the online course offerings, which will be displayed on the mobile application and a website owned by the Independent Third Party, and are responsible for the marketing and promotion, and technological development and maintenance of the mobile application.

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- **Intellectual property rights.** We own the intellectual property rights of the course offerings displayed and grant the Independent Third Party the right of online transmission to offer such courses on the mobile application and the website. We, as the holder of the “SandHill University” logo, also grant the Independent Third Party a non-exclusive license to use the logo on the mobile application and the website. The Independent Third Party, as the owner of SandHill University mobile application, owns its software copyright.
- **Fee arrangement.** The users of our SandHill University can subscribe for our services through in-app purchases in the SandHill University mobile application or through other methods to get access to courses on SandHill University. If users subscribe for our services through in-app purchases, the Independent Third Party will share 40% of the course fees collected by it, and the remaining 60% will be transferred to us by it on a quarterly basis, which are recognized as our revenue after deducting the value-added tax. In addition to in-app purchase, we also acquire users through other distribution methods, for example, we operate a WeChat public account through which users may get information of our course offerings and purchase courses on SandHill University directly from us. For these other distribution methods, we do not need to share the course fees collected from the users with the Independent Third Party. Therefore, if users subscribe for our services through other methods, we collect course fees from users and recognize 100% course fees as our revenue after deducting the value-added tax. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, the amounts of courses fees paid by the users through in-app purchases were approximately nil, RMB95,200, RMB362,900, RMB166,400 and RMB244,800, respectively; therefore, approximately nil, RMB53,900, RMB205,400, RMB94,200 and RMB138,600, were recognized as our revenues, respectively, accounting for nil, 42.4%, 14.8%, 12.7% and 26.6% of our total revenue generated from SandHill University, respectively.

As confirmed by our PRC Legal Advisors, such cooperation arrangement does not violate the applicable PRC laws and regulations. See “Risk Factors — Risks Related to Our Business and Industry — We cooperate with a third party to distribute video contents for our SandHill University and any deterioration of our relationships may materially and adversely affect our operations.” We believe that our cooperation with the Independent Third Party can expand the distribution channel of our course offerings and accumulate user traffic in an efficient way. The Independent Third Party, by distributing our comprehensive equity investment course offerings through its own website, is able to enrich its video offerings and attract an increasing number of users to its website, which will in turn contribute to its ability to monetize through advertising services or subscription fees.

Our online courses offered at SandHill University are primarily designed for those who are planning to start their careers in the equity investment industry. We invite experienced industry professionals with diverse backgrounds, including primarily investors and scholars, to deliver equity investment-related online courses. Our online course offerings cover three series including investment, entrepreneurship or wealth management. We also offer comprehensive courses on equity investment, providing equity investment-related knowledge and practical skills. As of June 30, 2020, we offered approximately 180 online lectures with a total length of over 13,000 minutes. The number of online lectures decreased from approximately 240 as of December 31, 2019 to

approximately 180 as of June 30, 2020, primarily because we optimized our course settings by consolidating certain lectures and trimming off obsolete contents. We engage service providers to record and edit video contents to be displayed on SandHill University. The following graphics are screenshots of SandHill University’s user interface.



Users of SandHill University can subscribe to a specific series of lectures or purchase particular lectures outright. During the Track Record Period, we generally charged a subscription fee ranging from approximately RMB400 to approximately RMB6,500, depending upon course coverage, which granted our users access to the subscribed series during a one-year subscription period. Users who purchase particular lectures will have access to those lectures without an expiration date. We also offer certain lectures for free as trials to promote our services and attract user traffic. In 2017, 2018, 2019 and the six months ended June 30, 2020, SandHill University had nil, 313, 805 and 1,623 paying users, respectively, indicating its great growth potential. The ARPPU amounted to approximately RMB400, RMB1,700 and RMB300 in 2018, 2019 and the six months ended June 30, 2020, respectively. The increase from 2018 to 2019 was primarily because we introduced the comprehensive equity investment course series in 2019, which are generally delivered in the second half of each year with a higher subscription fee of approximately RMB6,500 as compared to our other course series. The decrease from 2019 to the six months ended June 30, 2020 was primarily because the equity investment course series was scheduled in the second half of 2020.

SandHill College (沙丘學院)

We started to offer in-person training services through SandHill College in April 2017. At SandHill College, we are dedicated to assisting our customers, who are typically experienced business professionals, in transitioning into investors. We invite prominent investors with extensive work and management experience in China’s top-tier investment institutions as our instructors and

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establish a sophisticated syllabus designed to impart foundational knowledge and foster practical skills in the equity investment industry. After our customers form a solid understanding on investment and related legal and management knowledge enabled by entry-level courses, our instructors will then share their accumulated rich experience in how to evaluate promising business projects and negotiate with founding teams. Our courses also cover later stages in the investment lifecycle, including investment management and exit strategies. Furthermore, our instructors offer in-depth analysis of trending issues and favored investment targets in China's equity investment industry. We also organize clinical courses which give our customers an opportunity to apply what they learn from the courses to real-life scenarios. For example, we select certain business projects leveraging our extensive business network and organize roadshows as a module of our course offerings. Guided by our instructors, our customers can participate in the decision-making process and related follow-ups. We also highly value our customers' interactive learning experience and have designed various discussion, presentation, case study and mock negotiation sessions through our course offerings. During the Track Record Period, we generally offered one spring course series and one fall course series each year at SandHill College, each with a course enrollment of approximately 30 to 40. The course enrollment at SandHill College for course series that were scheduled to begin in 2017, 2018, 2019 and the six months ended June 30, 2020 amounted to 79, 65, 54 and 49, respectively. Due to the COVID-19 outbreak, courses of SandHill College previously scheduled to be delivered in the six months ended June 30, 2020 were postponed to the second half of 2020. Course series at SandHill College generally last throughout one year with a total of six to seven three-day sessions. We, from time to time, review and adjust our pricing based on, among others, our course coverage, market competition and our operating costs, such as services fees for instructors and venue costs. During the Track Record Period, we generally charged a tuition ranging from RMB129,000 to RMB198,000 per customer for each course series of our SandHill College. Our customers generally pay us course fees for SandHill College in the form of prepayment when they register for our course series.

Investment College (投資學院)

Unlike SandHill University and SandHill College which offer a comprehensive system of courses targeting newcomers in the equity investment industry, Investment College, which started course offerings in May 2017, is designed to equip customers who are already professionals with advanced knowledge and new perspectives. We invite prominent investors and experienced professionals in the equity investment industry, such as lawyers, accountants and senior business managers, as our instructors. We deliver monthly courses on different key topics ranging from industry trends, government policies to practical skills, seeking to help our customers to accelerate their career trajectories with professional guidance and insights. We also offer annual memberships which grant our customers access to a fixed amount of courses of their choice provided by Investment College throughout a specific year. Through our courses, customers can learn from prominent industry professionals, interact with them as well as to build their own professional network. We generally charged each customer RMB4,800 to RMB46,800 per course at our Investment College during the Track Record Period. Our customers generally pay us course fees for Investment College in the form of prepayment when they register for our courses. In 2017, 2018, 2019 and the six months ended June 30, 2020, the course enrollment at Investment College delivered through offline channels amounted to 316, 389, 520 and 87, respectively, and the average revenue per enrollment amounted to approximately RMB7,200, RMB3,900, RMB4,800 and RMB5,600, respectively. The decrease in the average revenue per enrollment from 2017 to 2018 was primarily because we offered several overseas training programs in 2017, which had higher fee ranges as compared to the regular courses of Investment College. The continued increase in the average revenue per enrollment since 2018 was primarily due to the increase in our pricing level in accordance with market trends. In the six months ended June 30, 2020, we also offered courses of

Investment College online as a result of the COVID-19 outbreak. In addition to courses provided directly to individuals, Investment College also provides customized training services tailored to institutional customers' needs.

In addition to training services under the abovementioned brands, starting from 2018, we also provide customized training services targeting institutional customers, especially government agencies and large enterprises, based on their specific needs. During the Track Record Period, we organized 42 customized trainings, covering approximately 3,800 participants. Pursuant to our agreements for such customized training services, we are generally responsible for finding appropriate instructors, preparing course materials and delivering customized courses on site, while our customers are responsible for providing venue and other support. The fees we charged for customized training services vary project by project upon course coverage and course length. In 2017, 2018, 2019 and the six months ended June 30, 2020, revenue generated from customized trainings of Investment College and stand-alone customized training services amounted to RMB1.0 million, RMB2.5 million, RMB9.2 million and RMB2.1 million, respectively.

OUR TECHNOLOGIES

We believe that our capabilities in big data analytics and artificial intelligence are imperative to the success of our comprehensive service offerings, especially our various online platforms.

Big Data Analytics

Our data capabilities lie at the foundation of our business operations. Big data analytics is a technology enabling the systematic, cost-effective extraction, processing and analysis of data in high-volume with a wide range of varieties. Our application of big data analytics can be mainly divided into data collection, data preprocessing, data modeling and data visualization.

Data Collection

Data collection is to extract data from various sources and import them into a data warehouse. For example, for the purpose of our PEdata Database, we collect massive unstructured raw data through questionnaires distributed and extract useful information from public records. Our online information platforms use file log collection to gather data such as browsing preferences. We also record key customer information such as their names, titles and contact information during customer inquiries and purchases, for the use of our customer relationship management system. We then use data synchronization technology to import data into our data warehouse, which eliminates the need of manual copying, therefore ensuring the reliability and consistency of data. All data and data-related work products are stored in our data warehouse and are encrypted, which renders the data unreadable except for those who have the appropriate authority. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we had 47, 48, 48 and 43 employees responsible for our data collection and analysis, respectively. During the Track Record Period, we did not outsource any of our data collection and analysis work. To complement our data coverage, we purchased ready-to-use data from third-party data providers, which usually are companies engaged in data collection, data storage and/or market research. In 2017, 2018, 2019 and the six months ended June 30, 2020, we paid approximately RMB267,000, RMB157,000, RMB186,000 and nil to purchase data from third parties, respectively.

Data Preprocessing

In data preprocessing, we use stream computing technology to handle huge volumes of continuous data streams arriving in real-time, and perform data filter and consolidation leveraging our proprietary data wash models. After eliminating errors and repetitive data, we then use our in-house data structuring system to analyze, summarize and classify data. For example, we classify various data collected from news on an investment event into round of investment, investment amount, investor, investee etc., for the further use of our PEdata Database.

Data Modeling

We have formulated sophisticated data models and algorithms to streamline our data analytics process and ensure against mistakes. We describe the structure, associations and constraints relevant to our data resources, identify essential dimensions and metrics and encode conventions into reusable rules, to provide guidance for future tasks. We also conduct data mining by discovering and extracting patterns from our massive data resources to explore more application scenarios of our data resources and discern future trends.

Data Visualization

We visualize the data to provide insights and guidance for the decision-making process of our customers. We convert data into graphics or images for display and allow interactive processing in such data display to help customers understand and analyze the data in an effective way. The technologies involved mainly include computer graphics, image processing, computer vision and computer-aided design.

Artificial Intelligence

Artificial intelligence is the application of advanced analysis and logic-based techniques to perform cognitive functions that associate with human minds, such as learning, reasoning, interacting with the environment and problem solving. Through applications of natural language processing (“NLP”) and machine learning, our AI technologies help to create intelligent machines that work and react like humans. NLP enables software to analyze, understand and derive meanings from human languages, by resembling the way in which human comprehend texts, phrases, sentences and generative grammar. Machine learning automates analytical model building and training for efficient data analysis to identify data patterns.

With the assistance of NLP and machine learning, we have developed a sophisticated system that can understand complex news and questionnaire responses to automate the repetitive tasks in preliminary data classification process. Our PEdaily and Deal-Market also incorporates AI technologies to study user preferences and provide users with recommendations. For example, upon identifying a user’s browsing preference for financing events in the TMT industry, PEdaily sorts out relevant content by analyzing key words and other metrics and recommend them to this specific user. We believe the implementation of AI technologies has improved our operational efficiency and our ability to deliver customized user experience.

DATA PRIVACY AND PROTECTION

Data Privacy

Our business involves the collection, analysis, storage and disclosure of a large volume of data and information.

We have implemented protocols to effectively address concerns related to privacy and sharing. For data services, our data collection team sorts through public records and distributes questionnaires to participants in China's equity investment industry leveraging our established network. When collecting raw data from industry participants, we generally enter into confidentiality agreements with them and strictly follow the respective levels of permissions they granted in utilizing the data. For example, if an industry participant chooses not to publicly disclose certain data provided in its questionnaire responses, this specific data will only be stored in our underlying database for research and analysis purposes, the work products of which are more about macro trends and conditions without personally identifiable information. For our online platforms where we collect personal data such as browsing preferences to achieve intelligent content recommendations, we ask for users' acceptance of our conspicuously-displayed privacy policy during the registration process and strictly comply with our obligations. In addition, our agreements with customers generally include a confidentiality provision under which we are obligated not to share, distribute or sell the confidential data and information to other parties.

Data Protection

We take safety precautions to maintain our technological infrastructure and protect our data and information. We have established a management information system department in charge of the operation, maintenance and security management of our technological infrastructure, as well as encryption protection, data backup and disaster recovery, and have implemented corresponding protocols in place. We have also implemented firewall software and updated it on a regularly basis to shield potential security breaches.

We have implemented relevant confidentiality and information management protocols to protect our data. As a general principle, all data and information in relation to our business can only be accessed through our company-provided computers, and are encrypted, which renders the data and information unreadable except for those who have the appropriate authority. We implement stricter control for data resources which are more sensitive and require a higher level of protection, by limiting the access to such data resources to only key persons managing the business of our data services. We have maintained data systems in place to store PEdata Database's underlying data, data service related collective knowledge, as well as information on industry rankings' candidates, training services' instructors and customers of our diverse service lines, which can only be accessed using employee account and password. Moreover, the original data we collect are all encrypted and cannot be exported under any circumstance, to ensure against potential distortion and data privacy and protection concerns.

We enter into confidentiality agreements with our employees who have access to our data and information. The confidentiality agreements provide that, among others, these employees are legally obligated not to share, distribute or sell the confidential data and information, including other parties' data and information in possession as a result of their employment, to any third parties, including other employees who have no access to such data and information. These employees are also legally obligated to surrender all confidential data and information in possession upon resigning and to retain their confidential obligations afterwards. Such employees bear compensation liability if they breach their confidential obligations or otherwise commit misconduct resulting in leakage of our confidential data and information. Furthermore, to prevent improper disclosure and misappropriation of data and information, our agreements with customers, suppliers and other business partners generally include a confidentiality provision under which they are legally obligated to not to share, distribute or sell our confidential data and information, including other parties' data and information in possession as a result of their relationship with us, to other parties.

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Our Directors confirmed that we were in compliance in all material respects with all applicable PRC laws and regulations with respect to data privacy and protection.

RESEARCH AND DEVELOPMENT

We are committed to continuously enhancing and innovating our services and technologies. Our research and development processes are primarily driven by industry trends and customer demands. Our current research and development initiatives primarily focus on (1) upgrading our PEdata Database and related data analytics technologies, (2) refining our Deal-Market online investor-entrepreneur matching platform and SandHill University online training platform, and (3) further improve our AI and big data analytics capabilities to streamline the business operations of our various online platforms and improve user experience.

We had a stable and dedicated research and development team consisting of 37 employees as of December 31, 2019. Our research and development personnel have extensive expertise in big data analytics, artificial intelligence, software development, as well as system operation and maintenance. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our research and development expenses were RMB8.9 million, RMB7.9 million, RMB7.7 million, RMB3.8 million and RMB3.9 million, respectively, representing 6.9%, 4.8%, 4.6%, 8.1% and 9.8%, respectively, of our total revenue for the same periods.

SALES AND MARKETING

We establish business relationships with our customers primarily through the efforts of our sales and marketing department as well as the brand recognition and business connections we accumulate over the years. As of December 31, 2019, we have a dedicated sales and marketing team consisting of 19 employees with extensive experience in the industry. Our sales and marketing team maintains regular contacts with our existing and potential customers to better understand their business needs. We have maintained a customer relationship management system to record all key interactions with our existing and potential customers, including, among others, their inquiries and purchases, enabling informed sales and marketing efforts. Our sales and marketing team also serves a critical role in providing comprehensive information about our various service offerings to our customers upon discussion with our business operation personnel, and may offer a free trial of our standardized services such as PEdata Database to better present the functions and features of our services before our customers make a purchase decision. In addition, we participate in project tendering processes to obtain certain business opportunities, especially from government agencies.

Our marketing activities are primarily targeted at a specific group of customers for our services. For example, we promote our customized events primarily to local governments, our marketing activities to investors in the equity investment industry, and the promotion of our consulting services are primarily targeted at entrepreneurs and investors leveraging our existing business network. We also engage in a range of marketing activities to enhance our overall brand recognition among prospective customers, including promotions through our online information platforms and offline industry events. We incurred selling and marketing expenses of RMB10.7 million, RMB10.9 million, RMB10.3 million, RMB3.9 million and RMB5.6 million in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively, representing 8.3%, 6.7%, 6.2%, 8.3% and 14.1%, respectively, of our total revenue for the same periods.

OUR CUSTOMERS AND SUPPLIERS

Our Customers

We offer our services broadly to all participants in China's equity investment industry including investors, entrepreneurs, growth enterprises and government agencies, and have served over 72,000 institutions across our service lines since our inception. During the Track Record Period, we generated substantially all of our revenue from customers based in mainland China. Our top five customers accounted for less than 30% of our total revenue in 2017, 2018, 2019 and the six months ended June 30, 2020.

We offer data services to the industry participants to address their information needs, either through standardized subscriptions or customized services. Our customized reports primarily serve local government agencies and investors. For marketing services, while our content offerings on our online information platforms target industry professionals as well as the general public, we offer online advertising and offline industry events primarily for institutional customers in the industry, to help them enhance brand awareness and build business connections. For consulting services, we primarily serve entrepreneurs and growth enterprises at different stages of development and connect them with capital resources. Our training services target industry professionals as well as entrepreneurs, government officials and other persons seeking systematic understandings of the equity investment industry. We also provide customized training services for institutional customers, especially government agencies and large enterprises. Sales agreements with our customers typically include the following major terms.

- **Term of agreement.** Standardized services on our online platforms, such as PEdata Database, Deal-Market and SandHill University, are typically on a subscription basis with a subscription period ranging from several months to one year. For other standardized services, such as SandHill College and Investment College, our agreements generally provide a fixed term. The terms of our agreements for customized services vary project by project, typically ranging from several weeks to one year.
- **Pricing.** We primarily provide our services on a fixed price basis. The pricing of our standardized services is primarily determined by our management team based on market practice, operating costs and expected profit level. For our customized services, prices are primarily dependent upon the manpower involved and the amount of time and resources devoted by our specialists.
- **Rights and obligations.** We are generally responsible for the rendering of services in accordance with terms stipulated in the agreements. In certain cases, our customers shall provide us with resources and other support required in the service process. For example, our customers for customized events, which are generally local government agencies and investors, are responsible for providing general guidance as well as other information and resources, such as participants and guest speakers from their specific localities. Our customers for offline consulting services are responsible for providing relevant information and materials regarding their businesses, and to ensure integrity and update them in a timely manner.
- **Payment method and credit terms.** For subscription-based services, we generally charge our customers prepayments before rendering services. For services that we are entitled to receive payments after service delivery and receipt of certain forms of acceptance from customers, we typically collect fees upon final delivery or, if the agreements have relatively long service periods, require upfront payment or payment by installment. The

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credit terms we grant to our customers usually are specified by terms of the agreements and vary upon service type and our evaluation of customers' creditworthiness. During the Track Record Period, we typically granted our customers a credit term ranging from five to 90 days upon receipt of certain forms of acceptance from our customers.

- **Confidentiality.** Neither party shall disclose to any third party the operating information, commercial information, or other confidential information obtained during the rendering of services except as otherwise required by laws and regulations.
- **Termination.** The agreements are terminated upon the occurrence of certain specified events, such as a force majeure event, or a party's failure to perform its principal obligations under the agreements.

In 2018, we provided consulting services in relation to a financing transaction of Beijing Sanhao Interactive Education Technology Co., Ltd. (北京三好互动教育科技有限公司), a company where Mr. Ni serves as a director, and we received consulting service fees of RMB3.6 million for such transaction. Mr. Ni is also a limited partner holding approximately 1.24% partnership interest in a limited partnership, and such limited partnership holds approximately 8.28% equity interests in Beijing Sanhao Interactive Education Technology Co., Ltd. Such transaction was conducted in the ordinary course of business at arm's length with reference to normal commercial terms. See "Financial Information — Related Party Transactions." Save as disclosed above, our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, none of our Directors, their close associates or, to the knowledge of our Directors, any Shareholder with 5% of the issued Shares of our Company, had any interest in our five largest customers.

Our Suppliers

Our suppliers for our major service offerings primarily include venue providers, event set-up service providers, guest speakers and instructors. Our top five suppliers accounted for less than 30% of our cost of revenue in 2017, 2018, 2019 and the six months ended June 30, 2020. We engage hotels and convention centers to provide venues for our offline industry events and training services. We also engage event set-up service providers to set up the venues for our offline industry events and to organize small-to-medium-sized forums and roadshows for our consulting services. In addition, we invite prominent investors and other industry practitioners as guest speakers for our offline industry events and as instructors for our various course offerings, and typically pay them commissions based upon the amount of time they devote and prevailing market price. Our procurement agreements with suppliers typically include the following major terms.

- **Term of agreement.** The procurements agreements with suppliers generally provide a fixed term, depending upon the expected durations of relevant events or training services.
- **Purchase price.** The procurement agreements generally stipulate a fixed price covering all expenses incurred.
- **Payment method and credit terms.** We generally make one-time payment or pay fixed service fees to our suppliers in installments, the schedule of which are specified by terms of the agreements. We generally have a credit term ranging from seven working days to one month after service delivery to make payments.

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- ***Rights and obligations.*** Our suppliers shall provide services in accordance with our specific requirements under the agreements. Our suppliers are liable for damages incurred during the service process that are caused by them. We shall provide resources and other support required in the service process.
- ***Confidentiality.*** Neither party shall disclose to any third party the operating information, commercial information, or other confidential information obtained during the rendering of services except as otherwise required by laws and regulations.
- ***Termination.*** The agreements are terminated upon the occurrence of certain specified events, such as a force majeure event, or a party's failure to perform its principal obligations under the agreements.

Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, none of our Directors, their close associates or, to the knowledge of our Directors, any Shareholder with 5% of the issued Shares of our Company, had any interest in our five largest suppliers.

Overlapping Customers and Suppliers

Due to the nature and comprehensiveness of our equity investment services, there were overlaps among our customers and suppliers during the Track Record Period.

Supplier A

Supplier A, a company incorporated in the PRC focusing on outdoor activity arrangement and execution, was one of our major suppliers in 2019. During the Track Record Period, Supplier A was an Independent Third Party. We engaged Supplier A for its outdoor hiking activity arrangement, execution and support services in connection with our 2019 China VC/PE Elite Outdoor Challenge. Our purchase from Supplier A amounted to RMB0.5 million in 2019, accounting for approximately 0.6% of our total cost of revenue for the same year. Supplier A was one of our suppliers in 2018 and provided outdoor hiking activity arrangement, execution and support services in connection with our 2018 China VC/PE Elite Outdoor Challenge, and our purchase from it amounted to RMB0.3 million in 2018, accounting for approximately 0.3% of our total cost of revenue for the same year. Supplier A was also one of our suppliers in 2017 and provided outdoor hiking activity arrangement, execution and support services in connection with our 2017 China VC/PE Elite Outdoor Challenge, and our purchase from it amounted to RMB0.6 million in 2017, accounting for approximately 0.9% of our total cost of revenue for the same year.

Supplier A was also our customer for offline consulting services in a one-off transaction in 2018, and the revenue derived from the provision of our services amounted to RMB0.6 million, accounting for approximately 0.3% of our total revenue for the same year.

Supplier B

Supplier B, a company incorporated in the PRC focusing on advertising and promotion, was our second largest supplier in 2018. During the Track Record Period, Supplier B was an Independent Third Party. We engaged Supplier B for advertisement placements in connection with our offline industry events. Our purchase from Supplier B amounted to RMB2.3 million in 2018, accounting for approximately 2.5% of our total cost of revenue for the same year. In addition, Supplier B was also our third largest supplier in 2017, which we engaged for advertisement placement in connection with our offline industry events. Our purchase from Supplier B amounted to RMB1.4 million in 2017, accounting for approximately 1.8% of our total cost of revenue for the

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same year. Supplier B was also one of our suppliers in 2019 for advertisement placements in connection with our offline industry events, and our purchase from it amounted to RMB0.2 million in 2019, accounting for approximately 0.2% of our total cost of revenue for the same year.

Supplier B was also one of our major customers in 2019, which engaged our Zero2IPO event sponsorship services. The revenue derived from the provision of our services to Supplier B amounted to RMB1.5 million in 2019, accounting for approximately 0.9% of our total revenue for the same year.

Customer A

Customer A, a company incorporated in the PRC focusing on cloud computing related services, was one of our major customers in 2019. During the Track Record Period, Customer A was an Independent Third Party. Customer A engaged our customized training services, from which we derived revenue of RMB2.6 million in 2019, accounting for approximately 1.6% of our total revenue for the same year. Customer A was also one of our major customers in the six months ended June 30, 2020, which engaged our customized training services. The revenue derived from the provision of our services to Customer A amounted to RMB0.7 million in the six months ended June 30, 2020, accounting for approximately 1.8% of our total revenue for the same period.

Customer A was also one of our suppliers in 2019. We engaged Customer A for cloud storage services to support our business operations. Our purchase from Customer A amounted to RMB0.1 million in 2019, accounting for approximately 0.1% of our total cost of revenue for the same year. Customer A was also one of our suppliers in the six months ended June 30, 2020, which we engaged for cloud storage services to support our business operations. Our purchase from Customer A amounted to RMB0.1 million in six months ended June 30, 2020, accounting for approximately 0.4% of our total cost of revenue for the same period.

To the best knowledge and belief of our Directors after making reasonable inquiries, saved as disclosed above, none of our other major customers were also our suppliers and none of our other major suppliers were also our customers during the Track Record Period. The credit terms and profitability level of our transactions with the abovementioned customers were comparable to those of our other customers engaging us for similar services. Our Directors confirmed that all of our sales to, and purchases from, such overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm's length basis.

COMPETITION

China's equity investment service industry is at the early stage of development and highly competitive. We compete primarily with other equity investment service providers including data service providers, online advertising service providers, offline event service providers, consulting service providers, training service providers, etc. As China's equity investment service industry continues to evolve and grow, we may face increased competition from new market entrants. As we primarily serve the equity investment communities in China, we expect that recent political tensions between China and other overseas countries would not affect our business operations.

We compete based on a number of factors, including, among others, brand recognition, network, price, breadth of services offered, level of service integration and technology capabilities. We believe we are well-positioned to effectively compete on the basis of the factors listed above. However, some of our current or future competitors may have longer operating histories, greater brand recognition, larger user bases or more financial resources than we do. See "Industry Overview" for more information about the market in which we operate and the competition we face.

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INTELLECTUAL PROPERTY

Intellectual property rights are fundamental to our business, and we devote significant time and resources to their development and protection. We rely on a combination of contractual restrictions, confidentiality procedures, and intellectual property registrations to establish and protect our proprietary technologies. As of the Latest Practicable Date, we are the registered owner of 16 trademarks, 110 domain names and eight software copyrights in China, together with four pending trademark applications in China. For details of our material intellectual property rights, see “Appendix IV — Statutory and General Information — B. Further Information about Our Company’s Business — 2. Intellectual Property Rights.”

Despite our efforts, third parties may still obtain and misappropriate our intellectual property without authorization. During the Track Record Period and up to the Latest Practicable Date, we did not find any of material misappropriations of our intellectual property rights. However, unauthorized use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business and results of operations. For details of related risk, see “Risk Factors — Risks Related to Our Business and Industry — Unauthorized use of our intellectual property by third parties, and the expenses incurred in protecting our intellectual property rights, may adversely affect our business, reputation and competitive edge.”

We believe we have used our best efforts to ensure compliance with applicable intellectual property laws. During the Track Record Period and up to the Latest Practicable Date, no material claims or disputes were brought against us in relation to any infringement of trademarks, copyrights or other intellectual property. See “Risk Factors — Risks Related to Our Business and Industry — Third parties may claim that we infringe their proprietary intellectual property rights, which could cause us to incur significant legal expenses and prevent us from promoting our services.”

EMPLOYEES

As of June 30, 2020, we had 243 full-time employees based in Beijing, Shenzhen, Hangzhou, Xi’an, Nanjing, Shanghai, Haikou, Ningbo and Qingdao. The following table sets forth the number of our full-time employees by function as of the dates indicated.

Function	As of December 31,			As of June 30, 2020	
	2017	2018	2019	Number	% of Total
	Number	Number	Number		
Research and development	40	40	37	38	15.6%
Sales and marketing	21	20	19	23	9.5%
Operation	129	143	138	161	66.3%
General administration	18	22	22	21	8.6%
Total	208	225	216	243	100.0%

The number of our full-time employees increased from 208 as of December 31, 2017 to 243 as of June 30, 2020, primarily due to enlarged operation team to support our business growth.

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees competitive salaries, performance-based cash bonuses and other incentives.

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We primarily recruit our employees through recruitment agencies, internal reference, and online recruiting channels, including our corporate website, job search websites and social networking platforms. We have adopted a training protocol, pursuant to which we provide pre-employment and regular continuing management and technical training to our employees.

As required under PRC laws and regulations, we make contributions to social insurance fund, including pension, medical, unemployment, maternity and work-related injury, and to housing provident fund for our employees.

We believe that we maintain a good working relationship with our employees and we had not experienced any material labor disputes, strikes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date. As of the Latest Practicable Date, our employees were not represented by a labor union.

PROPERTIES

As of the Latest Practicable Date, we owned two properties in Xi'an with a total gross floor area of approximately 451 square meters and had obtained property ownership certificates for such properties. Such properties primarily serve as our offices. As of June 30, 2020, we had no single property with a carrying amount of 15% or more of our Group's total assets. On this basis, no property valuation report in respect of our Group's property interests is required in reliance upon the exemption provided by Rule 5.01A of the Listing Rules and Section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). Therefore, this prospectus is exempted from compliance with the requirements of Section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

As of the Latest Practicable Date, we leased a total of 11 properties in Beijing, Shenzhen, Hangzhou, Shanghai, Haikou, Ningbo and Nanjing, with a total gross floor area of approximately 4,435 square meters. Such properties primarily serve as our offices or for business registration use. Our lease agreements in respect of the abovementioned 11 leased properties generally have expiration dates ranging from March 17, 2021 to July 15, 2023. We plan to renew our leases or negotiate new terms when the existing leases expire. We did not experience material difficulties in negotiating renewal of our leases with our landlords during the Track Record Period and up to the Latest Practicable Date.

As of the Latest Practicable Date, one lessor of a total of one leased property with a total gross floor area of approximately 2,620 square meters had not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us. There remains uncertainty about the validity of the lease of such properties. We believe there is sufficient supply of properties in China. Furthermore, even if we experience temporary interruptions to our usage of any of such leased properties due to the title defects, we believe our employees can continue to perform the material aspects of their duties remotely given that such leased properties do not carry out any production, manufacturing or physical retail activities, and our offices in other locations can adequately support our business operations. Therefore, our Directors consider that the title defects do not have a material adverse effect on our business and results of operations. Should disputes arise due to title encumbrances to such properties or government action and we are required to vacate from these properties, we are able to relocate to other comparable premises nearby in a timely manner at minimal cost.

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Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered and filed with relevant administrative authorities. As of the Latest Practicable Date, none of our leased properties had been registered or filed. As advised by our PRC Legal Advisors, the non-registration of lease agreements will not affect the validity of such lease agreements, but competent administrative authorities may order parties to the lease agreements to complete the registration within a certain time limit and impose a fine ranging from RMB1,000 to RMB10,000 if the relevant parties fail to do so. As of the Latest Practicable Date, we had not been fined by the relevant PRC authorities with respect to these non-registered leases agreements. See “Risk Factors — Risks Related to Our Business and Industry — The failure to comply with PRC property laws and relevant regulations regarding certain of our leased properties may materially and adversely affect our business, financial condition, results of operations and prospects.”

INSURANCE

We have maintained insurance policies covering damages to certain of our properties. However, in line with general market practice, we do not maintain any business interruption insurance or business liability insurance, which are not mandatory under the applicable PRC laws. Any uninsured occurrence of business disruption, litigation or natural disasters, or any significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. For related risks, see “Risk Factors — Risks Related to Our Business and Industry — Our insurance coverage may not be adequate, which could expose us to significant costs and business disruption.” During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

LICENSES, PERMITS AND APPROVALS

We held an ICP License for our operations of PEdata Database, PEDaily, NewSeed and Deal-Market, obtained necessary security permits for our offline industry events, and our services were operated within the business scope set out in the business licenses of the relevant operating entities. The following table sets forth a list of all material licenses, permits and approvals applicable to our business.

<u>License/Permit/Approval</u>	<u>Holder</u>	<u>Granting Authority</u>	<u>Expiry Date</u>	<u>Related Business Scope Permitted</u>
<i>Data Services</i>				
ICP License	Zero2IPO Ventures	Beijing Municipal Bureau of Communications (北京市通信管理局)	July 25, 2023	Information services (Internet information services)
Business License	Beijing Zero2IPO	The Administration of Market Regulation of Chaoyang District, Beijing (北京市朝陽區市場監督管理局)	December 16, 2049	Economic and trade consulting, etc.

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License/Permit/Approval	Holder	Granting Authority	Expiry Date	Related Business Scope Permitted
<i>Marketing Services</i>				
ICP License	Zero2IPO Ventures	Beijing Municipal Bureau of Communications (北京市通信管理局)	July 25, 2023	Information services (Internet information services)
Business License	Zero2IPO Ventures	The Administration of Market Regulation of Chaoyang District, Beijing (北京市朝陽區市場監督管理局)	September 9, 2033	Advertisement design, development and publish, advertisement agent services, Internet information services, etc.
Business License	Beijing Zero2IPO	The Administration of Market Regulation of Chaoyang District, Beijing (北京市朝陽區市場監督管理局)	December 16, 2049	Exhibition arrangement and organization, conference services, etc.
Business License	Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd.	The Business and Administration Bureau of Xi'an (西安市工商行政管理局)	June 28, 2033	Exhibition arrangement and organization, conference services, etc.
Business License	Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd.	The Administration of Market Regulation of Xuanwu District, Nanjing (南京市玄武區市場監督管理局)	Long-term	Conference services, etc.
Business License	Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd.	The Administration of Market Regulation of Jianye District, Nanjing (南京市建邺區市場監督管理局)	Long-term	Conference and exhibition services, etc.
<i>Consulting Services</i>				
ICP License	Zero2IPO Ventures	Beijing Municipal Bureau of Communications (北京市通信管理局)	July 25, 2023	Information services (Internet information services)
Business License	Beijing Zero2IPO	The Administration of Market Regulation of Chaoyang District, Beijing (北京市朝陽區市場監督管理局)	December 16, 2049	Enterprise management and consulting, etc.

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License/Permit/Approval	Holder	Granting Authority	Expiry Date	Related Business Scope Permitted
<i>Training Services</i>				
Business License	Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd.	The Administration of Market Regulation of Shangcheng District, Hangzhou (杭州市上城區市場監督管理局)	Long-term	Non-certified vocational training for adults, non-cultural education training for adults, etc.
Business License	Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd.	The Administration Examination and Approval Bureau of Jiaozhou, Shandong Province (山東省膠州市行政審批服務局)	Long-term	Non-certified vocational training for adults, non-cultural education training for adults, etc.

As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we had obtained licenses, permits, and approvals which are material to our operations from the relevant government authorities in China, and such licenses, permits and approvals remained in full effect. We renew all such licenses, permits and approvals from time to time to comply with the relevant laws and regulations. For details of related risk, see “Risk Factors — Risks Related to Our Business and Industry — We face risks and uncertainties with respect to the licensing requirements for our online platforms.”

AWARDS AND RECOGNITION

During the Track Record Period and up to the Latest Practicable Date, we had received recognition for the quality and popularity of our business. Some of the significant awards and recognition we have received are set forth below.

Year	Award/Recognition	Issuing Organization
2019	Honorary Content Creator of the Year — In-depth Content Creator (年度榮譽作者之深度內容創作者)	Sina Finance (新浪財經)
2019	Most Commercial Value Award (最具商業價值獎) in the new media area	DoNews (多牛傳媒)
2019	Best Breakthrough Award (最佳突破獎)	Baidu Wenku (百度文庫)
2018	In-depth Focus on Industry Vertical Award (垂直行業深耕獎)	PR Newswire (美通社)
2011	Vice President (副會長單位)	Zhongguancun Venture Capital and Equity Investment Association (中關村創業投資和股權投資基金協會)

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LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We are subject to legal proceedings, investigations and claims arising in the ordinary course of our business from time to time. During the Track Record Period and as of the Latest Practicable Date, we were not involved in any litigation or arbitration proceedings pending or, to our knowledge, threatened against us or any of our Directors that could have a material and adverse effect on our reputation, business, financial condition or results of operations.

Compliance

We are subject to a number of regulatory requirements and guidelines issued by the regulatory authorities in China. As advised by our PRC Legal Advisors, during the Track Record Period and up to the Latest Practicable Date, we complied with the relevant laws and regulations in all material respects.

ENVIRONMENTAL, HEALTH AND WORKPLACE SAFETY COMPLIANCE

Due to the nature of our business, we do not believe we are subject to any significant environmental, health and workplace safety regulations in China. As a result, we did not incur material environmental, health and workplace safety compliance cost during the Track Record period and we expect our future annual costs in relation to environmental, health and workplace safety compliance to be immaterial. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance with applicable environmental, health and workplace safety regulations.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

We are exposed to various risks associated with our operations. For more details, see “Risk Factors.” In addition, we also face numerous market risks, such as interest rate, credit and liquidity risks that arise in the normal course of our business. For a discussion on these market risks, see “Financial Information — Quantitative and Qualitative Disclosures about Market Risk.” We have implemented various policies and procedures to ensure effective risk management at each aspect of our operations, including the administration of daily operations, financial reporting and recording, and compliance with applicable laws and regulations.

Our Directors oversees and manages the overall risks associated with our operations. We have established an Audit Committee to review and supervise the financial reporting process and internal control system of our Group. See “Directors and Senior Management — Board Committees — Audit Committee” for the qualifications and experience of these committee members as well as a detailed description of the responsibility of our Audit Committee. We have prepared written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

Internal Control

We have engaged an independent internal control consultant to conduct an evaluation of our internal control system in connection with the Listing. The internal control consultant has conducted review procedures on our internal control system in certain aspects, including corporate governance, sales and procurement, financial reporting, general compliance, and assets management. Our internal control consultant did not identify any material internal control weaknesses or failures in reviewing our internal control system. Our internal control consultant put forward recommendations in November 2019 based on such review. We have implemented rectification and improvement measures, as the case may be, in response to these findings and recommendations. The internal control consultant performed follow-up procedures on our remedial actions in January 2020 and did not identify any material deficiency in our internal control system. After considering the remedial actions that we have taken, our Directors are of the view that our internal control system is adequate and effective for our current operations.

We have designated responsible personnel in our Company to monitor the ongoing compliance by our Company with the relevant PRC laws and regulations that govern our business operations and oversee the implementation of any necessary measures. In particular, we have implemented certain protocols and maintained certain systems to ensure data privacy and protection. See “— Data Privacy and Protection” for details. In addition, we plan to provide our Directors, senior management and relevant employees with continuing training programs and/or updates regarding the relevant PRC laws and regulations on a regular basis with a view to proactively identify any concerns and issues relating to any potential non-compliance.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Ni, through JQ Brothers Ltd., held approximately 55.4096% of the total issued share capital of our Company. Immediately after the completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), Mr. Ni, through JQ Brothers Ltd., will be beneficially interested in approximately 48.0216% of the enlarged share capital of our Company. Accordingly, Mr. Ni and JQ Brothers Ltd. will continue to be Controlling Shareholders of our Company upon the Listing.

BUSINESS DELINEATION AND COMPETITION

We offer a comprehensive portfolio of both online and offline equity investment services which can be categorized into data services, marketing services, consulting services and training services (collectively, the “**Core Business**”).

As of the Latest Practicable Date, other than the interest in our Group, Mr. Ni also owned approximately 58.08% of the equity interests in and served as the chairman of the board of Zero2IPO Group, which is primarily engaged in fund management and equity investment business that does not belong to or compete with the Core Business. With about 20 years of operating history, Zero2IPO Group currently manages approximately 40 funds, and has made over 280 investments through funds and direct equity investments. In addition, Mr. Ni has invested in over 20 enterprises in various industries, including culture, media, youth education and e-commerce industries, which do not compete with the Core Business.

Our Controlling Shareholders and our Directors confirm that as of the Latest Practicable Date, neither of them nor their respective close associates have any interest in any business, apart from the Core Business operated by members of our Group, that competes or is likely to compete, directly or indirectly, with the Core Business and would require disclosure pursuant to Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective close associates after the Listing.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Management Independence

Our business is managed and conducted by our Board and senior management. Upon the completion of the Listing, our Board consists of three executive Directors, one non-executive Director and three independent non-executive Directors. The table below sets forth the overlapping directors and senior management between our Group on the one hand, and our Controlling Shareholders and their close associates on the other hand:

<u>Name</u>	<u>Positions in our Company</u>	<u>Main positions in our Controlling Shareholders and their close associates</u>
Mr. NI Zhengdong	Chairman, executive Director and chief executive officer	chairman of Zero2IPO Group, director of JQ Brothers Ltd., director of certain subsidiaries of Zero2IPO Group
Ms. FU Xinghua	executive Director and senior vice president	partner of Zero2IPO Group
Ms. ZHANG Yanyan	executive Director and senior vice president	partner of Zero2IPO Group
Mr. KUNG Hung Ka	non-executive Director	director of Zero2IPO Group
Mr. HU Zhiguang	senior vice president	partner of Zero2IPO Group

Mr. Ni is our chairman, executive Director, chief executive officer and Controlling Shareholder. He has served as a director of Zero2IPO Group since 2005, and then as the chairman of Zero2IPO Group since February 2017. Mr. Ni also served as a director of certain subsidiaries of Zero2IPO Group. He will continue to serve in such positions immediately following the Listing. It is expected that Mr. Ni will be responsible for formulating the overall corporate strategies and overseeing the performance of management of Zero2IPO Group and its subsidiaries, and will not be involved in the day-to-day business operations as he is not serving as the chief executive officer of Zero2IPO Group and relies on the management team of Zero2IPO Group to operate its business. Accordingly, Mr. Ni is able to devote majority of his time to perform his duties in the Group following the Listing.

Ms. FU Xinghua is our executive Director and senior vice president. She will continue to hold a position as partner of Zero2IPO Group immediately following the Listing. Ms. Fu's main responsibility within Zero2IPO Group has been management of the fund of funds business of Zero2IPO Group. Save as attending project initiation meetings and investment committee meetings, Ms. Fu does not have any other involvement in the day-to-day business operations of Zero2IPO Group. Following the Listing, Ms. Fu will dedicate majority of her time to the overall management of data services of the Group with the support of other management personnel of the Group, including the deputy general manager who is responsible for research and the operation of PEdata Database, and two senior managers who are responsible for customized reports and standardized reports.

Ms. ZHANG Yanyan is our executive Director and senior vice president. Although she will continue to hold a position as partner of Zero2IPO Group immediately following the Listing, it is expected that Ms. Zhang will serve as a non-executive role and will not be involved in daily business operation of Zero2IPO Group. Following the Listing, Ms. Zhang will dedicate all her time to the management of marketing service of the Group.

As Mr. KUNG Hung Ka is our non-executive Director, he will not be involved in the day-to-day management or affairs and operations of our business.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Mr. HU Zhiguang is our senior vice president. Although he will continue to hold a position as partner of Zero2IPO Group immediately following the Listing, it is expected that Mr. Hu will serve as a non-executive role and will not be involved in daily business operation of Zero2IPO Group. Following the Listing, Mr. Hu will dedicate all his time to the management of consulting and training service of the Group.

Save as disclosed above, none of the remaining members of our Board and senior management holds any position in our Controlling Shareholders and their close associates. Despite of the aforesaid overlapping personnel, our Directors consider that our Board and senior management will function independently of our Controlling Shareholders based on the devotion of sufficient time to us by the three executive Directors and because:

- (1) each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interest;
- (2) each of the aforementioned overlapping directors and senior management shall abstain from voting and not be counted in the quorum on any board resolution and/or decision making process relating to transactions between our Group and Zero2IPO Group where Zero2IPO Group has a material interest;
- (3) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Directors shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum;
- (4) we have three independent non-executive Directors, representing more than one-third of the members of our Board. Certain matters of our Company must always be referred to the independent non-executive Directors for review; and
- (5) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See “— Corporate Governance Measures.”

Operational Independence

We have established our own organizational structure comprised of individual departments, each with specific areas of responsibilities. We have also established various internal controls procedures to facilitate the effective operation of our business. Our Group is not operationally dependent on our Controlling Shareholders. Our Company (through our subsidiaries and the Consolidated Affiliated Entities) holds or enjoys the benefit of all relevant licenses and owns all relevant intellectual property and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have independent access to our customers and suppliers.

Based on the above, our Directors believe that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates.

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Financial Independence

Our Group has an independent financial system and makes financial decisions according to our Group's own business needs. Our Group's accounting and finance functions are independent of these of our Controlling Shareholders. During the Track Record Period, we primarily financed our business operation through business activities and equity financing. As of June 30, 2020, our Group had non-trade amount due to related parties of RMB3.9 million, which has been settled in October 2020. We believe our Group is able to obtain replacement financing from independent financial institutions without guarantees provided by our Controlling Shareholders if necessary, and the non-trade amount due to related parties is immaterial.

Having considered the above, our Directors confirm that we will not rely on our Controlling Shareholders for financing after the Global Offering as we expect that our working capital will primarily be funded from the Global Offering and cash flow from operations. Therefore, there is no financial dependence on our Controlling Shareholders and their respective close associate.

NON-COMPETITION UNDERTAKING

Deed of Non-Competition

On December 7, 2020, our Controlling Shareholders entered into the deed of non-competition in favor of our Company, pursuant to which our Controlling Shareholders have each undertaken to our Company that they will not and will procure their close associates (except any member of our Group) not to, directly or indirectly (whether in the capacity of principal or agent, whether for its own benefit or jointly with or on behalf of any person, firm or company, whether within or outside China), commence, engage in, participate in or acquire any business which competes or may compete directly or indirectly with our Core Business ("**Restricted Business**") or own any rights or interests in such business.

The Controlling Shareholders have each further undertaken that during the Restricted Period (as defined below), they should and will procure their close associates (except any member of our Group) (the Controlling Shareholders and their close associates together, "**Offeror**") to offer new business opportunities to us first in the following manner when any business, investment or other business opportunities ("**New Business Opportunities**") related to the Restricted Business become available to the Offerors:

- (1) the Offerors will refer New Business Opportunities to us, and will within twenty (20) business days inform us in writing ("**Offer Notice**") about all necessary and reasonably required information in respect of any New Business Opportunities (including but not limited to details of the nature and investment or acquisition cost of the New Business Opportunities) for us to consider (i) whether the relevant New Business Opportunities will compete with our business, and (ii) whether pursuit of the New Business Opportunities is in the interest of our Group;
- (2) upon receipt of the Offer Notice, the independent non-executive Directors will consider whether to pursue the New Business Opportunities taking into account whether the relevant New Business Opportunities would be able to achieve a sustainable profitability level, whether they are in line with the prevailing development strategies of our Group, and whether they are in the best interest of our Group and our Shareholders. Our Company must inform the Offeror in writing within twenty (20) business days after receipt of the Offer Notice about its decision on whether the New Business Opportunities will be pursued; and

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- (3) only when (i) the Offerors have received our notice to reject the New Business Opportunities and our confirmation that the relevant New Business Opportunities are not considered to be able to compete with our Restricted Business; or (ii) the Offerors have not received the relevant notice from our Company within the period as stated above in paragraph (2) after the Offer Notice has been received by us, then the Offerors are entitled to pursue the New Business Opportunities on terms and conditions not more favorable than those specified in the Offer Notice issued to us.

If material changes occur in the terms and conditions of the New Business Opportunities after the referral of which have been made or procured to be made to us by the Offerors, referral of the revised New Business Opportunities shall be made by the Offerors to us again in the manner as stated above.

The undertakings under the deed of non-competition are not applicable in the following circumstances:

- (1) the Controlling Shareholders and/or their respective close associates engage in the Restricted Business directly or indirectly through the ownership of equity interest in any member of our Group; or
- (2) the Controlling Shareholders and/or their respective close associates engage in the Restricted Business directly or indirectly through the ownership of equity interest in listed companies other than our Group, with the following conditions being satisfied:
 - (i) The Restricted Business (and relevant assets) conducted or carried out by such company represents less than 10% of the revenue or total assets of such company according to the latest audited accounts of such company; and
 - (ii) the Controlling Shareholders and/or their respective close associates (except any member of our Group) hold in aggregate not more than 10% of the issued share capital of relevant class of shares of such company, and the Controlling Shareholders and/or their respective close associates (except any member of our Group) have no right to appoint the majority of directors of such company or participate in the management of such company.

Pursuant to the deed of non-competition, the Restricted Period refers to the period which commences from the Listing Date and ends on the following dates (whichever is earlier):

- (1) the date when the Shares cease to be listed on the Stock Exchange; and
- (2) the date when the Controlling Shareholders cease to be controlling shareholders of our Company.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have put in place sufficient corporate governance measures to manage the conflict of interest and potential competition from our Controlling Shareholders and safeguard the interest of the Shareholders, including that:

- (1) our independent non-executive Directors will review, at least on an annual basis, whether there are any conflict of interest between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (2) our independent non-executive Directors will review the compliance with the undertakings under the deed of non-competition by our Controlling Shareholders on an annual basis;
- (3) our Controlling Shareholders will provide all information requested by our Company which is necessary for the annual review by our independent non-executive Directors;
- (4) our Company will disclose decisions on matters (if any) reviewed by our independent non-executive Directors in the annual reports of our Company or in the announcement under the Listing Rules;
- (5) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of his/its close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (6) our Company has established internal control mechanism to identify connected transactions. After the Listing, our Company will comply with the requirements in connection with connected transactions under the Listing Rules;
- (7) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professional will be made at our Company's expense;
- (8) we have appointed Fortune Financial Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance; and
- (9) we have established the audit committee, remuneration committee and nomination committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code.

Our Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between our Controlling Shareholders and their respective close associates and our Group and to protect the interests of our Shareholders, in particular, the minority Shareholders.

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BACKGROUND

Our online businesses under our data services, marketing services and consulting services, comprising PEdata Database, online information platforms and Deal-Market (the “**Relevant Businesses**”) are subject to foreign investment restrictions under PRC laws. To comply with the relevant PRC laws, our Relevant Businesses are directly conducted by our PRC operating entity, namely Zero2IPO Ventures, which has obtained the ICP License (a type of VATS license) that is essential to the operation of our Relevant Businesses. On June 24, 2020, we entered into the Contractual Arrangements through which we are able to exercise control over and enjoy all the economic benefits derived from the operations of Zero2IPO Ventures. The Contractual Arrangements have been narrowly tailored to achieve our business purpose and minimize the potential conflict with relevant PRC laws and regulations.

PRC LAWS AND REGULATIONS RELATING TO FOREIGN OWNERSHIP RESTRICTION

Investment activities in the PRC by foreign investors are mainly governed by the 2019 Negative List and the 2019 Encouraged Catalog. On June 23, 2020, the NDRC and the MOFCOM have jointly promulgated the 2020 Negative List which came into effect on July 23, 2020 and replaced the 2019 Negative List. As confirmed by our PRC Legal Advisors, according to the 2020 Negative List, our Relevant Businesses fall within the scope of VATS business and are thus subject to foreign investment restrictions.

On December 11, 2001, the State Council promulgated the Regulations for the Administration of Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the “**FITE Regulations**”), which were amended on September 10, 2008 and February 6, 2016, respectively. According to the FITE Regulations, foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services. In addition, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations (“**Qualification Requirement**”). Currently none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirement. The MIIT issued the latest guidance memorandum on the application requirement for establishing foreign-invested telecommunications enterprises in the PRC on August 1, 2019. According to this guidance memorandum, an applicant is required to provide, among other things, the foreign investor’s satisfactory proof of Qualification Requirement. The guidance memorandum does not provide any further guidance on the proof, record or document required to support the proof satisfying the Qualification Requirement. Further, this guidance memorandum does not purport to provide an exhaustive list on the application requirement.

On July 13, 2006, the Ministry of Information Industry, the predecessor of MIIT, issued the Notice on Strengthening the Administration of Foreign Investment in Operating Value-added Telecommunications Business (《關於加強外商投資經營增值電信業務管理的通知》) (the “**MIIT Notice**”). The MIIT Notice further strengthened regulation over foreign investment in value-added telecommunication services, including prohibiting domestic telecommunication service providers from leasing, transferring or selling telecommunication business operating licenses to any foreign investor in any form, or requiring domain names and trademarks used by any value-added telecommunication service providers to be held by either the holder of the VATS license or shareholders of such VATS license. Furthermore, domestic telecommunication service providers are prohibited from providing any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications businesses in China. If the VATS license holder fails to comply with the requirements in the MIIT Notice and fails to remedy its non-compliance within a specified period of time, the MIIT or its local branches may take measures against such license holder, including revoking its VATS license.

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According to the consultation on April 9, 2020 with the Beijing Communications Administration (北京市通信管理局), being the competent authority to confirm matters relating to the operation of VATS services and application for VATS license as confirmed by our PRC Legal Advisors, foreign investor's fulfillment of Qualification Requirement remains ultimately subject to substantive examination of the MIIT which will be analyzed and determined on a case-by-case basis.

As advised by our PRC Legal Advisors, we were given to understand that (i) the foreign investment in the VATS business is restricted under current PRC laws and regulations; (ii) the Qualification Requirement applies to the VATS business regardless of the percentage of foreign shareholding; and (iii) as of the Latest Practicable Date, no applicable PRC laws, regulations or rules have provided clear guidance or interpretation on the Qualification Requirement. There are substantial uncertainties for a sino-foreign equity joint venture to obtain the VATS license.

Despite the lack of clear guidance or interpretation on the Qualification Requirement, we have been gradually making efforts to build up our track record of overseas VATS business operations for the purpose of being qualified. In particular, we have taken the following measures to meet the Qualification Requirement:

- (i) We have applied for, and are in the process of registering trademarks in Hong Kong for the promotion of our Relevant Businesses overseas, including Southeast Asia, India and other emerging markets;
- (ii) We have developed PEdata, a mobile equity investment database targeting users in Southeast Asia, India and other emerging markets with localized data resources, and expect to launch it in the second half of 2020; and
- (iii) We have commenced feasibility studies on the further development of overseas marketing to optimize our strategic plan for expanding our current businesses to overseas markets, including Southeast Asia, India and other emerging markets.

As of June 30, 2020, we had expended approximately RMB1.6 million in connection with our efforts to establish overseas VTAS business operations. Based on the foregoing, our Directors are of the view that, subject to the discretion of the competent authority in determining whether we have fulfilled the Qualification Requirement, the above steps taken by us are generally regarded as relevant factors in relation to the Qualification Requirement. According to the consultation on November 19, 2020 with the MIIT, being the competent authority in relation to Qualification Requirement as confirmed by our PRC Legal Advisors, the MIIT confirmed that there is no set criteria for the Qualification Requirement and that steps such as those taken by us above may be generally deemed to fulfill the Qualification Requirement, however the MIIT has discretion to decide whether we satisfy the Qualification Requirement according to its substantive examination. In light of the foregoing, our PRC Legal Advisors is of the view that subject to the discretion of the MIIT on whether we have fulfilled the Qualification Requirement on a case-by-case basis, the above measures taken by us are reasonable steps towards fulfilling the Qualification Requirement. Although we may not be able to meet the Qualification Requirement in the near future, we will, as applicable and when necessary, disclose the progress of our overseas expansion plans and any updates to the Qualification Requirement in our annual and interim reports to inform Shareholders and other investors after the Listing. We will also make periodic inquiries to relevant PRC authorities to understand any new regulatory development and assess whether our level of overseas experience is sufficient to meet the Qualification Requirement.

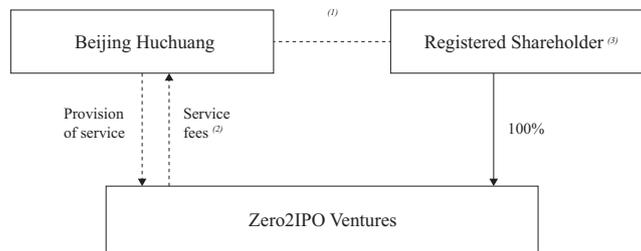
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We currently do not meet the Qualification Requirement as we have no experience in operating any VATS business outside of the PRC. According to the consultation with the MIIT on November 19, 2020, the MIIT confirmed that, in the case of our Company, we are practically unlikely to obtain an ICP License through any Sino-foreign equity joint venture or wholly foreign-owned enterprise due to policy reasons even if we meet the Qualification Requirement. As advised by our PRC Legal Advisors, the MIIT is the issuing authority for applications of ICP License by Sino-foreign equity joint ventures, and accordingly, the MIIT is the competent authority to give the above confirmations; and therefore, it is not viable for the Company to hold Zero2IPO Ventures directly or indirectly through equity ownership. Instead, in line with common practice in companies conducting value-added telecommunication business in the PRC subject to foreign investment restrictions and Qualification Requirement, the Company would gain effective control over, and receive all the economic benefits generated by the business currently operated by Zero2IPO Ventures through the Contractual Arrangements among Beijing Huchuang, Zero2IPO Ventures and the Registered Shareholder. The Contractual Arrangements allow the financials and results of operations of Zero2IPO Ventures to be consolidated into our financials and results of operations under HKFRSs as if it were a wholly-owned subsidiary of our Group.

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Overview

The following simplified diagram illustrates the flow of economic benefits from the Zero2IPO Ventures to our Group stipulated under the Contractual Arrangements.



Notes:

- (1) Control of Beijing Huchuang over Zero2IPO Ventures through the following agreements with the Registered Shareholder: (i) Powers of Attorney, (ii) Exclusive Option Agreement, and (iii) Share Pledge Agreement.
- (2) Control of Beijing Huchuang over Zero2IPO Ventures through Exclusive Business Cooperation Agreement.
- (3) Registered Shareholder refers to the registered shareholder of Zero2IPO Ventures, namely Zero2IPO Group, which is controlled by Mr. Ni. See “Relationship with Our Controlling Shareholders” for details. As of the Latest Practicable Date, the following persons together held 100% equity interests in Zero2IPO Group.

Shareholders of Zero2IPO Group	Approximately percentage of shareholding
Mr. Ni	54.9337%
Taizhou Hongchao Enterprise Management Consulting Co., Ltd. (台州宏潮企业管理諮詢有限公司)	8.0222%
WANG Dong (王東)	5.8224%
Existing and previous management of Zero2IPO Group	3.9970%
Other shareholders of Zero2IPO Group	27.2247%
Total	100%

See the table under the section headed “History, Reorganization and Corporate Structure – Our Reorganization – Step 4: Issuance of our Shares to the shareholders of Zero2IPO Group” for details of the existing and previous management and other shareholders of Zero2IPO Group.

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Summary of the Agreements under the Contractual Arrangements

A description of each of the specific agreements that comprise the Contractual Arrangements is set out below.

Exclusive Option Agreement

Zero2IPO Ventures and the Registered Shareholder, namely Zero2IPO Group, entered into an exclusive option agreement with Beijing Huchuang on June 24, 2020 (the “**Exclusive Option Agreement**”), pursuant to which Beijing Huchuang (or its designee) has an irrevocable and exclusive right to purchase from the Registered Shareholder all or any part of its equity interests in Zero2IPO Ventures, and an irrevocable and exclusive right to purchase from Zero2IPO Ventures all or any part of its assets at a minimal price required by the relevant government authorities or PRC laws. To the extent permitted by applicable PRC laws and regulations, the Registered Shareholder and/or Zero2IPO Ventures shall return the amount of purchase price they have received in full to Beijing Huchuang. At Beijing Huchuang’s request, the Registered Shareholder and/or Zero2IPO Ventures will promptly and unconditionally transfer their respective equity interests and/ or assets to Beijing Huchuang (or its designee) after Beijing Huchuang exercises its this option. The Exclusive Option Agreement will not terminate until the purchased equity interests and/or the acquired assets have been transferred to Beijing Huchuang (or its designee) in accordance with the Exclusive Option Agreement. However, Beijing Huchuang has the right to unilaterally and unconditionally terminate the Exclusive Option Agreement at any time in written notice.

In order to prevent the flow of the assets and value of Zero2IPO Ventures to the Registered Shareholder, during the terms of the Exclusive Option Agreement, none of the assets of Zero2IPO Ventures shall be sold, transferred, pledged or otherwise disposed of without the prior written consent of Beijing Huchuang.

In addition, Zero2IPO Ventures is not allowed to make any distributions to the Registered Shareholder without the prior written consent of Beijing Huchuang. In the event that the Registered Shareholder receives any profit distribution or dividend from Zero2IPO Ventures, the Registered Shareholder must immediately pay or transfer such amount to Beijing Huchuang (or its designee). If Beijing Huchuang exercises this option, all or any part of the equity interests of Zero2IPO Ventures acquired would be transferred to Beijing Huchuang and the benefits of equity ownership would flow to the Company and our Shareholders.

Exclusive Business Cooperation Agreement

Zero2IPO Ventures entered into an exclusive business cooperation agreement with Beijing Huchuang on June 24, 2020 (the “**Exclusive Business Cooperation Agreement**”), pursuant to which Beijing Huchuang agreed to be engaged as the exclusive provider to Zero2IPO Ventures of business support, technical and consulting services, including technology services, network support and maintenance, research and development, business and management consultancy, intellectual property licensing, equipment leasing, market research and other services, in exchange for service fees. Under these arrangements, the service fees, subject to Beijing Huchuang’s adjustment, are equal to 100% of the total profit of Zero2IPO Ventures, after deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year.

Intellectual property rights are developed during the normal course of business of Zero2IPO Ventures. Pursuant to the Exclusive Business Cooperation Agreement, Beijing Huchuang has the exclusive and proprietary rights to all intellectual properties developed by Zero2IPO Ventures, given Beijing Huchuang provides consulting services to Zero2IPO Ventures. Zero2IPO Ventures is required under the Contractual Arrangements to obtain Beijing Huchuang’s prior written consent

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before it transfers, assigns or disposes of any of its intellectual properties to any third party. Our PRC Legal Advisors are of the opinion that (1) such provision relating to the intellectual properties will not result in these agreements being challenged by the relevant government authorities in the PRC; and (2) it is legal for Zero2IPO Ventures to hold the intellectual property rights in relation to the Group's business. The Exclusive Business Cooperation Agreement is for an initial term of ten years and may be extended by Beijing Huchuang for a term of ten years.

Share Pledge Agreement

Zero2IPO Ventures, the Registered Shareholder and Beijing Huchuang entered into a share pledge agreement on June 24, 2020 (the "**Share Pledge Agreement**"). Under the Share Pledge Agreement, the Registered Shareholder pledged all of its equity interests in Zero2IPO Ventures to Beijing Huchuang as collateral security for all of its payments due to Beijing Huchuang and to secure performance of all obligations of Zero2IPO Ventures and the Registered Shareholder under the Contractual Arrangements. The Share Pledge Agreement will not terminate until (1) all obligations of Zero2IPO Ventures and the Registered Shareholder under the Contractual Arrangements are satisfied in full; (2) Beijing Huchuang (or its designee) exercises its exclusive options to purchase the entire equity interests of the Registered Shareholder and/or the entire assets of Zero2IPO Ventures pursuant to the terms of the Exclusive Option Agreement when it is permitted to do so under the applicable PRC laws and Beijing Huchuang (or its designee) may conduct the business of Zero2IPO Ventures; (3) Beijing Huchuang exercises its unilateral and unconditional right of termination; or (4) the agreement is required to be terminated in accordance with applicable PRC laws and regulations.

In addition, under the Exclusive Option Agreement, the Registered Shareholder shall not transfer or permit the encumbrance of any of its equity interests in Zero2IPO Ventures without Beijing Huchuang's prior written consent. Furthermore, under the Exclusive Business Cooperation Agreement, Beijing Huchuang is entitled to retain and exercise physical control of company seals and certificates that are crucial to the daily operations of Zero2IPO Ventures, which further strengthens the protection of Beijing Huchuang's interests over Zero2IPO Ventures under the Contractual Arrangements. Should an event of default (as provided in the Share Pledge Agreement) occur, unless it is successfully resolved to Beijing Huchuang's satisfaction within 30 days upon being notified by Beijing Huchuang, Beijing Huchuang may demand that the Registered Shareholder and/or Zero2IPO Ventures immediately pay all outstanding payments due under the Contractual Arrangements, repay any loans and make all other payments due to Beijing Huchuang, and/or dispose of the pledged equity interests and use the proceeds to repay any outstanding payments due to Beijing Huchuang.

The pledges under the Share Pledge Agreement will be duly registered with the relevant PRC authority pursuant to PRC laws and regulations prior to the Listing.

Powers of Attorney

An irrevocable power of attorney was entered into by and among the Registered Shareholder, Beijing Huchuang and Zero2IPO Ventures on June 24, 2020 (the "**Powers of Attorney**"), whereby the Registered Shareholder appointed Beijing Huchuang, or any director of the Company or other person designated by it (excluding any person who may give rise to conflicts of interest), as its exclusive agent and attorney to act on its behalf to exercise all of its rights as registered shareholder of Zero2IPO Ventures. These rights include but not limited to (1) the right to propose, convene and attend shareholders' meetings; (2) the right to sell, transfer, pledge or dispose of equity interests; (3) the right to exercise shareholders' voting rights; and (4) the right to appoint the legal representative (chairperson), the director, supervisor, the chief executive officer (general

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manager) and other senior management members of Zero2IPO Ventures. The authorized person is entitled to sign minutes, file documents with the relevant authorities and exercise voting rights on the winding up of Zero2IPO Ventures on behalf of the Registered Shareholder. The Registered Shareholder has undertaken to transfer all assets obtained after the winding up of Zero2IPO Ventures to Beijing Huchuang at nil consideration or the lowest price allowed under the then applicable PRC laws and regulations. As a result of the Powers of Attorney, the Company, through Beijing Huchuang, is able to exercise management control over the activities that most significantly impact the economic performance of Zero2IPO Ventures.

The Powers of Attorney also provides that, in order to avoid potential conflicts of interest, where the officers or directors of the Registered Shareholder are officers or directors of the Company, the power of attorney is granted to officers or directors of the Company other than those who are officers or directors of the Registered Shareholder.

The Powers of Attorney shall automatically terminate once Beijing Huchuang (or any member of the Group other than Zero2IPO Ventures) directly holds the entire equity interests in and/or the entire assets of Zero2IPO Ventures once permitted under the then PRC laws and Beijing Huchuang (or its subsidiaries) is allowed to conduct the Relevant Businesses under the then PRC laws, following which Beijing Huchuang shall be registered as the sole shareholder of Zero2IPO Ventures.

Succession

Pursuant to the Contractual Arrangements, any successor of the Registered Shareholder shall assume any and all rights and obligations of the Registered Shareholder under the Contractual Arrangements as a result of its liquidation, bankruptcy or under other circumstances which would affect its exercise of equity interest in Zero2IPO Ventures, as if the successor was a signing party to such Contractual Arrangements.

Given that (1) under the PRC Contract Law, where the Registered Shareholder is involved in a merger or division subsequent to the entering into the Contractual Arrangements, the legal person or other entity created by the merger or division shall enjoy all rights and perform all obligations under the Contractual Arrangements in principle; (2) according to the Exclusive Option Agreement, the Registered Shareholder has undertaken, in any event which causes the inability of the Registered Shareholder to perform its obligations, to transfer all of the equity interests in Zero2IPO Ventures held by it without consideration to an individual or legal entity designated by Beijing Huchuang under applicable PRC law, which shall, as required by Beijing Huchuang, continuously obey and perform the Contractual Arrangements; and (3) the Contractual Arrangements also stipulate that (a) the Registered Shareholder shall not dispose of its equity interests in Zero2IPO Ventures without the prior written consent of Beijing Huchuang; (b) the Registered Shareholder shall not transfer any of its rights and obligations under the Contractual Arrangements for any reason without the written consents of other parties to the Contractual Arrangements, and the Registered Shareholder shall ensure that the successor continues to abide by and perform its rights and obligations under the Contractual Arrangements and shall not affect or hinder the performance of the Contractual Arrangements, despite that the successors of the Registered Shareholders are not parties to the Contractual Arrangements, our PRC Legal Advisors are of the opinion that, subject to applicable PRC laws and regulations, the provisions set out in the Contractual Arrangements are legally binding upon the Registered Shareholder and will be further substantially binding on the successors of the Registered Shareholder, as if the successor was a signing party to the Contractual Arrangements.

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Our PRC Legal Advisors are of the view that subject to applicable laws and regulations, (1) the Contractual Arrangements provide protection to the Group even in the event of liquidation or bankruptcy of the Registered Shareholder; and (2) liquidation or bankruptcy of the Registered Shareholder would not affect the validity of the Contractual Arrangements, and Beijing Huchuang can enforce its right under the Contractual Arrangements against the successors of the Registered Shareholder.

Dispute Resolution

Each of the Contractual Arrangements stipulates that the parties shall negotiate in good faith to resolve the dispute in the event of any dispute with respect to the construction and performance of the provisions. In the event the parties fail to reach an agreement on the resolution of such a dispute within 30 days after any party's request for resolution of the dispute through negotiations, any party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission for arbitration, in accordance with the then effective arbitration rules. The arbitration shall be conducted in Beijing, and the language used during arbitration shall be Chinese. The arbitration ruling shall be final and binding on all parties. Any party shall have the right to apply to the courts with competent jurisdiction for enforcement of arbitration rulings after the arbitration rulings come into force.

Each of the Contractual Arrangements also provides that the arbitral tribunal may award remedies over the equity interest, property interest or other assets of Zero2IPO Ventures, injunctive relief (e.g. to limit the conduct of business or to compel the transfer of assets) or order the winding up of Zero2IPO Ventures; and the courts of Hong Kong, the Cayman Islands (being the place of incorporation of the Company) and other jurisdiction where the principal assets of Zero2IPO Ventures are located also have jurisdiction for the grant and/or enforcement of the arbitral award and the interim remedies against the equity interest, property interest or other assets of Zero2IPO Ventures.

However, our PRC Legal Advisors have advised that the tribunal normally would not grant such kind of injunctive relief or winding up order of Zero2IPO Ventures under the PRC laws. For instance, the arbitral tribunal has no power to grant such injunctive relief, nor will it be able to order the winding up of Zero2IPO Ventures pursuant to the current PRC laws. In addition, interim remedies or enforcement order granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in China. Even if the above-mentioned provisions may not be enforceable under PRC laws, the remaining provisions of the dispute resolution clauses are legal, valid and binding on the parties to the agreement under the Contractual Arrangements.

Arrangements to Address Potential Conflicts of Interests

The Registered Shareholder has undertaken that during the period that the Contractual Arrangements remain effective,

- (i) unless otherwise agreed by Beijing Huchuang in writing, the Registered Shareholder would not, directly or indirectly participate, or be interested, or engage in, any business which is or may potentially be in competition with the businesses of Zero2IPO Ventures or any of its subsidiaries where Beijing Huchuang has the sole absolute discretion to determine whether such conflict arises;
- (ii) it shall not execute any documents with or make any undertaking to any third parties that may have conflicts of interests with any agreements entered into by Zero2IPO Ventures or Beijing Huchuang; and

CONTRACTUAL ARRANGEMENTS

- (iii) any of its actions or omissions would not lead to any conflict of interest between it and Beijing Huchuang (including but not limited to its shareholders). Furthermore, in the event of the occurrence of a conflict of interests (where Beijing Huchuang has the sole absolute discretion to determine whether such conflict arises), it agrees to take any appropriate actions upon the consents of Beijing Huchuang or its designee to eliminate such conflicts, failing which Beijing Huchuang has the right to exercise the option under the Exclusive Option Agreement.

Loss Sharing

None of the agreements constituting the Contractual Arrangements provides that the Company or Beijing Huchuang, is obligated to share the losses of Zero2IPO Ventures, but if Zero2IPO Ventures suffers any losses or material difficulties of business, Beijing Huchuang may provide financial support as permitted under PRC laws at its discretion to Zero2IPO Ventures under the terms of the Exclusive Business Cooperation Agreement. Further, Zero2IPO Ventures is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Under PRC laws and regulations, the Company or Beijing Huchuang, is not expressly required to share the losses of Zero2IPO Ventures or provide financial support to Zero2IPO Ventures. Despite the foregoing, given that the Group conducts Relevant Businesses in the PRC through Zero2IPO Ventures which holds the requisite PRC licenses and approvals, and that Zero2IPO Ventures's financial condition and results of operations are consolidated into the Group's financial condition and results of operations under the applicable accounting principles, the Company's business, financial condition and results of operations would be adversely affected if Zero2IPO Ventures and its subsidiaries suffers losses.

However, as provided in the Exclusive Option Agreement, without the prior written consent of Beijing Huchuang, Zero2IPO Ventures shall not (1) sell, transfer, pledge or dispose of in any manner any of its assets, business and economic rights; (2) execute any contract, except the contracts in the ordinary course of business or contracts entered into with subsidiaries of our Company; (3) merge, consolidate with, acquire or invest in any entity; (4) provide any loan, credit or guarantees in any form to any party, or allow any party create any other security interest on its assets or equity; (5) incur, inherit, guarantee or allow any debt that is not incurred in the ordinary course of business; or (6) increase or reduce its registered capital, or alter the structure of the registered capital in any other way. Therefore, due to the relevant restrictive provisions in the agreements, the potential adverse effect on Beijing Huchuang and the Company in the event of any loss suffered from Zero2IPO Ventures can be limited to certain extent.

Liquidation

Pursuant to the Exclusive Option Agreement, in the event of a mandatory liquidation required by the laws of PRC, Zero2IPO Ventures shall sell all of its assets and any residual interest through a non-reciprocal transfer to the extent permitted by the laws of PRC to Beijing Huchuang or another qualifying entity designated by Beijing Huchuang, at the lowest selling price permitted by applicable laws of the PRC. Any obligation for Beijing Huchuang to pay Zero2IPO Ventures as a result of such transaction shall be waived by Zero2IPO Ventures or any proceeds from such transaction shall be paid to Beijing Huchuang or the qualifying entity designated by Beijing Huchuang in partial satisfaction of the service fees under the Exclusive Business Cooperation Agreement, as applicable under the then effective laws of the PRC.

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Termination

Pursuant to the Contractual Arrangements, Beijing Huchuang has the unilateral right to terminate these agreements at any time by providing written notice to the Registered Shareholder and/or Zero2IPO Ventures. The Contractual Arrangements shall terminate once Beijing Huchuang holds the entire equity interests in Zero2IPO Ventures and/or the entire assets of Zero2IPO Ventures in the event that Beijing Huchuang or its subsidiaries are allowed to conduct the Relevant Businesses directly that Zero2IPO Ventures operates under the then PRC laws.

Insurance

The Company does not maintain an insurance policy to cover the risks relating to the Contractual Arrangements.

Company's Confirmation

As of the Latest Practicable Date, our Company had not encountered any interference or encumbrance from any PRC governing bodies in operating its businesses through Zero2IPO Ventures under the Contractual Arrangements.

Circumstances under which we will Adjust or Unwind the Contractual Arrangements

Our Group will adjust or unwind (as the case maybe) the Contractual Arrangements as soon as practicable in respect of the operation of our Relevant Businesses to the extent permissible and we will directly hold the maximum percentage of ownership interests permissible under relevant PRC laws and regulations.

LEGALITY OF THE CONTRACTUAL ARRANGEMENTS

Beijing Huchuang's right to deal with the pledged equity interest in Zero2IPO Ventures under the Share Pledge Agreement and its option to acquire the equity interest in Zero2IPO Ventures and/or the assets of Zero2IPO Ventures under the Exclusive Option Agreement are confined to be carried out in a manner as permitted by the relevant PRC laws. Further, the pledge created under the Share Pledge Agreement shall only become effective upon such pledge having been duly registered with the local administration bureau for SAMR.

Our PRC Legal Advisors are also of the opinion that:

- (1) each of Beijing Huchuang, Zero2IPO Ventures and the Registered Shareholder is an independent legal entity which is duly incorporated, and their respective establishment is valid, effective and complies with the relevant PRC laws; each of Beijing Huchuang, Zero2IPO Ventures and the Registered Shareholder has also obtained all necessary approvals and completed all registration procedures as required by the applicable PRC laws and regulations;
- (2) each of the agreements under the Contractual Arrangements is legal, valid and binding on the parties thereto;
- (3) no agreements under the Contractual Arrangements violate any provisions of the articles of association of Beijing Huchuang, Zero2IPO Ventures or the Registered Shareholder;

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- (4) the Contractual Arrangements do not require any approvals from the PRC governmental authorities, except that (a) the pledges under the Share Pledge Agreement are subject to registration requirement with the relevant local administration bureau for SAMR, registration of which will be completed prior to the Listing; and (b) the Exclusive Option Agreement is subject to approval and/or registration with MOFCOM or its branch, local administration bureau for SAMR, and the MIIT or its branch upon the exercise by Beijing Huchuang or its designee of its option rights under the Exclusive Option Agreement to acquire all or part of the equity interests in or assets of Zero2IPO Ventures;
- (5) the Contractual Arrangements are not in violation of applicable PRC laws and regulations, except that the Contractual Arrangements provide that the arbitral body may award remedies over the shares and/or assets of Zero2IPO Ventures, injunctive relief and/or winding up of Zero2IPO Ventures, and that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal, while under PRC laws, an arbitral body has no power to grant injunctive relief and may not directly issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in Zero2IPO Ventures in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts such as Hong Kong and the Cayman Islands may not be recognizable or enforceable in China; and
- (6) the consummation of the contemplated listing of the Shares on the Stock Exchange is not a violation of the Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》), which was adopted by six PRC regulatory agencies, including MOFCOM and the China Securities Regulatory Commission, and effective since September 2006 and amended on June 22, 2009.

In addition, our PRC Legal Advisors and the Sole Sponsor's PRC legal advisors, Jingtian & Gongcheng, conducted an interview with the Beijing Communications Administration on April 9, 2020 in respect of our Contractual Arrangements, which confirmed that: (1) the Contractual Arrangements are not subject to the supervision from it; and (2) the Contractual Arrangements are not prohibited by current PRC laws or regulations. Our PRC Legal Advisors are of the view that the Beijing Communications Administration is competent and authorized to interpret the relevant laws, regulations and rules of the PRC for the industry in which the Company operates its business and make the abovementioned oral confirmation.

Based on the above analysis and advice from our PRC Legal Advisors, our Directors are of the view that the Contractual Arrangements are not likely to be challenged by the relevant authorities in the PRC. See "Risk Factors — Risks Related to Our Contractual Arrangements."

We have also been advised by our PRC Legal Advisors that (1) the transfer of economic benefits from Zero2IPO Ventures to Beijing Huchuang, and the pledging of the entire equity interest in Zero2IPO Ventures to Beijing Huchuang under the Contractual Arrangements would not be deemed a violation of the relevant PRC laws and regulations; (2) the Contractual Arrangements will not be likely to be challenged by the PRC tax authorities or other government authorities, provided that Beijing Huchuang and Zero2IPO Ventures implement the Contractual Arrangements in accordance with the terms therein, unless the PRC tax authorities determine that such transactions are not conducted on an arm's length basis. See "Risk Factors — Risks Related to Our Contractual Arrangements — Our Contractual Arrangements may not be as effective in providing operational control as direct ownership. Zero2IPO Ventures or its shareholder may fail to perform their obligations under our Contractual Arrangements."

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We are aware that a Supreme People's Court ruling made in October 2012 and two arbitral decisions from the Shanghai International Economic and Trade Arbitration Commission made in 2010 and 2011 have invalidated certain agreements which were deemed to be for the intention of circumventing foreign investment restrictions in the PRC, holding that the agreements violated the prohibition against "concealing an illegitimate purpose under the guise of legitimate acts" set out in Article 52 of the PRC Contract Law and the General Principles of the PRC Civil Law. It has been further reported that these court rulings and arbitral decisions may increase (1) the possibility of the PRC courts and/or arbitration panels taking similar actions against contractual structures commonly adopted by foreign investors to engage in restricted businesses in the PRC and (2) the incentive for the Registered Shareholder of Zero2IPO Ventures under such contractual structures to renege on their contractual obligations.

Pursuant to Article 52 of the PRC Contract Law, a contract is void under any of the following five circumstances: (1) the contract is concluded through the use of fraud or coercion by one party and thereby damages the interest of the State; (2) malicious collusion is conducted to damage the interest of the State, a collective unit or a third party; (3) the contract damages the public interest; (4) an illegitimate purpose is concealed under the guise of legitimate acts; or (5) the contract violates the mandatory provisions of the laws and administrative regulations. Our PRC Legal Advisors are of the view that the relevant terms of our Contractual Arrangements do not fall within any of the aforementioned five circumstances, and in particular, would not be deemed as "concealing an illegitimate purpose under the guise of legitimate acts" under Article 52 of the PRC Contract Law, and do not violate the provisions of the PRC Contract Law or the General Principles of the PRC Civil Law.

However, our PRC Legal Advisors also advised that as there are substantial uncertainties regarding the interpretation and application of the PRC laws, rules and regulations, there can be no assurance that the relevant PRC government would ultimately take a view that is consistent with the above opinion of our PRC Legal Advisors.

Given that the Contractual Arrangements will constitute non-exempt continuing connected transactions of our Company, a waiver has been sought from and has been granted by the Stock Exchange, details of which are disclosed in the section headed "Connected Transactions."

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Consolidation of Financial Results of Zero2IPO Ventures

Under the Exclusive Business Cooperation Agreement entered into by and between Beijing Huchuang and Zero2IPO Ventures, it was agreed that, in consideration of the services provided by Beijing Huchuang, Zero2IPO Ventures will pay service fees to Beijing Huchuang. The service fee, subject to Beijing Huchuang's adjustment, is equal to 100% of the total profit of Zero2IPO Ventures, after deduction of necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year. Beijing Huchuang may adjust the service fee at its sole discretion and allow Zero2IPO Ventures to retain sufficient working capital to carry out any growth plans. Zero2IPO Ventures shall deliver to Beijing Huchuang its management accounts and operating statistics upon Beijing Huchuang's request. Accordingly, Beijing Huchuang has the ability, at its sole discretion, to extract substantially all of the economic benefit of Zero2IPO Ventures through the Exclusive Business Cooperation Agreement.

In addition, under the Exclusive Option Agreement among the parties, Zero2IPO Ventures is not allowed to make any distributions to the Registered Shareholder.

CONTRACTUAL ARRANGEMENTS

Further, under the Powers of Attorney, Beijing Huchuang assumes all rights as shareholder and exercises control over Zero2IPO Ventures, including the right to propose, convene and attend shareholders' meetings, the right to sell, transfer, pledge or dispose of shares, the right to exercise shareholders' voting rights and to appoint the legal representative (chairperson), the director, supervisor, the chief executive officer (general manager) and other senior management members of Zero2IPO Ventures. As a result of these agreements, our Company has obtained control of Zero2IPO Ventures through Beijing Huchuang and, under our Company's sole discretion, can receive substantially all of the economic interest returns generated by Zero2IPO Ventures. Accordingly, Zero2IPO Ventures's results of operations, assets and liabilities, and cash flows are consolidated into our Company's financial statements.

In this regard, as presented in the Accountant's Report as set out in Appendix I to this prospectus, the financial information of Zero2IPO Ventures are consolidated into our Group's financial information as of and for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 as if Zero2IPO Ventures were a wholly-owned subsidiary of our Group. The revenues of the Relevant Businesses for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 were RMB16.0 million, RMB19.0 million, RMB24.8 million and RMB9.9 million, respectively.

DEVELOPMENT IN THE PRC LEGISLATION ON FOREIGN INVESTMENT

Background of the FIL

On March 15, 2019, the second meeting of the 13th National People's Congress of PRC approved the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "FIL") which became effective on January 1, 2020. The FIL replaced the Sino-foreign Equity Joint Venture Enterprise Law of the PRC, the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC and the Wholly Foreign-invested Enterprise Law of the PRC to become the legal foundation for foreign investment in the PRC. The FIL stipulates three specific forms of foreign investment, but does not explicitly stipulate the contractual arrangements as a form of foreign investment.

The Potential Impact of the FIL on the Contractual Arrangements

The FIL specifically stipulates three specific forms of foreign investment, namely, (1) establishment of a foreign invested enterprise in the PRC by a foreign investor, either individually or collectively with any other investor; (2) obtaining shares, equity interests, assets, interests or any other similar rights or interests of an enterprise in the PRC by a foreign investor; and (3) investment in any new construction project in the PRC by a foreign investor, either individually or collectively with any other investor.

Unlike the discussion draft of the proposed Foreign Investment Law of the PRC (《中華人民共和國外國投資法 (草案徵求意見稿)》) (the "2015 Draft FIL") published in January 2015 by the MOFCOM, the FIL (1) does not adopt the principle of "actual control" in determining whether a company is considered a foreign invested enterprise or foreign invested entity, which was introduced by the 2015 Draft FIL, and (2) does not explicitly stipulate the contractual arrangements as a form of foreign investment. As advised by our PRC Legal Advisors, (1) in respect of the legislative procedures under the PRC laws and regulations, the FIL has been

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promulgated by the National People's Congress of the PRC and thus, the 2015 Draft FIL is no longer applicable, and (2) provided that no additional laws, administrative regulations, departmental rules or other regulatory documents on contractual arrangements has been issued and enacted, the FIL does not, by itself, have any material adverse operational and financial impact on the legality and validity of the Company's Contractual Arrangements.

Notwithstanding the above, the FIL stipulates that foreign investment includes "foreign investors invest through any other methods under laws, administrative regulations or provisions prescribed by the State Council." Therefore, there remains uncertainty regarding whether future laws, administrative regulations or provisions prescribed by the State Council may regard contractual arrangements as a form of foreign investment, whether our Contractual Arrangements will be deemed to be in violation of the foreign investment access requirements and how the above-mentioned Contractual Arrangements will be handled. In the event that such measures are not complied with, the Stock Exchange may take enforcement actions against us which may have a material adverse effect on the trading of our Shares. See "Risk Factors — Risks Related to Our Contractual Arrangements." Our Company will disclose, as soon as possible, updates of changes to the FIL that will materially and adversely affect our Company as and when occur.

CONNECTED TRANSACTIONS

OUR CONNECTED TRANSACTIONS

Our Directors confirmed that as of the Latest Practicable Date, we have no transactions that will constitute continuing connected transactions under Chapter 14A of the Listing Rules after the Listing, except for the transactions contemplated under the Contractual Arrangements, through which we obtained effective control over the financial and operational policies of our Consolidated Affiliated Entities and become entitled to all the economic benefits derived from its operations.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Contractual Arrangements

Background

As disclosed in the section headed “Contractual Arrangements” in this prospectus, due to regulatory restrictions on foreign ownership in the PRC, we conduct certain portion of our business through Zero2IPO Ventures, being one of our Consolidated Affiliated Entities. We do not hold any equity interests in Zero2IPO Ventures, which is held by Zero2IPO Group. Instead, we effectively control Zero2IPO Ventures and are able to derive substantially all of its economic benefits through the Contractual Arrangements and expect to continue to do so. The Contractual Arrangements among Beijing Huchuang, Zero2IPO Group and Zero2IPO Ventures enable us to, (1) receive substantially all of the economic benefits from Zero2IPO Ventures in consideration for the services provided by Beijing Huchuang thereto; (2) exercise effective control over Zero2IPO Ventures; and (3) hold an exclusive option to purchase all or part of the equity interests in Zero2IPO Ventures when and to the extent permitted by PRC laws.

The Contractual Arrangements consist of various types of documents. For detailed terms of these documents, see “Contractual Arrangements.”

Listing Rules Implications

Zero2IPO Group is an entity controlled by Mr. Ni, our chairman of the Board, an executive Director, chief executive officer and our Controlling Shareholder, and thus is a connected person of our Group pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Contractual arrangements constitute continuing connected transactions of our Company under the Listing Rules upon the Listing.

One or more of the applicable percentage ratios of transactions contemplated under the Contractual Arrangements are expected to be more than 5%. Therefore, the transactions will constitute non-exempt continuing connected transactions of our Group and will be subject to reporting, announcement, circular, annual review and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Reasons for the Waiver Application

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated thereunder are fundamental to our Group’s legal structure and business operations, that such transactions have been and shall be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms or better, which are fair and reasonable and in the interests of our Group and our Shareholders as a whole. Accordingly, notwithstanding that the transactions contemplated under the Contractual Arrangements and any new transactions, contracts and agreements or renewal of existing agreements to be entered into between our Consolidated Affiliated Entities and any member of our Group (“**New Intergroup Agreements**” and each of them, a “**New Intergroup**

CONNECTED TRANSACTIONS

Agreement”) technically constitute continuing connected transactions under Chapter 14A of the Listing Rules, our Directors consider that, given that our Group is placed in a special situation in relation to the connected transactions rules under the Contractual Arrangements, it would be unduly burdensome and impracticable, and would add unnecessary administrative costs to our Company if such transactions are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among others, the reporting, announcement, circular, independent shareholders’ approval requirements.

Application for Waiver

In view of the Contractual Arrangements, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with (1) the announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the transactions contemplated under the Contractual Arrangements pursuant to Rule 14A.105 of the Listing Rules, (2) the requirement of setting an annual cap for the transactions under the Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (3) the requirement of limiting the terms for the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as our Shares are listed on the Stock Exchange subject however to the following conditions:

(a) No change without independent non-executive Directors’ approval

No change to the Contractual Arrangements (including with respect to any fees payable to Beijing Huchuang thereunder) will be made without the approval of the independent non-executive Directors.

(b) No change without independent Shareholders’ approval

Save as described in paragraph (d) below, no change to the agreements governing the Contractual Arrangements will be made without the approval of our Company’s independent Shareholders. Once independent Shareholders’ approval of any change has been obtained, no further announcement or approval of the independent shareholders will be required under Chapter 14A of the Listing Rules unless and until further changes are proposed. The periodic reporting requirement regarding the Contractual Arrangements in the annual reports of our Company (as set out in paragraph (e) below) will however continue to be applicable.

(c) Economic benefits flexibility

The Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entities through: (1) our Group’s option (if and when so allowed under the applicable PRC laws) to acquire, all or part of the entire equity interests in the Consolidated Affiliated Entities for consideration equivalent to the minimum purchase price permitted by applicable PRC laws and regulations; (2) the business structure under which the profit generated by the Consolidated Affiliated Entities (after deduction of any accumulated deficit in respect of the preceding financial years, operating costs, expenses, taxes and other statutory contributions) is retained by our Group, such that no annual cap shall be set on the amount of service fees payable to Beijing Huchuang under the Exclusive Business Cooperation Agreement; and (3) our Group’s right to control the management and operation of, as well as, in substance, all of the voting rights of the Consolidated Affiliated Entities.

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(d) Renewal and reproduction

On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between our Company and its subsidiaries in which our Company has direct shareholding, on one hand, and our Consolidated Affiliated Entities, on the other hand, that framework may be renewed and/or reproduced upon the expiry of the existing arrangements or in relation to any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group might wish to establish when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the existing Contractual Arrangements. The directors, chief executives or substantial shareholders of any existing or new wholly foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of our Group which our Group may establish will, upon renewal and/or reproduction of the Contractual Arrangements, however be treated as connected persons of our Company and transactions between these connected persons and our Company other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals.

(e) Ongoing reporting and approvals

Our Group will disclose details relating to the Contractual Arrangements on an ongoing basis as follows:

- the Contractual Arrangements in place during each financial period will be disclosed in our Company's annual report in accordance with relevant provisions of the Listing Rules;
- our independent non-executive Directors will review the Contractual Arrangements annually and confirm in our Company's annual report and accounts for the relevant year that (1) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the Contractual Arrangements, (2) no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group, and (3) any new contract entered into, renewed or reproduced between our Group and our Consolidated Affiliated Entities during the relevant financial period under paragraph (d) above are fair and reasonable, or advantageous to the Shareholders, so far as our Group is concerned and in the interests of our Shareholders as (a) whole;
- our Company's auditors will carry out review procedures annually on the transactions carried out pursuant to the Contractual Arrangements and will provide a letter to our Directors with a copy to the Stock Exchange, confirming that the transactions have received the approval of our Directors and have been entered into in accordance with the relevant Contractual Arrangements and that no dividends or other distributions have been made by our Consolidated Affiliated Entities to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;
- for the purpose of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", our Consolidated Affiliated Entities will be treated as our Company's wholly-owned subsidiaries, and the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of our Consolidated Affiliated Entities and their respective associates will be treated as connected persons of our Company

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(excluding for the purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and our Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the Contractual arrangements, will be subject to requirements under Chapter 14A of the Listing Rules; and

- our Consolidated Affiliated Entities will undertake that, for so long as our Shares are listed on the Stock Exchange, our Consolidated Affiliated Entities will provide our Group's management and our Company's auditors full access to its relevant records for the purpose of our Company's auditors' review of the continuing connected transactions.

In addition, we have also applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of (1) the announcement, circular and independent shareholders' approval in respect of the transactions contemplated under any New Intergroup Agreements (as defined above) pursuant to Rule 14A.105 of the Listing Rules, (2) setting an annual cap for the transactions contemplated under any New Intergroup Agreements under Rule 14A.53 of the Listing Rules, and (3) limiting the term of any New Intergroup Agreement to three years or less under Rule 14A.52 of the Listing Rules, for so long as Shares are listed on the Stock Exchange. The waiver is subject to the conditions that the Contractual Arrangements subsist and that the Consolidated Affiliated Entities will continue to be treated as the Company's subsidiary, and the directors, chief executives or substantial shareholders of the Consolidated Affiliated Entities and their respective associates will be treated as connected persons of the Company (excluding for this purpose, the Consolidated Affiliated Entities), and transactions between these connected persons and the Group (including for this purpose, the Consolidated Affiliated Entities), other than those under the New Intergroup Agreements, will be subject to requirements under Chapter 14A of the Listing Rules. The Company will comply with the applicable requirements under the Listing Rules, and will immediately inform the Stock Exchange if there are any changes to these continuing connected transactions.

In the event of any future amendments to the Listing Rules imposing more stringent requirement than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this section, we will take immediate steps to ensure compliance with such new requirements within a reasonable time.

DIRECTORS' CONFIRMATION

Our Directors (including the independent non-executive Directors) are of the view that the Contractual Arrangements and the transactions contemplated therein are fundamental to our legal structure and business operation, and have been entered into in the ordinary and usual course of business of our Group on normal commercial terms or better, which are fair and reasonable and in the interests of our Group and our Shareholders as a whole. With respect to the term of the relevant agreements underlying the Contractual Arrangements which is of a duration longer than three years, it is a justifiable and normal business practice to ensure that (1) the financial and operation of our Consolidated Affiliated Entities can be effectively controlled by Beijing Huchuang, (2) Beijing Huchuang can obtain the economic benefits derived from our Consolidated Affiliated Entities, and (3) any possible leakages of assets and values of our Consolidated Affiliated Entities can be prevented, on an uninterrupted basis.

CONNECTED TRANSACTIONS

SOLE SPONSOR'S CONFIRMATION

The Sole Sponsor has reviewed the relevant documents and information provided by our Group, has obtained necessary representations and confirmations from our Company and our Directors and have participated in the due diligence and discussions with our management and our PRC Legal Advisors. Based on the above, the Sole Sponsor is of the view that the Contractual Arrangements are fundamental to our legal structure and business operations and that the Contractual Arrangements have been entered into in our ordinary and usual course of business on normal commercial terms, which are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Sole Sponsor is also of the view that with respect to the term of the relevant agreements underlying the Contractual Arrangements, which is of a duration of longer than three years, it is a justifiable and normal business practice to ensure that (1) the financial and operational policies of the Consolidated Affiliated Entities can be effectively controlled by Beijing Huchuang; (2) Beijing Huchuang can obtain the economic benefits derived from the Consolidated Affiliated Entities; and (3) any possible leakages of assets and values of the Consolidated Affiliated Entities can be prevented, on an uninterrupted basis.

DIRECTORS AND SENIOR MANAGEMENT

SUMMARY INFORMATION OF OUR DIRECTORS AND SENIOR MANAGEMENT

The following table sets forth information regarding our current Directors.

Name	Age	Position	Date of appointment as Directors	Time of joining our Group	Responsibilities	Relationship with other Directors and senior management
Directors						
Mr. NI Zhengdong (倪正東)	46	Chairman of the Board, executive Director and chief executive officer	August 1, 2019	November 22, 2005	Overall management of the business, strategy and corporate development of our Group	None
Ms. FU Xinghua (符星華)	38	Executive Director and senior vice president	May 29, 2020	August 1, 2009	Overall management of the data services of our Group	None
Ms. ZHANG Yanyan (張妍妍)	39	Executive Director and senior vice president	May 29, 2020	March 13, 2006	Overall management of the marketing services of our Group	None
Mr. KUNG Hung Ka (龔虹嘉)	55	Non-executive Director	May 29, 2020	May 29, 2020	Providing guidance and advice on the business strategies of our Group	None
Mr. XU Shaochun (徐少春)	57	Independent non-executive Director	December 7, 2020	December 7, 2020	Supervising and providing independent judgement to our Board	None
Mr. ZHANG Min	52	Independent non-executive Director	December 7, 2020	December 7, 2020	Supervising and providing independent judgement to our Board	None
Ms. YU Bin (余濱)	50	Independent non-executive Director	December 7, 2020	December 7, 2020	Supervising and providing independent judgement to our Board	None

The following table sets forth information regarding the senior management members of our Company (other than the executive Directors disclosed above).

Name	Age	Position	Date of appointment as senior management	Time of joining our Group	Responsibilities	Relationship with other Directors and senior management
Mr. HU Zhiguang (胡之光)	42	Senior vice president	June 15, 2020	March 1, 2016	Overall management of the consulting and training services of our Group	None
Ms. YANG Zhen (楊真)	39	Chief financial officer and joint company secretary	May 29, 2020	June 1, 2017	Overall management of financial and accounting affairs as well as secretarial matters of our Group	None
Mr. ZHANG Lei (張磊)	39	Chief technology officer	June 15, 2020	September 29, 2014	Overall management of research and development and technological issues	None

BOARD OF DIRECTORS

Executive Directors

Mr. NI Zhengdong (倪正東), aged 46, is our chief executive officer, executive Director and chairman of the Board. He is primarily responsible for the overall management of the business, strategy and corporate development of our Group. Mr. Ni started the business of our Group in 2001 and was appointed as an executive Director of our Group in August 2019. He has served as the executive director and then as the chairman of Zero2IPO Group since its inception in 2005. Mr.

DIRECTORS AND SENIOR MANAGEMENT

Ni has also served as the chairman and general manager of Zero2IPO Ventures since November 2017 and September 2013, respectively, and was the executive director of Zero2IPO Ventures from September 2013 to November 2017. He has served as a director and the general manager at Beijing Zero2IPO and Beijing Huchuang since August 2019 and June 2020, respectively. Mr. Ni has over 20 years of experience in the equity investment service industry.

Mr. Ni has also served as an independent director of Talkweb Information System Inc. (拓維信息系統股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002261), since September 2017. He also served as an independent director of iKang Healthcare Group, Inc., a company previously listed on NASDAQ (symbol: KANG), from March 2015 to January 2019, and as a director of Beijing Sanfo Outdoor Products Co., Ltd. (北京三夫戶外用品股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002780), from June 2011 to June 2017.

Mr. Ni obtained a bachelor's degree in engineering mechanics from Hunan University (湖南大學) in July 1996, and a master's degree in engineering mechanics from Tsinghua University (清華大學) in January 2000. He also graduated from a business administration PhD programme from Tsinghua University in January 2007.

Ms. FU Xinghua (符星華), aged 38, is our executive Director and senior vice president. She is primarily responsible for the overall management of the data services of our Group. Ms. Fu joined our Group in August 2009 and was appointed as an executive Director in May 2020. She has served as a director of Zero2IPO Ventures and Beijing Zero2IPO since November 2017 and December 2019, respectively. Ms. Fu served various positions at Zero2IPO Group since August 2009, including managing director responsible for fund of funds business, and managing director responsible for the data services, and currently serves as a partner.

Ms. Fu obtained a bachelor's degree in communication engineering from Beihang University (北京航空航天大學) in July 2004 and an MBA degree from Tsinghua University (清華大學) in 2018.

Ms. ZHANG Yanyan (張妍妍), aged 39, is our executive Director and senior vice president. She is primarily responsible for the overall management of the marketing services of our Group. Ms. Zhang joined our Group in March 2006 and was appointed as an executive Director in May 2020. She has also served as a director of Zero2IPO Ventures, Beijing Zero2IPO, Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. (西安清科艾西企業管理諮詢有限公司), Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. (南京清科艾寧企業管理諮詢有限責任公司) and Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd. (寧波清科寧豐企業管理諮詢有限責任公司), since November 2017, December 2019, June 2018, August 2019 and April 2020, respectively. Ms. Zhang served various positions at Zero2IPO Group since March 2006, including operating manager, vice president, the managing director of marketing service division, and currently serves as a partner.

Ms. Zhang received a bachelor's degree in English literature and business administration from Huazhong University of Science and Technology (華中科技大學) in June 2004, and a master's degree in business administration from China Europe International Business School (中歐國際工商學院) in November 2019.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Director

Mr. KUNG Hung Ka (龔虹嘉), aged 55, is a non-executive Director of our Company. He was appointed as a non-executive Director in May 2020 and is primarily responsible for providing guidance and advice on the business strategies of our Group. Mr. Kung has served as a director of Zero2IPO Group since February 2017 and beneficially owns all the equity interest in Wealth Strategy Holding Limited (富策控股有限公司), a Shareholder of our Company. Mr. Kung has over 20 years experience in information technology and electronics industries.

Mr. Kung has served as the chairman of Vcanbio Cell & Gene Engineering Co., Ltd. (中源協和細胞基因工程股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600645), since December 2018. Mr. Kung has also served as a director of Shanghai Fullhan Microelectronics Co., Ltd. (上海富瀚微電子股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300613), since April 2013. He has also served as a director and vice chairman of Hangzhou Hikvision Digital Technology Co., Ltd. (杭州海康威視數字技術股份有限公司) (“**Hikvision**”), a company listed on the Shenzhen Stock Exchange (stock code: 002415), since June 2008. Mr. Kung has founded and/or invested in a number of enterprises in the technology and biotechnology industry, including, among others, Genetron Holdings Limited (symbol: GTH), a company listed on NASDAQ, and Beijing Watchdata Technologies Co., Ltd. (北京握奇數據股份有限公司). He has served as a director of Pan Asia Information Services Limited (亞洲資訊服務有限公司) since July 1994, and as the chairman of the board of Fortune Time Technology Limited (富年科技有限公司) since April 2002.

Mr. Kung graduated from the faculty of computer science from Huazhong Institute of Technology (華中工學院) (currently known as Huazhong University of Science and Technology (華中科技大學)) in 1986.

Independent Non-executive Directors

Mr. XU Shaochun (徐少春), aged 57, is an independent non-executive Director of our Company. He is primarily responsible for supervising and providing independent judgement to our Board. Mr. Xu has over 25 years of experience in information technology and software development industry. Mr. Xu is currently serving as the chief executive officer and chairman of the board of directors of Kingdee International Software Group Company Limited (金蝶國際軟件集團有限公司), a company listed on the Stock Exchange (stock code: 0268), which he founded in August 1993.

Mr. Xu obtained a bachelor’s degree in computer science from Southeast University (東南大學) (formerly known as Nanjing Institute of Technology (南京工學院)) in July 1983 and a master’s degree in economics from Institute for Fiscal Science of Ministry of Finance (財政部財政科學研究所) (currently known as Chinese Academy of Fiscal Sciences (中國財政科學研究院)) in September 1988. He also received an EMBA degree from China Europe International Business School (中歐國際工商學院) in November 2004. Mr. Xu was accredited as a senior economist (高級經濟師) by Guangdong Provincial Human Resources Department (廣東省人事廳) in January 2000.

Mr. ZHANG Min, aged 52, is an independent non-executive Director of our Company. He is primarily responsible for supervising and providing independent judgement to our Board. Mr. Zhang has over 15 years of experience in investment management. Mr. Zhang has served as the general manager of Shanghai Empower Investment Co., Ltd. (上海合之力投資管理有限公司) since September 2012. Prior to that, Mr. Zhang served as a business development director at Morningstar Information Technology Consulting (Shanghai) Co., Ltd. (晨興信息科技諮詢(上海)有限公司) from December 2005 to October 2008, as a vice president at Media Partners International

DIRECTORS AND SENIOR MANAGEMENT

Limited (上海梅迪派勒廣告有限公司) from December 2002 to December 2005, and as a senior manager in risk control department at PricewaterhouseCoopers from March 2001 to November 2002. He has also served as an independent director of Greenland Technologies Holding Corporation, a company listed on NASDAQ (symbol: GTEC), since October 2019.

Mr. Zhang obtained a bachelor's degree in economics from Sichuan University (四川大學) in July 1989 and a master's degree in international business from The Norwegian School of Economics and Business Administration in the Spring term of 1995.

Ms. YU Bin (余濱), aged 50, is an independent non-executive Director of our Company. She is primarily responsible for supervising and providing independent judgement to our Board. Ms. Yu served as the chief financial officer of LAIX Inc., a company listed on the New York Stock Exchange (symbol: LAIX), from September 2017 to January 2020. Prior to that, Ms. Yu served as the chief financial officer of InnoLight Technology Corporation (蘇州旭創科技有限公司). She also served as the chief financial officer of Star China International Media Limited (星空華文國際傳媒有限公司) from May 2013 to January 2015. She also served as the vice president of finance and then as the chief financial officer of Tudou Holdings Limited, which subsequently merged with Youku Inc. in 2012, forming Youku Tudou Inc., a company previously listed on the New York Stock Exchange (symbol: YOKU), from July 2010 to April 2013. She also worked at KPMG during the 2000s.

Ms. Yu has served as an independent non-executive director of iDreamSky Technology Holdings Limited (創夢天地科技控股有限公司), a company listed on the Stock Exchange (stock code: 1119), since May 2018. Ms. Yu has also served as an independent director of GDS Holdings Limited, a company listed on NASDAQ (symbol: GDS), since November 2016. She has also served as an independent director of Baozun Inc., a company listed on NASDAQ (symbol: BZUN), since May 2015 and as an independent non-executive director of Tian Ge Interactive Holdings Limited (天鵝互動控股有限公司), a company listed on the Stock Exchange (stock code: 1980), since June 2014.

Ms. Yu obtained a bachelor's degree in English literature from Xi'an International Studies University (西安外國語大學) (formerly known as Xi'an Foreign Language Institute (西安外國語學院)) in the PRC in July 1992, a master of education degree and a master of science degree in accounting from the University of Toledo in the U.S. in August 1998 and May 1999, respectively, and a Tsinghua-INSEAD Executive MBA degree from Tsinghua University (清華大學) and INSEAD in January 2013. She qualified as a Certified Public Accountant (non-practicing) in May 2001, awarded by the Accountancy Board of Ohio.

SENIOR MANAGEMENT

Mr. NI Zhengdong (倪正東), is our founder, chief executive officer, an executive Director and chairman of the Board. See “— Board of Directors” for details.

Ms. FU Xinghua (符星華), is our executive Director and senior vice president. See “— Board of Directors” for details.

Ms. ZHANG Yanyan (張妍妍), is our executive Director and senior vice president. See “— Board of Directors” for details.

Mr. HU Zhiguang (胡之光), aged 42, is our senior vice president. He is primarily responsible for the overall management of the consulting and training services of our Group. Mr. Hu joined our Group in March 2016 and was appointed as our senior vice president in June 2020. He has served as the executive dean of SandHill College at and the director of Hangzhou Zero2IPO

DIRECTORS AND SENIOR MANAGEMENT

Sandhill Investment Management Co., Ltd. (杭州清科沙丘投資管理有限公司) since April 2017 and April 2020, respectively. He has also served as the general manager of Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd. (南京清科艾寧投資管理諮詢有限公司) since March 2019, and as the executive director and general manager of Hangzhou Zero2IPO Sandhill Venture Service Co., Ltd. (杭州清科沙丘創業服務有限公司) since March 2020. Mr. Hu served various positions at Zero2IPO Group since March 2016, including vice president responsible for training and consulting services, and currently serves as a partner at Zero2IPO Group.

From January 2010 to June 2016, Mr. Hu served as a vice president at Hangzhou Hantang Cultural Communication Co., Ltd. (杭州漢唐文化傳播有限公司). Prior to that, in July 2003, Mr. Hu founded and served as the chairman of the board at Hangzhou Boke Information Technology Co., Ltd. (杭州博客信息技術有限公司).

Mr. Hu obtained a bachelor's degree in computer application from Hangzhou Business School (杭州商學院) in July 2003 and an MBA degree from Zhejiang University (浙江大學) in December 2012.

Ms. YANG Zhen (楊真), aged 39, is our chief financial officer and joint company secretary. She is primarily responsible for the overall management of financial and accounting affairs as well as secretarial matters of our Group. Ms. Yang joined our Group in June 2017 as the board secretary of Zero2IPO Ventures, and was appointed as our chief financial officer in May 2020 and as a joint company secretary of our Company in June 2020.

From June 2008 to March 2017, Ms. Yang worked at Beijing Spearhead Integrated Marketing Communication Co., Ltd. (北京華誼嘉信整合營銷顧問股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300071), and served various positions, including securities affairs representative, manager of investment development department, board secretary and vice president.

Ms. Yang obtained a bachelor's degree in economics from Qingdao University (青島大學) in July 2004 and a master's degree in economics from Renmin University of China (中國人民大學) in June 2006. Ms. Yang also holds a board secretary qualification certificate issued by the Shenzhen Stock Exchange in July 2010.

Mr. ZHANG Lei (張磊), aged 39, is our chief technology officer. He is primarily responsible for the overall management of research and development and technological issues. Mr. Zhang joined our Group in September 2014 as a deputy general manager responsible for research and development at Zero2IPO Ventures, and was appointed as our chief technology officer in June 2020. He has also served as a director of Hainan Qingyou Venture Information Consulting Co., Ltd. (海南清柚創業信息諮詢有限公司) and Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd. (青島清科艾和企業管理諮詢服務有限公司), since December 2019 and March 2020, respectively.

Prior to joining us, Mr. Zhang worked as a software architect at Beijing Digital Yizhi Technology Development Co., Ltd. (北京數碼易知科技發展有限責任公司) from September 2013 to September 2014, and served as a department manager at Beijing Zhishi Enterprise Management Consulting Co., Ltd. (北京智識企業管理諮詢有限公司) from May 2005 to September 2013.

Mr. Zhang obtained a bachelor's degree in management information systems from Beijing Institute of Information Engineering (北京信息工程學院) in July 2002 and a master's degree in systems engineering from Beihang University (北京航空航天大學) in March 2005.

DIRECTORS AND SENIOR MANAGEMENT

JOINT COMPANY SECRETARIES

Ms. YANG Zhen (楊真), is our chief financial officer and joint company secretary. See “— Senior Management” for details.

Mr. CHENG Ching Kit (鄭程傑), was appointed as a joint company secretary of our Company in June 2020. Mr. Cheng is a manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 7 years of experience in corporate secretarial field. He is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom since 2018. Mr. Cheng obtained a bachelor of commerce degree with a major in finance from the University of Queensland, Australia in December 2010.

FURTHER INFORMATION ABOUT OUR DIRECTORS

During his tenure at Hikvision, Mr. KUNG Hung Ka received an investigation notice from the CSRC in November 2019 due to suspected violation of information disclosure laws and regulations, and received a warning letter from the Zhejiang Bureau of the CSRC in March 2020. According the warning letter, Mr. Kung failed to report to Hikvision on the provision of financing arrangements for other management of Hikvision during the increase and/or decrease of his shareholdings in Hikvision, resulting in the failure of Hikvision to disclose relevant information in a true, accurate and complete manner, and thus violated article 3 under the Administrative Measures on Information Disclosure of Listed Companies (《上市公司信息披露管理辦法》) promulgated by the CSRC in 2007. Mr. Kung subsequently submitted a rectification report in March 2020 to the Zhejiang Bureau of the CSRC as requested in the warning letter and undertakes to strengthen the awareness of compliance operation and disclose information in a timely, accurate and comprehensive manner according to laws and regulations. Accordingly, the case was closed by the CSRC on March 6, 2020.

Our Directors confirm that, after due enquiry, the incident was caused by Mr. Kung as he initially considered the disclosure obligations did not apply to the financing arrangement as it was a private personal arrangement without involvement of Hikvision.

Given that (1) the incident is only an inadvertent mistake made by Mr. Kung and is not a willful breach of applicable regulations adopted by the CSRC without integrity issue of Mr. Kung, (2) after receipt of the investigation notice, Mr. Kung rectified his conduct by informing Hikvision of the investigation notice and submitting a rectification report to the Zhejiang Bureau of the CSRC, (3) Mr. Kung continues to serve as a director of Hikvision in spite of the incident and is not disqualified by the CSRC from acting as director of listed companies, and (4) Mr. Kung had not been subject to any other investigation or proceedings by the CSRC, its local counterparts, the Shenzhen Stock Exchange or any other regulatory authorities, our Directors believe that the incident does not affect the suitability of Mr. Kung to act as a director of our Company.

BOARD COMMITTEES

Audit Committee

We have established an audit committee on December 7, 2020 with terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The Audit Committee consists of three members, namely Ms. YU Bin, Mr. XU Shaochun and Mr. ZHANG Min, with Ms. YU Bin being the chairwoman of the committee.

DIRECTORS AND SENIOR MANAGEMENT

The primary duties of the Audit Committee are:

- (1) to review significant financial policies of the Company and their implementation, and supervise the financial activities of the Company;
- (2) to review the financial information and relevant disclosures of the Company;
- (3) to consider and approve the risk management and internal control evaluation proposal of the Company, and supervise and evaluate the risk management and internal control of the Company;
- (4) to consider and approve the audit budget, remuneration of staff and appointment and dismissal of major officers of the Company, supervise and evaluate the work of internal audit of the Company and formulate the medium- to long-term audit plan, annual working plan and internal audit system setting plan of the Company as authorized by the Board, and report to the Board;
- (5) to propose the appointment or dismissal of an external accounting firm, supervise the work of the external accounting firm, and evaluate the report of the external accounting firm to ensure that the external accounting firm undertakes its audit responsibilities;
- (6) to facilitate communications and monitor the relationship between the internal audit department and the external accounting firm;
- (7) to monitor any non-compliance of the Company in respect of the financial reports and its risk management and internal controls; and
- (8) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares of the Company are listed and the requirements of the Memorandum and the Articles of Association, and as authorized by the Board.

Remuneration Committee

We have established a remuneration committee on December 7, 2020 with terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The remuneration committee consists of three members, namely Mr. XU Shaochun, Mr. NI Zhengdong and Mr. ZHANG Min, with Mr. XU Shaochun being the chairman of the committee.

The primary duties of the Remuneration Committee are:

- (1) to organize and formulate the remuneration policy and plan of Directors and senior management and submit to the Board for approval, and propose the remuneration distribution plan according to the performance evaluation of Directors and senior management and submit to the Board for approval; and
- (2) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares of the Company are listed and the requirements of the Memorandum and the Articles of Association, and as authorized by the Board.

DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

We have established a nomination committee on December 7, 2020 with terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The nomination committee consists of three members, namely Mr. NI Zhengdong, Mr. ZHANG Min and Ms. YU Bin, with Mr. NI Zhengdong being the chairman of the committee.

The primary duties of the Nomination Committee are:

- (1) to formulate procedures and standards for the election of Directors and senior management and make recommendations to the Board on the proposed procedures and standards;
- (2) to make recommendations to the Board on the nomination of candidates for Director, President and secretary of the Board;
- (3) to preliminarily examine the eligibility of candidates for Director and senior management positions;
- (4) to make recommendations to the Board on the nomination of candidates for chairmen and members of the Board committees; and
- (5) other matters required by laws, regulations, regulatory documents, the rules of the securities regulatory authority of the place where the Shares of the Company are listed and the requirements of the Memorandum and the Articles of Association, and as authorized by the Board.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of the Board and to maintain the high standard of corporate governance, we have adopted the board diversity policy which sets out the objective and approach to achieve and maintain diversity of the Board. Pursuant to the board diversity policy, we seek to achieve board diversity through the consideration of a number of factors when selecting the candidates to the Board, including but not limited to gender, skills, age, professional experience, knowledge, cultural, education background and length of service. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to the Board.

Upon Listing, our Board will comprise seven members, including three executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors have a balanced mix of knowledge, skills, gender, perspectives and experience, including overall management and strategic development, business administration, information technology, investment, finance and accounting. They obtained professional and academic qualifications including business administration, economics, engineering mechanics, communication engineering, computer science, literature and accounting. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of the Board satisfies our board diversity policy, and the Board and the nomination committee of the Company will assess the Board composition regularly.

DIRECTORS AND SENIOR MANAGEMENT

Our nomination committee is delegated by our Board to be responsible for compliance with relevant codes governing board diversity under the Corporate Governance Code. After the Listing, our nomination committee will review the board diversity policy and evaluate the implementation of the board diversity policy from time to time, at least annually, to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the board diversity policy, including any measurable objectives set for implementing the board diversity policy and the progress on achieving these objectives on an annual basis.

SHARE INCENTIVE SCHEME

The Post-IPO RSU Scheme was adopted pursuant to the resolutions of the Shareholders of our Company passed on December 7, 2020. The purpose of the Post-IPO RSU Scheme is to reward Directors, members of the senior management and employees for their past contribution to the success of the Group, and to provide incentives to them to further contribute to the Group. The Post-IPO RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Post-IPO RSU Scheme does not involve the grant of options by our Company to subscribe for new Shares. See “Appendix IV — Statutory and General Information — D. Post-IPO RSU Scheme” for details.

CORPORATE GOVERNANCE

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer. Mr. NI Zhengdong is our chairman and chief executive officer. With extensive experience in the equity investment service industry, Mr. Ni is responsible for the overall strategic planning and general management of our Group and is instrumental to our growth and business expansion. Our Board considers that vesting the roles of chairman and chief executive officer in the same person is beneficial to the management of our Group and ensures consistent leadership within our Group and enables more effective and efficient overall strategic planning for our Group. The balance of power and authority is not impaired and is ensured by the operation of the senior management and our Board, which comprises experienced individuals. Upon the Listing, our Board will comprise three executive Directors (including Mr. Ni), one non-executive Director and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. Our Board will continue to review and consider splitting the roles of chairman and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole. Save as disclosed above, we expect to comply with all code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

DIRECTORS' REMUNERATION

We offer our executive Directors and senior management members, who are also employees of our Company, emolument in the form of salaries, remuneration, pension, discretionary bonus and other welfares. Our non-executive Director did not receive any emolument from our Group during the Track Record Period. Our independent non-executive Directors receive emolument based on their responsibilities (including being members or chairman of Board committees). We adopt a market and incentive-based employee emolument structure and implement a multi-layered evaluation system which focuses on performance and management goals.

DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of emolument (including salaries, remuneration, pension, discretionary bonus and other welfares) paid to our Directors for the three years ended December 31, 2019 and the six months ended June 30, 2020 were RMB2.6 million, RMB2.4 million, RMB2.7 million and RMB1.0 million, respectively. Under the arrangements currently in force, we estimate that the aggregate remuneration and benefits in kind payable to the Directors by us for the year ending December 31, 2020 will be approximately RMB2.2 million.

The five highest paid individuals of our Group for the three years ended December 31, 2019 and the six months ended June 30, 2020 included two, two, three and two Directors, respectively, whose emolument is included in the aggregate amount we paid to the relevant Directors set out above. For the three years ended December 31, 2019 and the six months ended June 30, 2020, the aggregate amount of emolument paid to the remaining three, three, two and three highest paid individuals who are not Directors of our Group were RMB2.5 million, RMB2.9 million, RMB2.0 million and RMB1.2 million, respectively.

During the Track Record Period, no remuneration was paid to, or receivable by, our Directors or the five highest paid individuals of our Company as an inducement to join or upon joining our Company or as a compensation for loss of office in the Track Record Period. Further, none of our Directors had waived any emolument during the same period.

Except as disclosed above, no other payments have been paid, or are payable, by our Company or any of our subsidiaries to our Directors or the five highest paid individuals of our Company during the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Fortune Financial Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will advise us in the following circumstances:

- (1) before publication of any regulatory announcement, circular or financial report;
- (2) where a transaction, which might constitute a notifiable or connected transaction under the Listing Rules, is contemplated, including share issues and share repurchases;
- (3) where we propose to use the net proceeds of the Global Offering in a manner different from that detailed in this prospectus or where our business activities, developments or results of operation deviate from any forecast, estimate or other information in this prospectus; and
- (4) where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or trading volume of the Shares or any other matters under Rule 13.10 of the Listing Rules.

The term of the appointment will commence on the Listing Date and end on the date on which we distribute the annual report of the first full financial year commencing after the Listing and such appointment may be subject to extension by mutual agreement.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company as of the date of this prospectus and immediately after completion of the Capitalization Issue and the Global Offering.

As of the date of this prospectus	Aggregate nominal value of Shares (US\$)
<i>Authorized share capital</i>	
500,000,000 Shares of a par value of US\$0.0001 each	50,000.00
<i>Issued share capital</i>	
85,084,704 Shares of a par value of US\$0.0001 each	8,508.47
 Immediately after completion of the Capitalization Issue and the Global Offering	
<i>Authorized share capital</i>	
500,000,000 Shares of a par value of US\$0.0001 each	50,000.00
<i>Issued share capital</i>	
85,084,704 Shares of a par value of US\$0.0001 each in issue	8,508.47
174,915,296 Shares of a par value of US\$0.0001 each to be issued pursuant to the Capitalization Issue	17,491.53
40,000,000 Shares of a par value of US\$0.0001 each to be issued under the Global Offering	4,000.00
300,000,000 Shares of par value of US\$0.0001 each in total	30,000.00

ASSUMPTIONS

The above table assumes that (1) the Global Offering becomes unconditional and the Shares are issued pursuant to the Capitalization Issue and the Global Offering; (2) the Over-allotment Option is not exercised; and (3) Shares are not issued pursuant to the Post-IPO RSU Scheme and the Share Reservation. The above table also does not take into account any Shares which may be issued or repurchased by us under the general mandates granted to our Directors as referred to below.

RANKING

The Offer Shares are ordinary shares of US\$0.0001 each in the share capital of our Company and upon completion of the Global Offering, and will rank *pari passu* in all respects with all Shares in issue or to be issued as set out in the above table, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Law and the terms of the Memorandum of Association and Articles of Association, our Company may from time to time by ordinary resolution of Shareholders (1) increase its capital; (2) consolidate and divide its capital into shares of larger amount; (3) divide its shares into several classes; (4) subdivide its shares into shares of smaller amount; and (5) cancel any shares which have not been taken. In addition, our Company may subject to the provisions of the Cayman Companies Law reduce its share capital or capital redemption reserve by its Shareholders passing a special resolution. See “Appendix III — Summary of the Constitution of the Company and the Cayman Islands Company Law — 2. Articles of Association — 2.5 Alteration of capital” for details.

SHARE CAPITAL

GENERAL MANDATE TO ISSUE SHARES AND GENERAL MANDATE TO REPURCHASE SHARES

Subject to conditions set forth in “Structure of the Global Offering — Conditions of the Global Offering”, our Directors have been granted a general unconditional mandate to allot, issue and deal with and repurchase Shares.

See “Appendix IV — Statutory and General Information — A. Further Information about Our Company — 3. Resolutions of the Shareholders of our Company passed on December 7, 2020” for further details.

SHARE INCENTIVE SCHEME

Our Shareholders have conditionally approved and adopted the Post-IPO RSU Scheme on December 7, 2020. See “Appendix IV — Statutory and General Information — D. Post-IPO RSU Scheme” for details.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), the following persons will have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company and are therefore regarded as substantial shareholders of our Company under the Listing Rules:

Long positions in our Company

Name	Capacity/Nature of interest	As of the Latest Practicable Date ⁽¹⁾		Approximate percentage of shareholding immediately after completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation) ⁽¹⁾	
		Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
JQ Brothers Ltd. ⁽²⁾	Beneficial Interest	47,145,117 (L)	55.4096%	144,065,030 (L)	48.0216%
Mr. NI Zhengdong ⁽²⁾	Interest in controlled corporation	48,145,117 (L)	56.5849%	147,120,808 (L)	49.0402%
Sentai Intelligent Limited ⁽³⁾	Beneficial Interest	6,875,000 (L)	8.0802%	21,008,476 (L)	7.0028%
SU Jiangtao ⁽³⁾	Interest in controlled corporation	6,875,000 (L)	8.0802%	21,008,476 (L)	7.0028%
Asia Direct Investment Inc. ⁽⁴⁾	Beneficial Interest	4,989,757 (L)	5.8645%	15,247,592 (L)	5.0825%
WANG Dong ⁽⁴⁾	Interest in controlled corporation	4,989,757 (L)	5.8645%	15,247,592 (L)	5.0825%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Mr. Ni is deemed to be interested in the entire interests upon Listing held by (i) JQ Brothers Ltd., a company wholly-owned by him, and (ii) Hangzhou Sanren, a limited partnership established in the PRC and the general partner of which is owned as to 33.33% by Mr. Ni. Hangzhou Sanren was interested in 1,000,000 Shares as of the Latest Practicable Date.
- (3) SU Jiangtao is deemed to be interested in the entire interests upon Listing held by Sentai Intelligent Limited, a company owned as to 90% by him.
- (4) WANG Dong is deemed to be interested in the entire interests upon Listing held by Asia Direct Investment Inc., a company wholly-owned by him.

For details of the substantial shareholders who will, directly or indirectly, have interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of our Group other than our Company, see “Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders.”

SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the Capitalization Issue and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), have an interest or short position in Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, for such number of Offer Shares (rounded down to the nearest whole board lot of 400 Shares) which may be purchased with an aggregate amount of approximately US\$24.40million at the Offer Price (the “**Cornerstone Placing**”).

Based on the Offer Price of HK\$11.00 per Offer Share, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Shares to be subscribed for by the Cornerstone Investors would be 17,122,800, representing approximately 42.81% of the Offer Shares and approximately 5.71% of the total issued share capital of our Company immediately upon the completion of the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation).

Based on the Offer Price of HK\$10.00 per Offer Share, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Shares to be subscribed for by the Cornerstone Investors would be 18,836,000, representing approximately 47.09% of the Offer Shares and approximately 6.28% of the total issued share capital of our Company immediately upon the completion of the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation).

Based on the Offer Price of HK\$9.00 per Offer Share, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Shares to be subscribed for by the Cornerstone Investors would be 20,928,400, representing approximately 52.32% of the Offer Shares and approximately 6.98% of the total issued share capital of our Company immediately upon the completion of the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation).

Our Company is of the view that, leveraging on the Cornerstone Investors’ investment experience, the Cornerstone Placing will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect.

The Cornerstone Placing will form part of the International Offering, and the Cornerstone Investors will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be acquired by the Cornerstone Investors will rank *pari passu* in all respect with the fully paid Shares in issue before the Listing and will be counted towards the public float of our Company under Rule 8.24 of the Listing Rules.

Immediately following the completion of the Global Offering, none of the Cornerstone Investors will become a substantial shareholder of our Company or will have any Board representation in our Company. To the best knowledge of our Company, each of the Cornerstone Investors (i) is an Independent Third Party, (ii) is independent of other Cornerstone Investors, (iii) is not financed by us, our subsidiaries, Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective close associates, and

CORNERSTONE INVESTORS

(iv) is not accustomed to take instructions from us, our subsidiaries, Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in their name or otherwise held by them. There are no side arrangements or agreements between us and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, other than a guaranteed allocation (subject to reallocation and adjustment for the purpose of satisfying the requirements under the Listing Rules) of the relevant Offer Shares at the final Offer Price. We became acquainted with each of the Cornerstone Investors or their associates/shareholders through previous industry events organized by us.

To the best knowledge, information and belief of the Sole Sponsor after making reasonable enquiries and based on the confirmations of the Cornerstone Investors, the Sole Sponsor confirms that the Cornerstone Investors are not required to obtain any consent, permit, approval or waiver from the Stock Exchange or on any other stock exchanges on which the shares of the Cornerstone Investors may be listed, if applicable, to subscribe for the relevant Offer Shares.

There will be no delayed delivery of the Offer Shares or deferred settlement arrangement for the Cornerstone Investors under the Cornerstone Investment Agreements. Each of the Cornerstone Investors undertakes to settle the payment pursuant to their respective Cornerstone Investment Agreement before the Listing becomes unconditional. The Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation in the event of over-subscription under the Hong Kong Public Offering, as described in “Structure of the Global Offering—The Hong Kong Public Offering—Reallocation.” Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by us on or around December 29, 2020.

THE CORNERSTONE INVESTORS

The following tables set forth details of the Cornerstone Placing and approximate percentage of total number of Offer Shares and percentage of total issued share capital of our Company upon Listing (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), based on different Offer Price scenarios:

		Based on Offer Price of HK\$11.00 (being the high-end of the indicative Offer Price range)				
		Approximate percentage of total number of Offer Shares		Approximate percentage of total issued share capital of our Company immediately following the completion of the Global Offering		
Cornerstone Investor (each as defined below)	Investment Amount ⁽¹⁾	Number of Offer Shares to be subscribed for (rounded down to nearest whole board lot of 400 Shares)	Approximate percentage of		Approximate percentage of	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Hillhouse Capital	US\$10.0 million	7,017,600	17.54%	15.26%	2.34%	2.29%
ShangRunShengYun	US\$9.9 million ⁽²⁾	6,947,600	17.37%	15.10%	2.32%	2.27%
Applause Team Limited	US\$3.0 million	2,105,200	5.26%	4.58%	0.70%	0.69%
SCEP Master Fund	US\$1.5 million	1,052,400	2.63%	2.29%	0.35%	0.34%
Total	US\$24.4 million	17,122,800	42.81%	37.22%	5.71%	5.60%

CORNERSTONE INVESTORS

Based on Offer Price of HK\$10.00
(being the mid-point of the indicative Offer Price range)

Cornerstone Investor (each as defined below)	Investment Amount ⁽¹⁾	Number of Offer Shares to be subscribed for (rounded down to nearest whole board lot of 400 Shares)	Approximate percentage of total number of Offer Shares		Approximate percentage of total issued share capital of our Company immediately following the completion of the Global Offering	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Hillhouse Capital	US\$10.0 million	7,719,600	19.30%	16.78%	2.57%	2.52%
ShangRunShengYun	US\$9.9 million ⁽²⁾	7,642,400	19.11%	16.61%	2.55%	2.50%
Applause Team Limited	US\$3.0 million	2,315,600	5.79%	5.03%	0.77%	0.76%
SCEP Master Fund	US\$1.5 million	1,157,600	2.89%	2.52%	0.39%	0.38%
Total	US\$24.4 million	18,836,000	47.09%	40.95%	6.28%	6.16%

Based on Offer Price of HK\$9.00
(being the low-end of the indicative Offer Price range)

Cornerstone Investor (each as defined below)	Investment Amount ⁽¹⁾	Number of Offer Shares to be subscribed for (rounded down to nearest whole board lot of 400 Shares)	Approximate percentage of total number of Offer Shares		Approximate percentage of total issued share capital of our Company immediately following the completion of the Global Offering	
			Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full	Assuming the Over-allotment Option is not exercised	Assuming the Over-allotment Option is exercised in full
Hillhouse Capital	US\$10.0 million	8,577,200	21.44%	18.65%	2.86%	2.80%
ShangRunShengYun	US\$9.9 million ⁽²⁾	8,491,600	21.23%	18.46%	2.83%	2.78%
Applause Team Limited	US\$3.0 million	2,573,200	6.43%	5.59%	0.86%	0.84%
SCEP Master Fund	US\$1.5 million	1,286,400	3.22%	2.80%	0.43%	0.42%
Total	US\$24.4 million	20,928,400	52.32%	45.50%	6.98%	6.84%

Note:

- (1) Calculated based on an exchange rate of US\$1 to HK\$7.7197. The actual investment amount of each Cornerstone Investor in Hong Kong dollars may vary due to the actual exchange rate prescribed in the relevant Cornerstone Investment Agreement.
- (2) ShangRunShengYun agreed to subscribe at the Offer Price for such number of Shares that may be purchased with US\$10.0 million (including the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee), rounded down to the nearest whole board lot of 400 Shares; accordingly, the net investment amount is approximately US\$9.9 million.

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

1. Hillhouse Capital

Gaoling Fund, L.P. and YHG Investment, L.P. are limited partnerships formed under the laws of the Cayman Islands. Hillhouse Capital Advisors, Ltd. (“**Hillhouse Capital**”) serves as the sole investment manager of Gaoling Fund, L.P. and the general partner of YHG Investment, L.P.

CORNERSTONE INVESTORS

Founded in 2005, Hillhouse Capital is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse Capital's investment approach. Hillhouse Capital partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse Capital invests in the healthcare, consumer, TMT, advanced manufacturing, financial and business services sectors in companies across all equity stages. Hillhouse Capital and its group members manage assets on behalf of global institutional clients.

2. ShangRunShengYun

Zibo ShangRunShengYun Equity Investment Partnership (Limited Partnership) (淄博尚潤聖運股權投資合夥企業(有限合夥)) (“**ShangRunShengYun**”) is a private equity fund established under the laws of the PRC in 2020 as a limited liability partnership, with an investment focus on TMT and healthcare sectors. The general partner of ShangRunShengYun is Fujian ShangRun Investment Management Co., Ltd. (福建尚潤投資管理有限公司), which is owned as to 55% by Dongguan Huali Industries Co., Ltd. (東莞市華立實業股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603038), as to 20% by WANG Shanhuai (王善懷), as to 15% by Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) and as to 10% by GAN Zelin (甘澤林). The limited partner of ShangRunShengYun is Zibo Hi-tech Industry Investment Co., Ltd. (淄博高新產業投資有限公司), which is wholly-owned subsidiary of Zibo Hi-tech State-owned Capital Investment Co., Ltd. (淄博高新國有資本投資有限公司).

3. Applause Team Limited

Applause Team Limited is a company incorporated under the laws of the BVI, which is wholly-owned by IDG Technology Venture Investment V, L.P. (“**IDG TVI V**”), which is ultimately controlled by Chi Sing Ho and Quan Zhou, both of whom are directors of the ultimate general partner of IDG TVI V. IDG TVI V is a Delaware limited partnership and is controlled by IDG Technology Venture Investment V, LLC, its sole general partner. Like the other IDG technology venture funds, IDG TVI V is part of IDG Capital's overall China-focused venture investment endeavors. Founded in 1992, IDG Capital is a pioneer in introducing foreign venture capital into China. During its over 30 years of operation, IDG Capital brings a powerful combination of global perspective and local experience to investment management, and its highly skilled team has an in-depth understanding of the China market with close relationships with many successful entrepreneurs and influential business leaders. IDG Capital's clients include both international and Chinese institutional investors, such as foundations, public and private pension funds, sovereign wealth funds and family offices. IDG Capital funds invest primarily in TMT, advanced manufacturing, clean-tech and energy, consumer and entertainment, and healthcare sectors.

4. SCEP Master Fund

SCEP Master Fund is an exempted company incorporated with limited liability under the laws of the Cayman Islands, which is managed by Sequoia China Equity Partners (Hong Kong) Limited as investment manager, which is in turn wholly-owned by Sequoia China Equity Partners Limited. SCEP Master Fund is an investment fund whose primary purpose is to make China-related equity investments. Sequoia China Equity Partners (Hong Kong) Limited was incorporated under the laws of Hong Kong in 2020.

CORNERSTONE INVESTORS

To the best of the knowledge, information and belief of our Company after making reasonable enquiries, each Cornerstone Investor will use the existing funds managed by it as its sources of funding.

To the best of the knowledge, information and belief of our Company after making reasonable enquiries, none of the Cornerstone Investors is a listed company or subsidiary of listed companies. Accordingly, the Cornerstone Investors and their respective parent companies do not require approval from their respective shareholders or from any stock exchanges to make their investment in our Company pursuant to the terms and conditions of the relevant Cornerstone Investment Agreements.

CLOSING CONDITIONS

The subscription obligation of each Cornerstone Investor under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (a) the underwriting agreements in relation to the Hong Kong Public Offering and the International Offering being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Underwriting Agreements, and neither of the aforesaid underwriting agreements having been terminated;
- (b) the Offer Price having been agreed upon between our Company and the Joint Global Coordinators (for themselves and on behalf of the underwriters of the Global Offering);
- (c) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares subscribed for by the Cornerstone Investors as well as other applicable waivers and approvals) and such approval or permission having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (d) no laws or regulations shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or in the respective Cornerstone Investment Agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (e) the respective representations, warranties, undertakings and confirmations of such Cornerstone Investor or our Company (as the case may be) under the respective Cornerstone Investment Agreement are (as of the date of the Cornerstone Agreement) and will be (as of the Listing Date and the closing of Cornerstone Investments, as applicable) accurate and true in all respects and not misleading and that there is no material breach of such Cornerstone Investment Agreement on the part of such Cornerstone Investor or our Company (as the case may be).

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from and inclusive of the Listing Date (the “**Lock-up Period**”), dispose, agree or contract to dispose of any of the Offer Shares they have purchased pursuant to the relevant Cornerstone Investment Agreement (the “**Relevant Shares**”) or any interest in any company or entity holding, directly or indirectly, any Relevant Shares, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements as of and for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, including the notes thereto, as set forth in the Accountant's Report in Appendix I to this prospectus. You should read the entire Accountant's Report in Appendix I to this prospectus and not rely merely on the information contained in this section. The Accountant's Report has been prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs"), which may differ in material aspects from generally accepted accounting principles in other jurisdictions, including the United States.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in the sections headed "Risk Factors" and "Forward-looking Statements" in this prospectus.

For the purpose of this section, unless the context otherwise requires, references to 2017, 2018 and 2019 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. We operate PEdata Database, the largest equity investment database in China in terms of data coverage as of December 31, 2019, according to the CIC Report. We offer a broad range of services for all participants in the equity investment industry through both online and offline channels to address their various needs. Our services can be categorized into data services, marketing services, consulting services and training services. We enable convenient and easy-to-navigate access to industry data and informed decision-making through our PEdata Database and research report services, leveraging our extensive data resources as well as our robust data collection, analytics and research capabilities. We offer omni-channel marketing services through our online information platforms such as PEdaily and offline industry events, which also track industry trends and facilitate intra- and inter-industry networking. We connect entrepreneurs and growth enterprises with investors through our online investor-entrepreneur matching platform Deal-Market and offline consulting services, providing them with business development solutions throughout their lifecycles. We also offer a variety of equity investment-related online and offline training courses primarily through SandHill University, SandHill College and Investment College, targeting at a wide variety of audience.

Our total revenue increased by 26.9% from RMB129.3 million in 2017 to RMB164.1 million in 2018, and further increased by 2.0% to RMB167.4 million in 2019. Our revenue decreased by 15.0% from RMB46.8 million in the six months ended June 30, 2019 to RMB39.8 million in the six months ended June 30, 2020. Our net profit increased by 47.8% from RMB18.4 million in 2017 to

* Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

FINANCIAL INFORMATION

RMB27.2 million in 2018, and further increased by 26.8% to RMB34.5 million in 2019. We recognized net loss of RMB0.5 million and RMB5.1 million in the six months ended June 30, 2019 and 2020, respectively. Our adjusted net profit, a non-HKFRS measure, increased by 23.1% from RMB22.1 million in 2017 to RMB27.2 million in 2018, and further increased by 42.6% to RMB38.8 million in 2019. We recognized adjusted net loss, a non-HKFRS measure, of RMB0.4 million in six months ended June 30, 2019, and we recognized adjusted net profit, a non-HKFRS measure, of RMB49,000 in the six months ended June 30, 2020. Our adjusted net profit/loss, a non-HKFRS measure, represents our profit/loss for the period excluding the effect of share-based compensation and listing expenses. See “Financial Information — Consolidated Statements of Comprehensive Income — Non-HKFRS Measure.”

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that our results of operations are and will continue to be affected by general factors affecting the equity investment industry in China and company-specific factors, including the following.

General Conditions of China’s Economy and Equity Investment Industry

We are an integrated service platform for equity investment industry*, which provides data, marketing, consulting and training services to participants in the equity investment industry. We take pride in our online platforms, which have been instrumental in our capabilities to offer diverse services, including data services, marketing services, consulting services and training services. Our results of operations and financial condition are heavily dependent on the general development and conditions of China’s overall economy and equity investment industry, which impact the investment decisions of investors, the availability of capital resources for entrepreneurs and growth enterprises, and the policies of various levels of government agencies, and thus could lead to changes in customers’ demands for our service offerings. According to the CIC report, the development of equity investment industry in China has generated increasing demands for timely and accurate information and knowledge relating to equity investment, which could facilitate the development and market expansion of our data services and training services; and such development could also impact investors’ decision to increase their investment and encourage entrepreneurs and growth enterprises to venture more business projects, thus could drive increasing demands for marketing and consulting services.

In addition, general economic conditions also affect government agencies’ decisions on encouraging equity investment to drive local economic growth. We currently collaborate with local government agencies to organize industry events on industry innovation and investment attraction to boost local economic development. We have also started to provide customized research reports for local government agencies to facilitate their policy making process regarding equity investment, and strategic plans relating to government-guided funds (政府引導基金). The changes in local regulatory and policy environment for equity investment and the needs from local government agencies for professional guidance and strategic planning will affect their demands for our services.

* Not licensed to provide intermediary services in the equity investment market such as brokerage and asset management services.

FINANCIAL INFORMATION

Our Ability to Retain and Improve Our Reputation and Brand Image

Our prestigious reputation and trusted brand image have been playing and will continue to play a critical role in attracting customers who wish to make better-informed investment decisions, to gain access to suitable development solutions, and to seek assistance in implementing their local economic development strategies. We believe that through our historical business operations, especially our decade-long PEdata Database supported by our extensive data resources and robust data capabilities, our independent industry rankings, and our various course offerings, we have earned the reputation as the go-to expert for a diverse range of participants in China's equity investment industry. Enabled by our comprehensive service offerings, especially our marketing services and consulting services, we have gained the brand image as a hub connecting various participants in the equity investment industry. We expect that our reputation and brand image will continue to attract an increasing number of participants to our service platform, thereby giving us the chance to offer services to them; and our ability to retain and improve our reputation and brand image is expected to affect our results of operation and financial condition.

Our Ability to Enhance Our Online and Offline Service Capabilities

We generate revenue from our comprehensive portfolio of both online and offline services. As an integrated service platform for equity investment industry in China, which provides data, marketing, consulting and training services to participants in the equity investment industry, we believe that the functionalities of our online platforms, such as PEdata Database, PEdaily, Deal-Market, and SandHill University, contribute to our ability to attract customers and satisfy our customers' demands for industry data, marketing solutions, capital resources and professional guidance. In particular, our PEdata Database offers customers convenient and easy-to-navigate access to industry data for their respective investment, financing, business development and policy-making processes; our PEdaily periodically publishes industry updates and perceptive views, and serves as a valuable online marketing channel for industry participants who seek to enhance their brand awareness; our Deal-Market connects investors with entrepreneurs, enabling the former to locate appropriate investment targets and the latter to obtain capital resources; and our SandHill University offers training courses to users who are planning to start their careers in the equity investment industry. Our ability to maintain and enhance such functionalities is expected to affect our ability to create values for our customers as well as to cost-effectively retain and acquire customers, thus affecting our results of operations and financial condition.

A significant portion of our revenue was generated from our offline services, such as our research reports, offline industry events, offline consulting services and offline course offerings. Our offline services, working in synergy with our online platforms, extend our value chain and enhance our monetization capability. We intend to enhance our offline service capabilities and expand offline service offerings to achieve greater operational synergy and broaden our monetization channels, which is expected to affect our results of operations and financial condition.

FINANCIAL INFORMATION

Our Ability to Effectively Control Our Costs and Expenses

Our ability to manage and control our costs and expenses is critical to the success of our business. We incur various costs and expenses to operate our business and to offer services to our customers. For example, we incur costs related to professional staff on which we rely to collect and analyze data and generate reports; we engage third-party event set-up service providers and pay rents to venue providers to organize our offline industry events; we hire instructors to deliver courses to our customers and invest in our online infrastructure to maintain our online platforms. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our employee benefit expenses, namely salaries, bonuses, social insurance and other benefits paid to our employees, represented a major component of our cost of revenue and operating expenses and amounted to 56.5%, 53.4%, 55.6%, 63.9% and 58.5% of our total cost of revenue and operating expenses of the same periods, respectively. The following sensitivity analysis illustrates the impact of hypothetical fluctuation in our employee benefit expenses on our profit before income tax with other variables held constant during the Track Record Period. Fluctuations are assumed to be 5% and 10% for the employee benefit expenses for each of the periods indicated. The analysis below is intended for reference only, and any variation may differ from the amount indicated.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	Increase/(decrease) in profit before income tax				
	<i>(RMB in thousands)</i>				
Change in employee benefit expenses					
+10%	(5,928)	(6,948)	(6,961)	(3,237)	(2,766)
+5%	(2,964)	(3,474)	(3,481)	(1,618)	(1,383)
-5%	2,964	3,474	3,481	1,618	1,383
-10%	5,928	6,948	6,961	3,237	2,766

As we scale up our business operations, we expect that our costs and expenses will increase in absolute terms and our ability to improve our operational efficiency by keeping the growth of our costs and expenses in proportion to the growth of our revenue is critical to our future results of operations and margins.

Seasonality

Our business, especially our offline industry events, experience effects of seasonality. We generally organize more offline industry events towards year ends in accordance with market practice and customer demands, which leads to a higher level of revenue in the second half of a year. Changes in seasonal trends may cause fluctuations in our results of operations and financial condition.

BASIS OF PREPARATION

Our consolidated financial information has been prepared in accordance with HKFRSs issued by Hong Kong Institute of Certified Public Accountants. Our consolidated financial information has been prepared under historical cost convention, as modified by revaluation of financial assets at fair value through profit or loss. See Note 2.1 to the Accountant's Report in Appendix I to this prospectus.

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EFFECTS OF THE NEW STANDARDS OF AND AMENDMENTS TO HKFRS

Adoption of HKFRS 9, HKFRS 15 and HKFRS 16

Our consolidated financial information has been prepared based on our underlying financial statements, in which HKFRS 9 “Financial instruments” (“**HKFRS 9**”), HKFRS 15 “Revenue from contracts with customers” (“**HKFRS 15**”) and HKFRS 16 “Leases” (“**HKFRS 16**”) have been adopted. We have consistently applied HKFRS 9, HKFRS 15 and HKFRS 16 throughout the Track Record Period, such that our consolidated financial information is comparable on a period-to-period basis.

HKFRS 9 replaces HKAS 39 “Financial instruments: recognition and measurement” and related interpretations. It sets out the requirements for recognizing and measuring financial assets, financial liabilities and certain contracts to buy or sell non-financial items. HKFRS 9 is effective for the financial year beginning on or after January 1, 2018, and earlier application is permitted. We have elected to apply HKFRS 9 in the preparation of our consolidated financial information throughout the Track Record Period. Our Directors are of the view that the application of HKFRS 9 had no significant impact on our financial position and/or financial performance as compared to that of HKAS 39.

HKFRS 15 supersedes HKAS 18 “Revenue” and related interpretations and applies to all revenue arising from contracts with customers, unless such contracts are in the scope of other standards. HKFRS 15 is effective for the financial year beginning on or after January 1, 2018, and earlier application is permitted. We have elected to apply HKFRS 15 in the preparation of our consolidated financial information throughout the Track Record Period. Our Directors are of the view that the application of HKFRS 15 had no significant impact on our financial position and/or financial performance as compared to that of HKAS 18.

HKFRS 16 replaces HKAS 17 “Leases,” under which all leases (except for those with lease term of less than 12 months or of low value) must be recognized in the form of assets (being the right-of-use assets classified under properties, plant and equipment in our consolidated financial statements) and financial liabilities (being the lease liabilities in our consolidated financial statements) on our consolidated balance sheets at the commencement of respective leases. The standard is effective for the financial year beginning on or after January 1, 2019 and earlier application is permitted. We have elected to apply HKFRS 16 in the preparation of our consolidated financial information throughout the Track Record Period. Other than increases in our total assets and liabilities led by the recognition of right-of-use assets and lease liabilities, the impact of the application of HKFRS 16 on our net profit and net assets would have been not

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significant, as compared to if HKAS 17 had been adopted. The following table summarizes the impacts of the adoption of HKFRS 16 on certain key items of our consolidated financial statements and key ratios.

	Currently reported under HKFRS 16	As if reported under HKAS 17	Difference ⁽²⁾
<i>(RMB in thousands, except for ratios)</i>			
Profit/(loss) for the year/period			
For the year ended December 31, 2017	18,413	19,256	(843)
For the year ended December 31, 2018	27,161	28,086	(925)
For the year ended December 31, 2019	34,525	33,441	1,084
For the six months ended June 30, 2020	(5,072)	(5,818)	746
Total assets			
As of December 31, 2017	152,340	102,051	50,289
As of December 31, 2018	190,295	148,512	41,783
As of December 31, 2019	170,551	149,310	21,241
As of June 30, 2020	130,291	113,148	17,143
Total liabilities			
As of December 31, 2017	105,175	53,858	51,317
As of December 31, 2018	114,820	70,949	43,871
As of December 31, 2019	92,202	68,791	23,411
As of June 30, 2020	91,754	72,663	19,091
Net assets			
As of December 31, 2017	47,165	48,193	(1,028)
As of December 31, 2018	75,475	77,563	(2,088)
As of December 31, 2019	78,349	80,519	(2,170)
As of June 30, 2020	38,537	40,485	(1,948)
Current ratio⁽¹⁾			
As of December 31, 2017	1.5	1.8	(0.3)
As of December 31, 2018	1.8	2.1	(0.3)
As of December 31, 2019	2.0	2.3	(0.3)
As of June 30, 2020	1.3	1.5	(0.2)

Notes:

- (1) The calculation of current ratio is based on current assets divided by current liabilities as of period end.
- (2) The differences of total assets and total liabilities presented above have reflected the impact of lease prepayments and accrued lease expenses relating to some of our lease arrangements.

SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that we believe are most significant to the preparation of our consolidated financial statements. Our significant accounting policies and estimates, which are important for understanding our results of operations and financial condition, are set forth in Notes 2 and 4 to the Accountant’s Report in Appendix I to this prospectus. Some of the accounting policies involve subjective assumptions and estimates, as well as complex judgements relating to accounting items. In each case, the determination of these items requires management judgment based on information and financial data that may change in future periods. When reviewing our financial statements, you should consider (1) our selection of critical accounting policies, (2) the judgment and other uncertainties affecting the application of such policies, and (3) the sensitivity of reported results to changes in conditions and assumptions. We believe the significant accounting policies and estimates of “business combinations,” “investments and other financial assets,” “revenue recognition,” “current and deferred income tax” and “impairment of account receivables and contract assets” as set forth in details in Notes 2 and 4 to the Accountant’s Report in Appendix I to this prospectus, are critical and involve the most significant estimates and judgment used in the preparation of our financial statements.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of comprehensive income for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Revenue	129,343	100.0%	164,130	100.0%	167,442	100.0%	46,822	100.0%	39,829	100.0%
Cost of revenue	(75,620)	(58.5)%	(94,597)	(57.6)%	(86,048)	(51.4)%	(35,158)	(75.1)%	(23,883)	(60.0)%
Gross profit	53,723	41.5%	69,533	42.4%	81,394	48.6%	11,664	24.9%	15,946	40.0%
Selling and marketing expenses	(10,708)	(8.3)%	(10,923)	(6.7)%	(10,300)	(6.2)%	(3,903)	(8.3)%	(5,617)	(14.1)%
General and administrative expenses	(9,670)	(7.5)%	(16,602)	(10.1)%	(21,229)	(12.7)%	(7,782)	(16.6)%	(13,938)	(35.0)%
Research and development expenses	(8,903)	(6.9)%	(7,928)	(4.8)%	(7,679)	(4.6)%	(3,821)	(8.2)%	(3,859)	(9.7)%
Net impairment losses on financial assets	(47)	(0.0)%	(391)	(0.2)%	(536)	(0.3)%	(271)	(0.6)%	(403)	(1.0)%
Other income	251	0.2%	1,451	0.9%	2,646	1.6%	2,190	4.7%	490	1.2%
Other gain – net	474	0.4%	2,482	1.5%	1,252	0.7%	1,235	2.6%	1,178	3.0%
Operating profit/(loss)	25,120	19.4%	37,622	22.9%	45,548	27.2%	(688)	(1.5)%	(6,203)	(15.6)%
Finance income	81	0.1%	55	0.0%	60	0.0%	31	0.1%	64	0.2%
Finance costs	(959)	(0.7)%	(3,216)	(2.0)%	(2,436)	(1.5)%	(1,321)	(2.8)%	(939)	(2.4)%
Finance cost – net	(878)	(0.7)%	(3,161)	(1.9)%	(2,376)	(1.4)%	(1,290)	(2.8)%	(875)	(2.2)%
Profit/(loss) before income tax	24,242	18.7%	34,461	21.0%	43,172	25.8%	(1,978)	(4.2)%	(7,078)	(17.8)%
Income tax (expense)/credit	(5,829)	(4.5)%	(7,300)	(4.4)%	(8,647)	(5.2)%	1,463	3.1%	2,006	5.0%
Profit/(loss) for the period	18,413	14.2%	27,161	16.5%	34,525	20.6%	(515)	(1.1)%	(5,072)	(12.8)%
Non-HKFRS measure⁽¹⁾										
Adjusted net profit/(loss) ⁽²⁾	22,064	17.1%	27,161	16.5%	38,794	23.2%	(416)	(0.9)%	49	0.1%

Notes:

- (1) We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. The use of such non-HKFRS measure has limitations as an analytical tool, and you should not consider adjusted net profit/loss, a non-HKFRS measure, in isolation, or as substitute for analysis of, our results of operations or financial position as reported under HKFRSs. See “— Non-HKFRS Measure.”
- (2) Adjusted net profit/loss, a non-HKFRS measure, excludes the effect of share-based compensation and listing expenses. See “— Non-HKFRS Measure.”

Non-HKFRS Measure

To supplement our consolidated financial statements which are presented in accordance with HKFRSs and consistent with the measures adopted by our industry peers listed on the Stock Exchange, we also use a non-HKFRS measure, adjusted net profit/loss, as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe that such non-HKFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of items that our management do not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net profit/loss may not be comparable to similarly titled measures presented by

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other companies, as companies may not calculate adjusted net profit/loss in the same manner. The use of such non-HKFRS measure has limitations as an analytical tool, because it does not reflect all items of income and expense that affect our operations. The item that is adjusted for may continue to be incurred and should be considered in the overall understanding and assessment of our operating performance. You should not consider adjusted net profit/loss in isolation, or as substitute for analysis of, our results of operations or financial position as reported under HKFRSs. Adjusted net profit/loss, as we present it, represents our profit for the period excluding the effect of share-based compensation and listing expenses.

The following table reconciles our adjusted net profit/loss, a non-HKFRS measure, presented to profit/loss for the period under HKFRSs.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Profit/(loss) for the period . . .	18,413	27,161	34,525	(515)	(5,072)
Add:					
Share-based compensation . . .	3,651	—	—	—	—
Listing expenses	—	—	5,692	132	6,828
Less: Tax effect of adjustments	—	—	(1,423)	(33)	(1,707)
Adjusted net profit/(loss) . . .	22,064	27,161	38,794	(416)	49

In terms of the adjustment relating to “share-based compensation,” such expense was pushed down to our Group from the long-term incentive program adopted by Zero2IPO Group. See Note 22 to the Accountant’s Report in Appendix I to this prospectus. Considering that this item is not expected to result in future cash payments as our Group has no obligation to settlement, together with its non-recurring nature, our Directors are of the view that this adjustment complies with HKEX GL103-19.

KEY COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue from our (1) data services, (2) marketing services, (3) consulting services and (4) training services. Revenue from data services primarily represents our revenue from PEdata Database and research reports. For our PEdata Database, we charge our customers a subscription fee on a monthly or annual basis, which grants them access to our PEdata Database. We charge customers for our customized reports on a project-by-project basis, while customers for standardized research reports may purchase reports from us on a subscription basis or purchase selected reports outright. Revenue from marketing services primarily represents our revenue from omni-channel marketing solutions through our online information platforms, such as PEdaily, and offline industry events. In 2017, 2018, 2019 and the six months ended June 30, 2020, we had five, six, five and three repeat customers of customized events, respectively, the revenue contribution of which was RMB15.5 million, RMB22.2 million, RMB12.0 million and RMB2.8 million during the same periods, respectively. Revenue from consulting services primarily represents fees for the service packages offered through and roadshows organized in association with our online investor-entrepreneur matching platform Deal-Market, and consulting fees or commissions we charge for our offline consulting services. Revenue from training services primarily represents course fees received for our various online and offline course offerings.

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In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our total revenue was RMB129.3 million, RMB164.1 million, RMB167.4 million, RMB46.8 million and RMB39.8 million, respectively. The following table sets forth a breakdown of our revenue by business segment and customer type for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Data services	38,314	29.6%	52,119	31.8%	53,105	31.7%	20,434	43.6%	20,350	51.1%
– Government	7,300	5.6%	11,867	7.2%	14,562	8.7%	2,749	5.8%	2,365	5.9%
– Enterprise, corporate investor, entrepreneur and individual investor	29,568	22.9%	38,540	23.5%	36,415	21.8%	16,720	35.7%	16,957	42.6%
– Others ⁽¹⁾	1,446	1.1%	1,712	1.1%	2,128	1.2%	965	2.1%	1,028	2.6%
Marketing services	70,245	54.3%	79,738	48.6%	67,770	40.5%	14,291	30.5%	10,449	26.2%
– Government	8,238	6.4%	21,772	13.3%	18,149	10.8%	2,099	4.5%	2,339	5.8%
– Enterprise, corporate investor, entrepreneur and individual investor	62,007	47.9%	57,966	35.3%	49,621	29.7%	12,192	26.0%	8,110	20.4%
– Others ⁽¹⁾	–	–	–	–	–	–	–	–	–	–
Consulting services	11,726	9.1%	15,392	9.4%	24,092	14.4%	3,117	6.7%	5,315	13.3%
– Government	–	–	–	–	7,907	4.7%	1,887	4.0%	283	0.7%
– Enterprise, corporate investor, entrepreneur and individual investor	11,726	9.1%	15,392	9.4%	16,185	9.7%	1,230	2.7%	5,032	12.6%
– Others ⁽¹⁾	–	–	–	–	–	–	–	–	–	–
Training services	9,058	7.0%	16,881	10.2%	22,475	13.4%	8,980	19.2%	3,715	9.4%
– Government	–	–	2,194	1.3%	5,946	3.5%	1,179	2.5%	1,612	4.1%
– Enterprise, corporate investor, entrepreneur and individual investor	9,058	7.0%	14,687	8.9%	16,529	9.9%	7,801	16.7%	2,103	5.3%
– Others ⁽¹⁾	–	–	–	–	–	–	–	–	–	–
Total	129,343	100.0%	164,130	100.0%	167,442	100.0%	46,822	100.0%	39,829	100.0%

Note:

(1) Revenue from others primarily includes revenue from our online platforms, for which we do not require disclosure of identity of the subscribers when rendering services, and therefore cannot be categorized by customer type.

Cost of Revenue

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our cost of revenue was RMB75.6 million, RMB94.6 million, RMB86.0 million, RMB35.2 million and RMB23.9 million, respectively, representing 58.5%, 57.6%, 51.4%, 75.1% and 60.0%, respectively, of our total revenue for the same periods.

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The following table sets forth a breakdown of our cost of revenue by business segment for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Data services	22,370	29.6%	26,537	28.1%	25,643	29.8%	12,028	34.2%	8,640	36.2%
Marketing services	37,142	49.1%	39,714	42.0%	31,612	36.7%	10,664	30.3%	6,924	29.0%
Consulting services	9,414	12.4%	11,411	12.0%	12,604	14.7%	4,948	14.1%	3,592	15.0%
Training services	6,694	8.9%	16,935	17.9%	16,189	18.8%	7,518	21.4%	4,727	19.8%
Total	75,620	100.0%	94,597	100.0%	86,048	100.0%	35,158	100.0%	23,883	100.0%

During the Track Record Period, our cost of revenue primarily consisted of employee benefit expenses, offline event costs, depreciation and amortization, video recording costs, event promotion costs, professional service fees, travel expenses and utilities and property management fees. The following table sets forth a breakdown of our cost of revenue by nature for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Employee benefit expenses	36,389	48.1%	46,085	48.7%	46,485	54.0%	22,043	62.7%	16,992	71.1%
Offline event costs	16,205	21.4%	14,931	15.8%	12,624	14.7%	1,944	5.5%	509	2.1%
Depreciation and amortization	5,846	7.7%	11,586	12.2%	10,290	12.0%	5,364	15.2%	3,546	14.8%
Video recording costs	2,565	3.4%	1,811	1.9%	592	0.7%	188	0.5%	68	0.3%
Event promotion costs	1,589	2.1%	4,718	5.0%	419	0.5%	18	0.1%	116	0.5%
Professional service fees	3,551	4.7%	3,594	3.8%	3,800	4.4%	913	2.6%	258	1.1%
Travel expenses	2,656	3.5%	3,115	3.3%	3,118	3.6%	873	2.5%	417	1.7%
Utilities and property management fees	1,018	1.3%	1,851	2.0%	1,809	2.1%	805	2.3%	483	2.0%
Other	5,801	7.8%	6,906	7.3%	6,911	8.0%	3,010	8.6%	1,494	6.4%
Total	75,620	100.0%	94,597	100.0%	86,048	100.0%	35,158	100.0%	23,883	100.0%

Our employee benefit expenses recorded as cost of revenue consisted of salaries, bonuses, social insurance and other benefits paid to our employees directly involved in our service provision. Offline event costs consisted of venue rental costs and event set-up costs incurred for our offline industry events, offline roadshows for consulting services and offline training services. Depreciation and amortization were primarily related to leased office premises and leasehold improvements. Video recording costs primarily consisted of service fees for the recording and editing of our online course offerings at SandHill University. Event promotion costs were incurred primarily for the promotion of our offline industry events and other services. Professional service fees primarily consisted of service fees we paid to instructors of our training services and to third-party professionals for their due diligence work conducted in connection with our offline consulting services. Travel expenses represented costs of out-of-town transportation and accommodation incurred by our employees for rendering our services.

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Gross Profit and Gross Margin

In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our gross profit was RMB53.7 million, RMB69.5 million, RMB81.4 million, RMB11.7 million and RMB15.9 million, respectively, representing our gross margin of 41.5%, 42.4%, 48.6%, 24.9% and 40.0%, respectively, for the same periods.

The following table sets forth a breakdown of our gross profit and gross margin by business segment for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	Gross margin	Amount	Gross margin	Amount	Gross margin	Amount	Gross margin	Amount	Gross margin
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Data services	15,944	41.6%	25,582	49.1%	27,462	51.7%	8,406	41.1%	11,710	57.5%
Marketing services	33,103	47.1%	40,024	50.2%	36,158	53.4%	3,627	25.4%	3,525	33.7%
Consulting services	2,312	19.7%	3,981	25.9%	11,488	47.7%	(1,831)	(58.7)%	1,723	32.4%
Training services	2,364	26.1%	(54)	(0.3)%	6,286	28.0%	1,462	16.3%	(1,012)	(27.2)%
Total	<u>53,723</u>	<u>41.5%</u>	<u>69,533</u>	<u>42.4%</u>	<u>81,394</u>	<u>48.6%</u>	<u>11,664</u>	<u>24.9%</u>	<u>15,946</u>	<u>40.0%</u>

Selling and Marketing Expenses

Our selling and marketing expenses primarily consisted of employee benefit expenses, including salaries and other benefits for our selling and marketing personnel, advertising expenses incurred for advertisement placements to promote our brand, and depreciation and amortization. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our selling and marketing expenses was RMB10.7 million, RMB10.9 million, RMB10.3 million, RMB3.9 million and RMB5.6 million, respectively, representing 8.3%, 6.7%, 6.2%, 8.3% and 14.1% of our total revenue for the same periods, respectively.

The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Employee benefit expenses	8,349	78.0%	7,707	70.6%	6,972	67.7%	2,475	63.4%	3,342	59.5%
Advertising expenses	352	3.3%	1,136	10.4%	1,371	13.3%	571	14.6%	1,617	28.8%
Depreciation and amortization	1,081	10.1%	1,504	13.8%	1,388	13.5%	748	19.2%	508	9.0%
Others	926	8.6%	576	5.2%	569	5.5%	109	2.8%	150	2.7%
Total	<u>10,708</u>	<u>100.0%</u>	<u>10,923</u>	<u>100.0%</u>	<u>10,300</u>	<u>100.0%</u>	<u>3,903</u>	<u>100.0%</u>	<u>5,617</u>	<u>100.0%</u>

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General and Administrative Expenses

Our general and administrative expenses primarily consisted of employee benefit expenses, including salaries and other benefits for our general administration and management staff, depreciation and amortization, travel expenses, office expenses, professional service fees, auditor's remuneration we incurred for the audit services we engaged in our ordinary course of business, and listing expenses relating to the Global Offering. The auditor's remuneration we incurred in 2018 was for the audit services provided by our reporting accountant who we engaged in 2018 to audit the financial statements of Zero2IPO Ventures for the year ended December 31, 2017 under the PRC GAAP. We subsequently kicked off preparation for the Listing application and incurred auditor's remuneration in 2019 and the six months ended June 30, 2020 for the audit services provided by our reporting accountant to audit the financial statements of our Group for the Track Record Period under the HKFRS, which was approximately RMB1.4 million in 2019 and RMB1.1 million in the six months ended June 30, 2020, and was included in the listing expenses. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our general and administrative expenses was RMB9.7 million, RMB16.6 million, RMB21.2 million, RMB7.8 million and RMB13.9 million, respectively, representing 7.5%, 10.1%, 12.7%, 16.7% and 34.9% of our total revenue for the same periods, respectively. Our professional service fees increased significantly from RMB78,000 in 2017 to RMB1.3 million in 2018 primarily due to certain consulting services we engaged in 2018. Such consulting services mainly included legal services from a PRC law firm we engaged for the evaluation and design of our business restructuring and tax-related advisory services provided by an audit firm on Super Deduction.

The following table sets forth a breakdown of our general and administrative expenses for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
	<i>(unaudited)</i>									
	<i>(RMB in thousands, except for percentages)</i>									
Employee benefit expenses	6,413	66.3%	8,740	52.6%	9,352	44.1%	4,517	58.0%	3,865	27.7%
Depreciation and amortization	1,002	10.4%	2,756	16.6%	3,333	15.7%	1,559	20.0%	1,041	7.5%
Travel expenses	896	9.3%	1,247	7.5%	1,436	6.8%	697	9.0%	253	1.8%
Office expenses	228	2.4%	597	3.6%	554	2.6%	298	3.8%	422	3.0%
Professional service fees	78	0.8%	1,299	7.8%	118	0.6%	121	1.6%	766	5.5%
Auditor's remuneration	—	—	1,048	6.3%	—	—	—	—	—	—
Listing expenses	—	—	—	—	5,692	26.8%	132	1.7%	6,828	49.0%
Others	1,053	10.8%	915	5.6%	744	3.4%	458	5.9%	763	5.5%
Total	9,670	100.0%	16,602	100.0%	21,229	100.0%	7,782	100.0%	13,938	100.0%

Research and Development Expenses

Our research and development expenses primarily consisted of employee benefit expenses, including salaries and other benefits for our research and development personnel primarily responsible for the development, operations and maintenance of our online platforms, and depreciation and amortization. In 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, our research and development expenses was RMB8.9 million, RMB7.9 million, RMB7.7 million, RMB3.8 million and RMB3.9 million, respectively, representing 6.9%, 4.8%, 4.6%, 8.1% and 9.8% of our total revenue for the same periods, respectively.

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The following table sets forth a breakdown of our research and development expenses for the periods indicated.

	Year ended December 31,						Six months ended June 30,			
	2017		2018		2019		2019		2020	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
<i>(unaudited)</i>										
<i>(RMB in thousands, except for percentages)</i>										
Employee benefit expenses	8,129	91.3%	6,943	87.6%	6,805	88.6%	3,332	87.2%	3,456	89.6%
Depreciation and amortization	774	8.7%	985	12.4%	874	11.4%	489	12.8%	403	10.4%
Total	<u>8,903</u>	<u>100.0%</u>	<u>7,928</u>	<u>100.0%</u>	<u>7,679</u>	<u>100.0%</u>	<u>3,821</u>	<u>100.0%</u>	<u>3,859</u>	<u>100.0%</u>

Other Income

Our other income primarily consisted of government grants. Our other income amounted to RMB0.3 million, RMB1.5 million, RMB2.6 million, RMB2.2 million and RMB0.5 million in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively.

Other Gain – Net

Our other gain – net primarily included fair value change of financial assets measured at fair value through profit or loss relating to our wealth management products, liquidated damages relating to our surrender of certain leased office premises located in Beijing before expiration dates in 2019 as we try to streamline our operations, and gains on disposal of property, plant and equipment or surrender of leased property. Our other gain – net amounted to RMB0.5 million, RMB2.5 million, RMB1.3 million, RMB1.2 million and RMB1.2 million in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively.

Finance Costs

Finance costs primarily consisted of interest expense for lease liabilities and amounted to RMB1.0 million, RMB3.2 million, RMB2.4 million, RMB1.3 million and RMB0.9 million in 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020, respectively.

Income Tax Expense/Credit

We incurred income tax expense of RMB5.8 million, RMB7.3 million and RMB8.6 million in 2017, 2018 and 2019, respectively, representing effective tax rates of 24.0%, 21.2% and 20.0%, respectively, for the same periods. We had income tax credit of RMB1.5 million and RMB2.0 million in the six months ended June 30, 2019 and 2020, respectively.

Pursuant to the PRC Enterprise Income Tax Law and related regulations, enterprises which operate in China are subject to EIT at a statutory rate of 25%. Certain of our subsidiaries are entitled to preferential tax treatments. For example, Shanghai Qingyou Enterprise Management Consulting Co., Ltd. and Hainan Qingyou Management Consulting Co., Ltd. were qualified as small and micro-enterprises in 2018 and 2019. According to a preferential tax treatment jointly issued by the Ministry of Finance and the SAT of the PRC on July 11, 2018, from January 1, 2018

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to December 31, 2020, small and micro-enterprises with an annual assessable profit of less than RMB1.0 million are eligible for a 50% deduction for their annual assessable profits when calculating enterprise income tax, and are entitled to a reduced enterprise income tax rate of 20%. On January 17, 2019, the Ministry of Finance and the SAT of the PRC jointly issued new preferential tax treatment available to small and micro-enterprises for the period from January 1, 2019 to December 31, 2021. Under the new treatment, the first RMB1.0 million of the annual assessable profits is eligible for a 75% deduction and the portion of the annual assessable profits between RMB1.0 million and RMB3.0 million is eligible for a 50% deduction, which are all entitled to a reduced enterprise income tax rate of 20%.

According to relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“**Super Deduction**”). The State Taxation Administration of the People's Republic of China announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as Super Deduction from January 1, 2018 to December 31, 2020. We have made our best estimate for the Super Deduction to be claimed in ascertaining assessable profits. For the risk relating to preferential tax treatments, see “Risk Factors — Risks Related to Our Business and Industry — The discontinuation of any preferential tax treatments available to us in China could adversely affect our results of operations and financial condition.”

Profit/loss for the Period

In 2017, 2018 and 2019, our net profit was RMB18.4 million, RMB27.2 million and RMB34.5 million, respectively. We recognized net loss of RMB0.5 million and RMB5.1 million in the six months ended June 30, 2019 and 2020, respectively.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2020 Compared to Six Months Ended June 30, 2019

Revenue

Our total revenue decreased by 15.0% from RMB46.8 million in the six months ended June 30, 2019 to RMB39.8 million in the six months ended June 30, 2020.

- *Data services.* Our revenue generated from data services remained relatively stable at RMB20.4 million and RMB20.4 million in the six months ended June 30, 2019 and 2020, respectively.
- *Marketing services.* Our revenue generated from marketing services decreased by 27.3% from RMB14.3 million in the six months ended June 30, 2019 to RMB10.4 million in the six months ended June 30, 2020, primarily because our offline industry events previously scheduled to be organized in the six months ended June 30, 2020 were canceled or postponed to the second half of 2020 due to the COVID-19 outbreak.

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- *Consulting services.* Our revenue generated from consulting services increased by 71.0% from RMB3.1 million in the six months ended June 30, 2019 to RMB5.3 million in the six months ended June 30, 2020, primarily due to an increase in revenue generated from offline consulting services attributable to an increase in the number of offline consulting projects we concluded.
- *Training services.* Our revenue generated from training services decreased by 58.9% from RMB9.0 million in the six months ended June 30, 2019 to RMB3.7 million in the six months ended June 30, 2020, primarily because courses at SandHill College that were previously scheduled to be delivered in the six months ended June 30, 2020 were postponed to the second half of 2020, leading to the delayed recognition of related revenue.

Cost of revenue

Our cost of revenue decreased by 32.1% from RMB35.2 million in the six months ended June 30, 2019 to RMB23.9 million in the six months ended June 30, 2020.

- *Data services.* Our cost of revenue in relation to data services, decreased by 28.3% from RMB12.0 million in the six months ended June 30, 2019 to RMB8.6 million in the six months ended June 30, 2020, primarily due to decreases in (1) employee benefit expenses as a result of exempted or reduced social insurance contribution in accordance with a government subsidy policy during the COVID-19 outbreak, and (2) depreciation and amortization in relation to our surrender of leased property in 2019 as we try to streamline our operations.
- *Marketing services.* Our cost of revenue in relation to marketing services decreased by 35.5% from RMB10.7 million in the six months ended June 30, 2019 to RMB6.9 million in the six months ended June 30, 2020, primarily due to decreases in (1) venue rental costs and event set-up costs associated with the canceled or postponed offline industry events and our enhanced cost control during the COVID-19 outbreak, (2) employee benefit expenses as a result of exempted or reduced social insurance contribution during the COVID-19 outbreak, and (3) depreciation and amortization in relation to our surrender of leased property.
- *Consulting services.* Our cost of revenue in relation to consulting services decreased by 26.5% from RMB4.9 million in the six months ended June 30, 2019 to RMB3.6 million in the six months ended June 30, 2020, primarily due to a decrease in employee benefit expenses as a result of exempted or reduced social insurance contribution during the COVID-19 outbreak.
- *Training services.* Our cost of revenue in relation to training services decreased by 37.3% from RMB7.5 million in the six months ended June 30, 2019 to RMB4.7 million in the six months ended June 30, 2020, primarily due to decreases in (1) venue rental costs and professional service fees paid to our instructors associated with postponed delivery of courses at SandHill College as a result of the COVID-19 outbreak, (2) employee benefit expenses as a result of exempted or reduced social insurance contribution during the COVID-19 outbreak, and (3) depreciation and amortization in relation to our surrender of leased property.

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Gross profit/loss and gross margin

Our gross profit increased by 35.9% from RMB11.7 million in the six months ended June 30, 2019 to RMB15.9 million in the six months ended June 30, 2020. Our gross margin increased from 24.9% in the six months ended June 30, 2019 to 40.0% in the six months ended June 30, 2020.

- *Data services.* Our gross margin for data services increased from 41.1% in the six months ended June 30, 2019 to 57.5% in the six months ended June 30, 2020, primarily because our employee benefit expenses and depreciation and amortization decreased while our revenue generated from data services remained relatively stable during such period.
- *Marketing services.* Our gross margin for marketing services increased from 25.4% in the six months ended June 30, 2019 to 33.7% in the six months ended June 30, 2020, primarily because the decrease in our revenue from marketing services was outpaced by the decrease in our cost of revenue in relation to marketing services, which was in turn caused by our decreased venue rental and event set-up costs associated with the canceled or postponed offline industry events and our enhanced cost control and decreased employee benefit expenses as a result of exempted or reduced social insurance contribution during the COVID-19 outbreak.
- *Consulting services.* Our gross margin for consulting services increased from (58.7)% in the six months ended June 30, 2019 to 32.4% in the six months ended June 30, 2020, primarily because the revenue generated from offline consulting services increased while our employee benefit expenses in relation to our overall consulting services decreased.
- *Training services.* Our gross margin for training services decreased from 16.3% in the six months ended June 30, 2019 to (27.2)% in the six months ended June 30, 2020, primarily because the decrease in revenue generated from training services resulting from the postponed delivery of courses at SandHill College outpaced the decrease in cost of revenue of our training services.

Selling and marketing expenses

Our selling and marketing expenses increased by 43.6% from RMB3.9 million in the six months ended June 30, 2019 to RMB5.6 million in the six months ended June 30, 2020, primarily due to increases in (1) employee benefit expenses as a result of the increased compensation level for new hires in order to attract talents, and (2) advertising expenses, both in an effort to reinforce our market position, enlarge our customer base and promote our online platforms during the COVID-19 outbreak.

General and administrative expenses

Our general and administrative expenses increased by 78.2% from RMB7.8 million in the six months ended June 30, 2019 to RMB13.9 million in the six months ended June 30, 2020, primarily due to an increase in listing expenses in connection with the Global Offering of RMB6.8 million.

Research and development expenses

Our research and development expenses remained relatively stable at RMB3.8 million and RMB3.9 million in the six months ended June 30, 2019 and 2020, respectively.

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Other income

Our other income decreased by 77.3% from RMB2.2 million in the six months ended June 30, 2019 to RMB0.5 million in the six months ended June 30, 2020, primarily due to a decrease in government grants of RMB1.9 million.

Other gain – net

Our other gain – net remained relatively stable at RMB1.2 million and RMB1.2 million in the six months ended June 30, 2019 and 2020, respectively.

Finance cost

Our finance cost decreased by 30.8% from RMB1.3 million in the six months ended June 30, 2019 to RMB0.9 million in the six months ended June 30, 2020, primarily due to a decrease in the interest expense for lease liabilities of RMB0.4 million in connection with the surrender of leased property.

Income tax credits

Our income tax credits increased by 33.3% from RMB1.5 million in the six months ended June 30, 2019 to RMB2.0 million in the six months ended June 30, 2020, primarily due to an increase in loss before income tax caused by the increased listing expenses incurred in the six months ended June 30, 2020.

Loss for the period

As a result of the foregoing, we recognized net loss of RMB0.5 million and RMB5.1 million in the six months ended June 30, 2019 and 2020, respectively. Our net margin was (1.1)% and (12.8)% in the six months ended June 30, 2019 and 2020, respectively.

Adjusted net profit/loss (non-HKFRS measure)

We recognized adjusted net loss of RMB0.4 million in six months ended June 30, 2019, and we recognized adjusted net profit of RMB49,000 in the six months ended June 30, 2020. Our adjusted net margin was (0.9)% and 0.1% in six months ended June 30, 2019 and 2020, respectively.

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

Revenue

Our total revenue increased by 2.0% from RMB164.1 million in 2018 to RMB167.4 million in 2019.

- *Data services.* Our revenue generated from data services remained relatively stable at RMB52.1 million and RMB53.1 million in 2018 and 2019, respectively.
- *Marketing services.* Our revenue generated from marketing services decreased by 14.9% from RMB79.7 million in 2018 to RMB67.8 million in 2019, primarily because a customized event was downsized in 2019 due to commercial reasons.

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- *Consulting services.* Our revenue generated from consulting services increased by 56.5% from RMB15.4 million in 2018 to RMB24.1 million in 2019, primarily due to an increase in revenue from Deal-Market attributable to the increased business scale of its offline roadshow services. We launched such offline roadshow services in 2018 and expanded such business in 2019.
- *Training services.* Our revenue generated from training services increased by 33.1% from RMB16.9 million in 2018 to RMB22.5 million in 2019, primarily due to an increase in revenue from our customized offline training services targeting institutional customers which was initially launched in 2018 and expanded in 2019, partially offset by a decrease in revenue from SandHill College, as we have rearranged its course settings starting from fall 2019, leading to more training sessions being rendered in the following year and therefore a relatively smaller portion of the revenue being recognized in the current year.

Cost of revenue

Our cost of revenue decreased by 9.1% from RMB94.6 million in 2018 to RMB86.0 million in 2019, primarily due to decreased cost of revenue in relation to marketing services.

- *Data services.* Our cost of revenue in relation to data services, which mainly included employee benefit expenses, remained relatively stable at RMB26.5 million and RMB25.6 million in 2018 and 2019, respectively.
- *Marketing services.* Our cost of revenue in relation to marketing services decreased by 20.4% from RMB39.7 million in 2018 to RMB31.6 million in 2019, primarily due to decreases in venue rental costs, event set-up costs and event promotion costs associated with a customized event downsized in 2019 due to commercial reasons, and our enhanced cost control.
- *Consulting services.* Our cost of revenue in relation to consulting services increased by 10.5% from RMB11.4 million in 2018 to RMB12.6 million in 2019, primarily due to increases in employee benefit expenses, event set-up costs and venue rental costs in relation to the increased business scale of Deal-Market's offline roadshow services in 2019, partially offset by a decrease in professional service fees in connection with our offline consulting services, which depend upon the substances of individual deals and are subject to fluctuations.
- *Training services.* Our cost of revenue in relation to training services decreased by 4.1% from RMB16.9 million in 2018 to RMB16.2 million in 2019, primarily due to a decrease in depreciation and amortization in relation to our surrender of leased property as we try to streamline our operations.

Gross profit and gross margin

Our gross profit increased by 17.1% from RMB69.5 million in 2018 to RMB81.4 million in 2019. Our gross margin increased from 42.4% in 2018 to 48.6% in 2019.

- *Data services.* Our gross margin for data services remained relatively stable at 49.1% and 51.7% in 2018 and 2019, respectively.

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- *Marketing services.* Our gross margin for marketing services increased from 50.2% in 2018 to 53.4% in 2019, primarily because we enhanced our cost control and saved venue rental costs and event set-up costs as a result.
- *Consulting services.* Our gross margin for consulting services increased from 25.9% in 2018 to 47.7% in 2019, primarily because the increase in revenue as a result of the increased business scale of our offline roadshow services of Deal-Market outpaced the increase in our overall manpower investment in our consulting services in 2019.
- *Training services.* Our gross margin for training services increased from (0.3)% in 2018 to 28.0% in 2019, primarily due to (1) the increased business scale of customized trainings targeting institutional customers in 2019 with relatively stable manpower investment, and (2) increases in overall employee benefit expenses and professional service fees to support our business growth including the development of our SandHill University in 2018, which resulted in gross loss of training services in 2018. During the Track Record Period, our training services were at an early stage with initial launch in 2017 and the business scale was relatively small, thus our investment in the course development and other aspects of such business operations are more likely to cause fluctuations of the overall profitability level of our training services.

Selling and marketing expenses

Our selling and marketing expenses remained relatively stable at RMB10.9 million and RMB10.3 million in 2018 and 2019, respectively.

General and administrative expenses

Our general and administrative expenses increased by 27.7% from RMB16.6 million in 2018 to RMB21.2 million in 2019, primarily due to the listing expenses of RMB5.7 million incurred in connection with the Global Offering.

Research and development expenses

Our research and development expenses remained relatively stable at RMB7.9 million and RMB7.7 million in 2018 and 2019, respectively.

Other income

Our other income increased by 73.3% from RMB1.5 million in 2018 to RMB2.6 million in 2019, primarily due to an increase in government grants of RMB1.0 million. Our government grants in 2019 were primarily provided by local government agencies in recognition of our efforts in facilitating local economic development.

Other gain – net

Our other gain – net decreased by 48.0% from RMB2.5 million in 2018 to RMB1.3 million in 2019, primarily due to liquidated damages of RMB3.3 million incurred for the surrender of leased property in 2019 as we try to streamline our operations, partially offset by gains on disposal of property, plant and equipment or surrender of leased property of RMB1.5 million in connection with such surrender and an increase in fair value change of our wealth management product of RMB0.5 million.

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Finance costs

Our finance costs decreased by 25.0% from RMB3.2 million in 2018 to RMB2.4 million in 2019, primarily due to a decrease in the interest expense for lease liabilities of RMB0.8 million in connection with the surrender of leased property.

Income tax expense

Our effective tax rates were 21.2% and 20.0% in 2018 and 2019, respectively. Our income tax expense increased by 17.8% from RMB7.3 million in 2018 to RMB8.6 million in 2019, primarily due to an increase in our taxable income driven by our business growth.

Profit for the year

As a result of the foregoing, our net profit increased by 26.8% from RMB27.2 million in 2018 to RMB34.5 million in 2019. Our net margin increased from 16.5% in 2018 to 20.6% in 2019.

Adjusted net profit (non-HKFRS measure)

Our adjusted net profit was RMB27.2 million and RMB38.8 million in 2018 and 2019, respectively. Our adjusted net margin was 16.5% and 23.2% in 2018 and 2019, respectively.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Revenue

Our revenue increased by 26.9% from RMB129.3 million in 2017 to RMB164.1 million in 2018.

- *Data services.* Our revenue generated from data services increased by 36.0% from RMB38.3 million in 2017 to RMB52.1 million in 2018, primarily due to a 38.1% increase in the average revenue per customer of our customized reports from approximately RMB160,000 in 2017 to approximately RMB221,000 in 2018. The increase in the average revenue per customer of customized reports during such period was due to the increased complexity of our customized reports to accommodate customers' demands, which required more efforts and led to increased fee level.
- *Marketing services.* Our revenue generated from marketing services increased by 13.5% from RMB70.2 million in 2017 to RMB79.7 million in 2018, primarily due to a large-scale customized event we organized in 2018.
- *Consulting services.* Our revenue generated from consulting services increased by 31.6% from RMB11.7 million in 2017 to RMB15.4 million in 2018, primarily because (1) the business scale of our offline consulting services increased as we expanded our market and enlarged customer base, and (2) we started to generate revenue from Deal-Market in 2018.
- *Training services.* Our revenue generated from training services increased by 85.7% from RMB9.1 million in 2017 to RMB16.9 million in 2018, primarily because (1) we launched SandHill College in April 2017, leading to a shorter service period of SandHill College in 2017 as compared to the full year of 2018, and (2) the course fee level of SandHill College increased in 2018.

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Cost of revenue

Our cost of revenue increased by 25.1% from RMB75.6 million in 2017 to RMB94.6 million in 2018, which was in line with our business growth.

- *Data services.* Our cost of revenue in relation to data services increased by 18.3% from RMB22.4 million in 2017 to RMB26.5 million in 2018, primarily due to (1) an increase in the headcount of personnel directly involved in the provision of data services, and (2) an increase in depreciation and amortization in relation to office premises newly leased in November 2017.
- *Marketing services.* Our cost of revenue in relation to marketing services increased by 7.0% from RMB37.1 million in 2017 to RMB39.7 million in 2018, primarily due to (1) an increase in event promotion costs associated with a large-scale customized event we organized in 2018, and (2) an increase in depreciation and amortization in relation to the newly-leased property.
- *Consulting services.* Our cost of revenue in relation to consulting services increased by 21.3% from RMB9.4 million in 2017 to RMB11.4 million in 2018, primarily due to an increase in employee benefit expenses incurred primarily for the development and improvement of Deal-Market.
- *Training services.* Our cost of revenue in relation to training services increased significantly from RMB6.7 million in 2017 to RMB16.9 million in 2018, primarily due to (1) increases in overall employee benefit expenses and professional service fees to support our business growth, including the development of our SandHill University, and (2) an increase in depreciation and amortization in relation to the newly-leased property.

Gross profit and gross margin

Our gross profit increased by 29.4% from RMB53.7 million in 2017 to RMB69.5 million in 2018. Our gross margin increased from 41.5% in 2017 to 42.4% in 2018.

- *Data services.* Our gross margin for data services increased from 41.6% in 2017 to 49.1% in 2018, primarily because we successfully expanded our business of data services with relatively stable manpower investment.
- *Marketing services.* Our gross margin for marketing services increased from 47.1% in 2017 to 50.2% in 2018, primarily because the increase in our revenue from marketing services from 2017 to 2018 outpaced the increase in the cost of revenue of our marketing services during the same period.
- *Consulting services.* Our gross margin for consulting services increased from 19.7% in 2017 to 25.9% in 2018, primarily because the cost of revenue in relation to offline consulting services other than employee benefit expenses remained relatively stable while related revenue increased.
- *Training services.* Our gross margin for training services decreased from 26.1% in 2017 to (0.3)% in 2018, primarily due to (1) increases in overall employee benefit expenses and professional service fees to support our business growth including the development of our SandHill University, and (2) an increase in depreciation and amortization in relation to the newly-leased property.

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Selling and marketing expenses

Our selling and marketing expenses remained relatively stable at RMB10.7 million and RMB10.9 million in 2017 and 2018, respectively.

General and administrative expenses

Our general and administrative expenses increased by 71.1% from RMB9.7 million in 2017 to RMB16.6 million in 2018, primarily due to (1) an increase in our employee benefit expenses of RMB2.3 million to accommodate our business growth, (2) an increase in depreciation and amortization expenses of RMB1.8 million relating to our newly-leased property, (3) an increase in professional service fees of RMB1.2 million for certain consulting services we engaged in 2018, and (4) auditor's remuneration of RMB1.0 million we incurred in 2018 for audit services we engaged in the ordinary course of business.

Research and development expenses

Our research and development expenses decreased by 11.2% from RMB8.9 million in 2017 to RMB7.9 million in 2018, primarily due to share-based compensation expenses incurred in 2017.

Other income

Our other income increased significantly from RMB0.3 million in 2017 to RMB1.5 million in 2018, primarily due to an increase in our government grants of RMB1.3 million primarily in recognition of our efforts in supporting the development of small and medium-sized enterprises.

Other gain – net

Our other gain – net increased significantly from RMB0.5 million in 2017 to RMB2.5 million in 2018, primarily due to our increased investment in wealth management products.

Finance costs

Our finance costs increased significantly from RMB1.0 million in 2017 to RMB3.2 million in 2018, primarily due to an increase in the interest expense for lease liabilities of RMB2.2 million relating to our newly-leased property.

Income tax expense

Our effective tax rates decreased from 24.0% in 2017 to 21.2% in 2018, primarily due to the preferential tax treatments for small and micro-enterprises and Super Deduction of research and development expense. Our income tax expense increased by 25.9% from RMB5.8 million in 2017 to RMB7.3 million in 2018, primarily due to an increase in our taxable income driven by our business growth.

Profit for the year

As a result of the foregoing, our net profit increased by 47.8% from RMB18.4 million in 2017 to RMB27.2 million in 2018. Our net margin increased from 14.2% in 2017 to 16.5% in 2018.

Adjusted net profit (non-HKFRS measure)

Our adjusted net profit was RMB22.1 million and RMB27.2 million in 2017 and 2018, respectively. Our adjusted net margin was 17.1% and 16.5% in 2017 and 2018, respectively.

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DISCUSSION OF CERTAIN ITEMS FROM THE CONSOLIDATED BALANCE SHEETS

The following table sets forth a summary of our consolidated balance sheets as of the dates indicated.

	As of December 31,			As of
	2017	2018	2019	June 30, 2020
	<i>(RMB in thousands)</i>			
NON-CURRENT ASSETS				
Property, plant and equipment	53,787	55,902	32,545	27,012
Intangible assets	96	185	164	154
Investments accounted for using the equity method	—	—	—	1,000
Deferred income tax assets	545	4,760	5,205	8,135
Other non-current assets	3,950	3,981	2,577	2,577
Total non-current assets	58,378	64,828	40,491	38,878
CURRENT ASSETS				
Prepayments and other receivables	8,884	647	2,100	3,387
Accounts receivable	12,182	20,708	18,121	16,880
Contract assets	—	—	9,157	13,019
Other current assets	658	2,650	1,607	1,820
Financial assets measured at fair value through profit or loss	20,210	85,477	78,052	9,147
Cash and cash equivalents	52,028	15,985	21,023	47,160
Total current assets	93,962	125,467	130,060	91,413
Total assets	152,340	190,295	170,551	130,291
NON-CURRENT LIABILITIES				
Deferred income	—	12,000	11,676	11,386
Lease liabilities	42,293	32,531	14,950	10,931
Deferred income tax liabilities	—	5	7	—
Total non-current liabilities	42,293	44,536	26,633	22,317
CURRENT LIABILITIES				
Accounts payable	3,921	1,577	4,187	782
Other payables	14,785	14,055	16,634	13,358
Income tax payable	5,092	10,391	9,073	4,086
Contract liabilities	28,233	29,958	25,179	40,031
Lease liabilities	9,157	12,506	8,985	8,815
Other current liabilities	1,694	1,797	1,511	2,365
Total current liabilities	62,882	70,284	65,569	69,437
Total liabilities	105,175	114,820	92,202	91,754
EQUITY				
Equity attributable to owners of the Company				
Share capital	—	—	—*	60
Combined capital	30,000	30,000	30,000	—
Other reserves	9,230	12,949	16,611	41,811
Retained earnings/(accumulated losses)	7,935	32,526	31,738	(3,334)
Total equity	47,165	75,475	78,349	38,537
TOTAL LIABILITIES AND EQUITY	152,340	190,295	170,551	130,291

Note:

* Less than RMB1,000.

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Property, Plant and Equipment

Our property, plant and equipment primarily consisted of computers and other electric equipment, office equipment, buildings and right-of-use assets. We had property, plant and equipment of RMB53.8 million, RMB55.9 million, RMB32.5 million and RMB27.0 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The following table sets forth the details of our property, plant and equipment as of the dates indicated.

	As of December 31,			As of
	2017	2018	2019	June 30, 2020
	<i>(RMB in thousands)</i>			
Computers and other electric equipment	590	495	335	233
Office equipment	912	5,007	2,087	1,442
Buildings	—	8,027	8,133	7,849
Right-of-use assets	52,285	42,373	21,990	17,488
Total	<u>53,787</u>	<u>55,902</u>	<u>32,545</u>	<u>27,012</u>

Our office equipment increased from RMB0.9 million as of December 31, 2017 to RMB5.0 million as of December 31, 2018, primarily due to an increase in the purchases of office furniture and equipment in connection to our office premises newly leased in November 2017. Our office equipment then decreased to RMB2.1 million as of December 31, 2019, primarily relating to current year depreciation. Our buildings increased from nil as of December 31, 2017 to RMB8.0 million as of December 31, 2018, primarily due to our acquisition of certain real properties in Xi'an for office use in 2018. Our right-of-use assets decreased from RMB52.3 million as of December 31, 2017 to RMB42.4 million as of December 31, 2018, primarily due to the depreciation of our leased property. Our right-of-use assets further decreased to RMB22.0 million as of December 31, 2019, primarily due to (1) our surrender of leased property as we try to streamline our operations, and (2) the depreciation of our leased property. Our right-of-use assets decreased to RMB17.5 million as of June 30, 2020, primarily due to the depreciation of our leased property,

Deferred Income Tax Assets

Our deferred income tax assets are primarily attributable to our deferred revenue, lease liabilities, accumulated tax loss and allowance for accounts receivable. We had deferred tax assets of RMB0.5 million, RMB4.8 million, RMB5.2 million and RMB8.1 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The increase in our deferred income tax assets from RMB0.5 million as of December 31, 2017 to RMB4.8 million as of December 31, 2018 was primarily due to an increase in our deferred revenue in relation to government grants. The increase in our deferred income tax assets from December 31, 2019 to June 30, 2020 was primarily due to our increased accumulated tax loss.

Investments accounted for using the equity method

Our investments accounted for using the equity method was nil, nil, nil and RMB1.0 million, as of December 31, 2017, 2018, 2019 and June 30, 2020, respectively. Such investment as of June 30, 2020 represented our investment in an associated company, i.e., Zhongguancun International Exhibition Co., Ltd. (北京中關村國際會展運營管理有限公司) (“**Zhongguancun International Exhibition**”), which was a limited liability company established in the PRC on May 25, 2020 with a registered capital of RMB20.0 million. Zhongguancun Development Group Co., Ltd. (中關村發展集團股份有限公司), a large state-owned enterprise, invited other shareholders, all of which are engaged in the provision of marketing service and/or consulting services, to establish

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Zhongguancun International Exhibition to provide equity investment service to the enterprises and the entrepreneurs in Zhongguancun Science Park. As of the Latest Practicable Date, Zhongguancun International Exhibition had no substantial business operation and was ultimately owned as to 40%, 20%, 15%, 5% and 20% by Zhongguancun Development Group Co., Ltd., Beijing Zhenwei Exhibition Co., Ltd. (北京振威展覽有限公司), Shengjing Wanglian Science and Technology Inc., Ltd. (盛景網聯科技股份有限公司), Jialan Shengshi International Culture and Media (Beijing) Co., Limited (迦藍盛視國際文化傳媒(北京)有限公司) and us.

Prepayments and Other Receivables

Our prepayments and other receivables primarily consisted of prepayments paid in our daily operations, receivables due from related parties, and short-term rental deposits. We had prepayments and other receivables of RMB8.9 million, RMB0.6 million, RMB2.1 million and RMB3.4 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively.

Contract Assets

Our contract assets represented our right to consideration in exchange for services transferred to our customers. Our contract assets were primarily related to our customized reports, customized events, offline consulting services, and customized training services during the Track Record Period. When our right to consideration becomes unconditional, we reclassify the contract assets to accounts receivables. We had contract assets of nil, nil, RMB9.2 million and RMB13.0 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. Our contract assets as of December 31, 2019 were related to certain services we provided to local governments for which we need to obtain certain forms of acceptance from local governments before we are entitled to payment. The increase in our contract assets from December 31, 2019 to June 30, 2020 was primarily due to the prolonged customer acceptance process as a result of the COVID-19 outbreak. As of October 31, 2020, approximately RMB11.0 million, or 83.7%, of our contract assets as of June 30, 2020 was reclassified as accounts receivable, among which approximately RMB10.0 million had been settled.

Accounts Receivable

Our accounts receivable primarily consisted of amounts due from our customers in connection with our customized reports, customized events and customized training services. For these services, we generally are entitled to receive payments from customers after service delivery and receipt of certain forms of acceptance from customers. We had accounts receivable of RMB12.2 million, RMB20.7 million, RMB18.1 million and RMB16.9 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The following table sets forth the details of our accounts receivable as of the dates indicated.

	As of December 31,			As of
	2017	2018	2019	June 30, 2020
	<i>(RMB in thousands)</i>			
From third parties	11,493	21,179	19,035	18,159
Less allowances	(80)	(471)	(914)	(1,279)
From related parties	769	—	—	—
Total	12,182	20,708	18,121	16,880

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For services of which we are entitled to receive payments after service delivery and receipt of certain forms of acceptance from customers, the timing of payments varies upon contract terms, service type and our evaluation of customers' creditworthiness. Our accounts receivable due from third parties increased from RMB11.5 million as of December 31, 2017 to RMB21.2 million as of December 31, 2018, in line with our overall business growth. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we made allowance of RMB80,000, RMB0.5 million, RMB0.9 million and RMB1.3 million, respectively, for accounts receivable due from third parties, which is generally in line with our business growth and is primarily related to our customized reports, for which we typically receive the final installment from customers after the reports are delivered and accepted by them.

For accounts receivable due from third parties, we calculate expected credit loss by referring to the historical credit loss experience, combining with the current situation and the forecasted future economic conditions, and measuring the accounts receivable aging and expected credit loss rate during the lifetime. For accounts receivable due from related parties, the historical loss rate was low. Thus, no impairment provision was recognized for those receivables as the expected credit loss was not material during the Track Record Period. We closely monitor our outstanding accounts receivable. Our finance department reviews our overdue balances regularly and follow up with relevant customers on a continuous basis in order to collect such overdue balances.

The following table sets forth an aging analysis of our gross accounts receivable as of the dates indicated based on the date of recognition. Our gross accounts receivable aged from 90 to 180 days increased from RMB1.1 million as of December 31, 2017 to RMB8.1 million as of December 31, 2018, primarily reflecting accounts receivable in connection with two customized events we organized in the second half of 2018, which was settled in 2019. Our gross accounts receivable aged from 180 to 360 days increased from RMB0.8 million as of December 31, 2019 to RMB4.7 million as of June 30, 2020, primarily because the payment cycle of certain gross accounts receivable aged from 90 days to 180 days as of December 31, 2019 was extended during the COVID-19 outbreak.

	As of December 31,			As of
	2017	2018	2019	June 30, 2020
	<i>(RMB in thousands)</i>			
Up to 30 days	6,557	8,717	11,056	6,097
30 days to 90 days	4,308	2,545	2,298	4,762
90 days to 180 days	1,054	8,067	3,686	1,176
180 days to 360 days	343	1,250	783	4,690
360 days to 540 days	—	404	632	576
540 days to two years	—	196	55	329
Above two years	—	—	525	529
Total	<u>12,262</u>	<u>21,179</u>	<u>19,035</u>	<u>18,159</u>

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The following table sets forth the number of our accounts receivable turnover days for the periods indicated.

	Year ended December 31,			Six months ended June 30,
	2017	2018	2019	2020
Accounts receivable turnover days ⁽¹⁾	20	37	44	85
Accounts receivable and contract assets turnover days ⁽²⁾	20	37	54	136

Notes:

- (1) Accounts receivable turnover days were calculated based on the average of opening and closing balance of gross accounts receivable for the relevant period, divided by the revenue for the same period, and multiplied by the number of days in that period.
- (2) Accounts receivable and contract assets turnover days were calculated based on the average of opening and closing balance of the sum of gross accounts trade receivable and contract assets for the relevant period, divided by the revenue for the same period, and multiplied by the number of days in that period.

Our accounts receivable turnover days increased from 20 days in 2017 to 37 days in 2018 and further to 44 days in 2019, primarily because the business scales of our customized reports, customized events and customized training services as a percentage of our overall business during the Track Record Period increased, for which we generally are entitled to receive payments after service delivery and receipt of certain forms of acceptance from customers, as compared to our data services provided through PEdata Database and our marketing services provided through our online information platforms and offline industry events, which generally require prepayment before we start to provide relevant service, leading to a faster growth in accounts receivable as compared to overall revenue growth. Our accounts receivable turnover days increased to 85 days in the six months ended June 30, 2020, primarily due to the extended payment cycle caused by the COVID-19 outbreak.

Our accounts receivable and contract assets turnover days increased from 20 days in 2017 to 37 days in 2018 and further to 54 days in 2019, primarily because (1) our accounts receivable turnover days increased in the same period due to the increase in the business scales of customized reports, customized events and customized training services as mention above, and (2) we had contract assets of RMB9.2 million as of December 31, 2019, which were related to certain services we provided to local governments for which we need to obtain certain forms of acceptance from local government before we are entitled to payment. Our accounts receivable and contract assets turnover days were further increased to 136 days in the six months ended June 30, 2020, primarily due to the extended payment cycle and prolonged customer acceptance process caused by the COVID-19 outbreak.

On each balance sheet date of the Track Record Period, our Directors used provision matrix to calculate expected credit losses (“ECLs”) for accounts receivable. A simplified approach was applied by our Group to measure ECLs which used a lifetime ECLs according to HKFRS 9. The provision rates are based on days past due for customers. The provision matrix was initially based on historical observed default rates and forward-looking information was adjusted the historical credit loss experience in the matrix. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each balance sheet date, the historical observed default rates were updated and changes in the forward-looking estimates were analyzed.

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In light of the COVID-19 outbreak and its impact on the economy, increased expected credit loss rates were applied to each aging range of accounts receivable as of June 30, 2020 compared to which as of December 31, 2019 for the impairment provision calculation of ECL model. As such, our Directors are of the view that sufficient impairment provision has been made.

Details of the recognition and measurement of the expected credit loss, particularly the expected loss rates applied to each category of the accounts receivables for the impairment provision calculation are disclosed in Note 3.1 to the Accountant's Report in Appendix I to this prospectus. Based on the procedures performed by our reporting accountant, nothing has come to the attention of our reporting accountant that has caused them to believe that our Group's Historical Financial Information (as defined in the Appendix I to this prospectus) as a whole, for the purpose of the Accountant's Report, does not give a true and fair view of the consolidated financial position of our Group and our consolidated financial performance and consolidated cash flows during the Track Record Period.

As of October 31, 2020, approximately RMB10.0 million, or 55.3%, of our accounts receivable as of June 30, 2020 had been settled.

Financial Assets Measured at Fair Value through Profit or Loss

Our financial assets measured at fair value through profit or loss primarily consisted of investments in wealth management products, and amounted to RMB20.2 million, RMB85.5 million, RMB78.1 million and RMB9.1 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The wealth management products we invested in were structured deposits in licensed commercial banks that are not principal guaranteed and were therefore classified as financial assets measured at fair value through profit or loss. The increase in our financial assets measured at fair value through profit or loss from RMB20.2 million as of December 31, 2017 to RMB85.5 million as of December 31, 2018 was primarily due to our newly-purchased wealth management products in 2018, which was in line with our increased cash reserves. The decrease in our financial assets measured at fair value through profit or loss from December 31, 2019 to June 30, 2020 was primarily due to our disposal of certain wealth management products in the six months ended June 30, 2020.

The expected rates of return of our wealth management products depend on the respective market prices of the underlying financial instruments. We have the rights to redeem the wealth management products at expected maturity dates, and for current wealth management products that do not have maturity dates, we have the rights to redeem them on demand. During the Track Record Period, we managed our investment in wealth management products according to our investment and treasury management policies. See “— Investment and Treasury Management Policies” for details. The following table sets forth the details of our financial assets measured at fair value through profit or loss that had outstanding balance as of June 30, 2020.

Issuing bank	Expected rate of return per annum	Starting date	Maturity date ⁽¹⁾	Balance as of June 30, 2020 (RMB in thousands)
Shanghai Pudong Development Bank	3.80%	02/12/2020	08/10/2020	4,565
United Rural Cooperative Bank of Hangzhou	3.65%	12/09/2019	—	4,582
Total				<u>9,147</u>

Note:

(1) “—” means redeemable on demand.

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The valuation of wealth management products that we invested in was performed by our management, who has sufficient experience and expertise. The valuation of wealth management products was determined based on cash flow discounted assuming the expected return will be obtained upon maturity. Our Directors has considered, among other things, (1) the nature and terms of the wealth management products in subscription agreements, (2) the available market information of similar wealth management products, and (3) the expected rate of return of the wealth management products. Based on such considerations, our Directors consider the level of estimation and judgement required is limited and the calculations involved are not complex given the valuation is based on a small number of individual cash flows. As such, our Directors consider that the management possesses sufficient experience and expertise to perform the valuation internally and that the valuation of our Group's level 3 financial instruments are fair and reasonable and the financial statements of our Group are properly prepared.

Details of the fair value measurement of the financial assets measured at fair value through profit or loss, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, the relationship of unobservable inputs to fair value and reconciliation of level 3 measurements are disclosed in Note 3.3 to the Accountant's Report in Appendix I to this prospectus.

Based on the procedures performed by our reporting accountant, nothing has come to the attention of our reporting accountant that has caused it to believe that the historical financial information as a whole, for the purpose of the Accountant's Report, does not give a true and fair view of the consolidated financial position of our Group and our consolidated financial performance and consolidated cash flows during the Track Record Period.

The Sole Sponsor has conducted the following research work:

- Discussed with our management to understand that the level 3 financial assets of our Group were all wealth management products purchased. All of those wealth management products were issued by large, reputable and regulated banks and financial institutions, and the underlying assets were all low-risk fixed income investments;
- Discussed with our management as well as our reporting accountant to understand the key basis, assumptions and valuation work of our wealth management products;
- Reviewed the relevant notes in the Accountant's Report in Appendix I to this prospectus; and
- Discussed with the reporting accountant in relation to the procedures carried out by them for our wealth management products during the Track Record Period.

Based on the above, the Sole Sponsor concurs with the views of our management that the valuation of the financial assets is fair and reasonable.

Investment and Treasury Management Policies

During the Track Record Period, we have implemented the following investment and treasury management policies.

- The purpose of our investment in wealth management products is to preserve the time value of our cash reserves and to fund our business of providing equity investment services;

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- We only invest in low-risk short-term (generally for a term of no more than one year) wealth management products with reasonable guaranteed returns and diversify our investment portfolio to minimize risk exposure;
- We evaluate the risks related to the financial assets according to the risk assessment guidelines promulgated by the issuing licensed commercial banks;
- Our finance department is responsible for the purchase and management of our wealth management products and evaluates their respective terms including, among others, liquidity, risk and expected return before submitting them to our chief financial officer for final decision; and
- We only invest when there is no short-term need of cash by our operating activities and when our cash reserves are abundant.

Going forward, we plan to strictly implement our investment and treasury management policies and, as part of our investment and treasury management, may continue to purchase wealth management products that meet our criteria where we believe prudent after the Listing.

Cash and Cash Equivalents

Our cash and cash equivalents primarily consisted of bank deposits at call, the average interest rate of which was 0.35%. As of December 31, 2017, 2018 and 2019 and June 30, 2020, all of our cash and cash equivalents were dominated in RMB. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we had cash and cash equivalents of RMB52.0 million, RMB16.0 million, RMB21.0 million and RMB47.2 million, respectively. The decrease in our cash and cash equivalents from December 31, 2017 to December 31, 2018 was primarily because we used certain cash in purchasing wealth management products. The increase in our cash and cash equivalents from December 31, 2018 to December 31, 2019 was primarily because we set aside an increased amount of cash for employee salaries and bonuses in response to our increased compensation level. The increase in our cash and cash equivalents from December 31, 2019 to June 30, 2020 was primarily due to the prepayments we received in relation to courses at SandHill College that were previously scheduled to be delivered in the six months ended June 30, 2020 but were postponed to the second half of 2020 as a result of the COVID-19 outbreak, and the redemption of certain wealth management products.

Accounts Payable

Our accounts payable primarily consisted of amounts payable to suppliers in the ordinary course of business, especially in relation to our offline industry events. We had accounts payable of RMB3.9 million, RMB1.6 million, RMB4.2 million and RMB0.8 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. Our accounts payable fluctuated from December 31, 2017 to December 31, 2019, depending upon the timing in which we paid our suppliers. The decrease in our accounts payable from December 31, 2019 to June 30, 2020 was primarily because we only engaged a limited number of suppliers in the six months ended June 30, 2020, as certain of our offline industry events and offline trainings were canceled or postponed as a result of the COVID-19 outbreak.

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The following table sets forth an aging analysis of our accounts payable as of the dates indicated.

	As of December 31,			As of
	2017	2018	2019	June 30, 2020
	<i>(RMB in thousands)</i>			
Up to six months	3,921	1,401	3,887	482
Six months to one year	—	16	300	—
One to two years	—	160	—	300
Total	<u>3,921</u>	<u>1,577</u>	<u>4,187</u>	<u>782</u>

The following table sets forth the number of our accounts payable turnover days for the periods indicated. The accounts payable turnover days remained relatively stable during the Track Record Period.

	Year ended December 31,			Six months ended
	2017	2018	2019	June 30, 2020
Accounts payable turnover days ⁽¹⁾	12	11	12	19

Note:

(1) Accounts payable turnover days were calculated based on the average of opening and closing balance of accounts payables for the relevant period, divided by the cost of revenue for the same period, and multiplied by the number of days in that period.

As of October 31, 2020, approximately RMB0.5 million, or 61.7%, of our accounts payable as of June 30, 2020 had been settled.

Other Payables

Our other payables primarily consisted of employee benefits payables and other tax payables excluding income tax payable. We accrued employee salaries and bonuses and related payables at year ends when our employees had completed their services, and paid out the accrued employee benefits in the first quarter of the following year. We had other payables of RMB14.8 million, RMB14.1 million, RMB16.6 million and RMB13.4 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively.

Deferred Income

Our deferred income primarily consisted of government grants relating to certain assets and amounted to nil, RMB12.0 million, RMB11.7 million and RMB11.4 million as of December 31, 2017, 2018, 2019 and June 30, 2020, respectively. In 2018, we received government grants of RMB12.0 million in connection with the establishment of our Xi'an subsidiary from the local government of Gaoxin District in Xi'an under the cooperation agreement with such local government. Pursuant to the cooperation agreement, we shall establish a subsidiary in Gaoxin District of Xi'an and provide equity investment services to promote local economic development.

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RMB8.0 million out of the RMB12.0 million government grants received in 2018 was utilized to purchase two properties in an office building in Xi'an with a total gross floor area of approximately 451 square meters as our office. The conditions of payment of the RMB12.0 million government grants received in 2018 included (1) the execution of cooperation agreement, and (2) the establishment of the Xi'an subsidiary, both of which were satisfied in 2018. RMB8.0 million out of RMB12.0 million received in 2018 relating to the purchase of the properties was included in non-current liabilities as deferred income and was recognized as other income on a straight-line basis over the expected life of the properties of 30 years. RMB4.0 million out of RMB12.0 million received in 2018 relating to establishment cost was deferred and recognized as other income over the period necessary to match it against the expenses it was intended to cover. Such expenses mainly comprised the property management fees paid to the property management service provider of the office building and the maintenance fees of the office building contributed by our Group, which were approximately RMB0.1 million and RMB0.3 million in 2019 and the six months ended June 30, 2020, respectively, and were recognized as other income in the same periods.

Contract Liabilities

Our contract liabilities primarily consisted of prepayments received from our offline industry events and offline course offerings, and subscription fees received from our subscription-based services, for which we recognize revenue over the subscription period. We had contract liabilities of RMB28.2 million, RMB30.0 million, RMB25.2 million and RMB40.0 million as of December 31, 2017, 2018 and 2019 and June 30, 2020, respectively. The increase in our contract liabilities from December 31, 2019 to June 30, 2020 was primarily due to the prepayments we received in relation to courses at SandHill College that were previously scheduled to be delivered in the six months ended June 30, 2020 but were postponed to the second half of 2020 as a result of the COVID-19 outbreak.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to fund the daily operations of our business. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with cash generated from our operations. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities, bank loans and other borrowings, net proceeds from the Global Offering and other funds raised from the capital markets from time to time. Any significant decrease in the demand or market prices of our equity investment services, or a significant decrease in the availability of bank loans or other financing may adversely impact our liquidity. As of December 31, 2017, 2018 and 2019 and June 30, 2020, we had cash and cash equivalents of RMB52.0 million, RMB16.0 million, RMB21.0 million and RMB47.2 million, respectively.

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Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>(unaudited)</i>				
	<i>(RMB in thousands)</i>				
Net cash flows generated from/(used in)					
operating activities	57,169	42,505	41,456	7,368	(6,536)
Net cash flows (used in)/generated from					
investing activities	(21,832)	(64,017)	10,009	(5,160)	68,675
Net cash flows generated from/(used in)					
financing activities	16,527	(14,531)	(46,427)	(7,378)	(36,002)
Net increase/(decrease) in cash and cash					
equivalents	51,864	(36,043)	5,038	(5,170)	26,137
Cash and cash equivalents at the beginning of					
the period	164	52,028	15,985	15,985	21,023
Cash and cash equivalents at the end of the					
period	52,028	15,985	21,023	10,815	47,160

Net Cash Flows Generated from/(Used in) Operating Activities

The following table sets forth detailed information of our net cash generated from/used in operating activities.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>(unaudited)</i>				
	<i>(RMB in thousands)</i>				
Profit/(loss) before income tax	24,242	34,461	43,172	(1,978)	(7,078)
Adjustments for:					
Depreciation and amortization	8,703	16,831	15,885	8,160	5,498
Gain on disposal of property, plant and					
equipment/ termination of lease contract	—	—	(1,535)	(125)	(372)
Provisions of impairment accounts					
receivable and contract assets	47	391	536	271	403
Finance costs	959	3,216	2,436	1,321	939
Fair value change of financial assets					
measured at FVPL	(474)	(2,482)	(2,994)	(1,373)	(810)
Share-based payments	3,651	—	—	—	—
Other income	—	—	(324)	(133)	(290)
Change in operating assets and liabilities:					
(Increase)/decrease in accounts receivable					
and contract assets	(10,390)	(8,917)	(7,106)	8,549	(3,025)
(Increase)/decrease in other current assets .	(574)	(1,992)	1,043	(398)	(213)
(Increase)/decrease in prepayments	(2,188)	3,452	583	(7,407)	(1,151)
Decrease/(increase) in other receivables . . .	17,274	(2,434)	(1,474)	3,847	555

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	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
				<i>(unaudited)</i>	
				<i>(RMB in thousands)</i>	
Increase/(decrease) in accounts payable . . .	2,883	(2,344)	2,610	74	(3,404)
Increase/(decrease) in other payables	6,973	5,667	659	(2,674)	(6,224)
Increase/(decrease) in contract liabilities . .	6,063	1,725	(4,779)	6,490	14,851
Cash generated from/(used in) operating activities	57,169	47,574	48,712	14,624	(321)
Income tax paid	—	(5,069)	(7,256)	(7,256)	(6,215)
Net cash flows generated from/(used in) operating activities	57,169	42,505	41,456	7,368	(6,536)

In the six months ended June 30, 2020, our net cash used in operating activities amounted to RMB6.5 million. The difference between our cash used in operations and our loss before income tax of RMB7.1 million was primarily due to (1) certain adjustments, such as depreciation and amortization of RMB5.5 million relating to our leased property and leasehold improvements, (2) changes in operating assets and liabilities that positively affected cash flow such as an increase in contract liabilities of RMB14.9 million relating to prepayments we received for courses at SandHill College, partially offset by (3) the changes in operating assets and liabilities that negatively affected cash flow such as a decrease in other payables of RMB6.2 million, a decrease in accounts payable of RMB3.4 million, an increase in accounts receivable and contract assets of RMB3.0 million as a result of the extended payment cycle caused by the COVID-19 outbreak, and an increase in prepayments of RMB1.2 million. We incurred net cash flows used in operating activities RMB6.5 million in the six months ended June 30, 2020, primarily due to loss before income tax of RMB7.1 million as a result of the one-off listing expenses in connection with the Global Offering of RMB6.8 million, a decrease in other payables of RMB6.2 million and a decrease in accounts payable of RMB3.4 million for the same period. As our cash outflow position was primarily due to the one-off listing expenses for the six months ended June 30, 2020, we expect that our cash flow position will turn positive after the Listing through cash generated from our operations. We intend to improve our cash flow position by maintaining strict control over our outstanding accounts receivable and minimize credit risk exposure, implementing detailed policies covering reimbursement management, cash management and detailing our use of fund. For accounts receivable, our finance department reviews our overdue balances regularly and follow up with relevant customers on a continuous basis in order to collect such overdue balances.

In 2019, our net cash generated from operating activities amounted to RMB41.5 million. The difference between our cash generated from operations and our profit before income tax of RMB43.2 million was primarily due to (1) certain adjustments, such as depreciation and amortization of RMB15.9 million relating to our leased property and leasehold improvements, and finance costs of RMB2.4 million relating to interest expense for lease liabilities, partially offset by fair value change of financial assets measured at fair value through profit or loss of RMB3.0 million relating to our wealth management products, and gains on disposal of property, plant and equipment or surrender of leased property of RMB1.5 million, (2) changes in operating assets and liabilities that positively affected cash flow such as an increase in accounts payable of RMB2.6 million, partially offset by (3) the changes in operating assets and liabilities that negatively affected cash flow such as an increase in accounts receivable and contract assets of RMB7.1 million as the business scale of our customized services increased, and a decrease in contract liabilities of RMB4.8 million.

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In 2018, our net cash generated from operating activities amounted to RMB42.5 million. The difference between our cash generated from operations and our profit before income tax of RMB34.5 million was primarily due to (1) certain adjustments, such as depreciation and amortization expense of RMB16.8 million relating to our leased property and leasehold improvements and finance costs of RMB3.2 million relating to interest expense for lease liabilities, partially offset by fair value change of financial assets measured at fair value through profit or loss of RMB2.5 million, (2) changes in operating assets and liabilities that positively affected cash flow such as an increase in other payables of RMB5.7 million, and a decrease in prepayments of RMB3.5 million, partially offset by (3) changes in operating assets and liabilities that negatively affected cash flow such as an increase in accounts receivable and contract assets of RMB8.9 million as the business scale of our customized services increased, an increase in other receivables of RMB2.4 million, and an increase in other current assets of RMB2.0 million in relation to our customized reports to be delivered.

In 2017, our net cash generated from operating activities amounted to RMB57.2 million. The difference between our cash generated from operations and our profit before income tax of RMB24.2 million was primarily due to (1) certain adjustments, such as depreciation and amortization of RMB8.7 million relating to our leased property and leasehold improvements and share-based compensation expenses of RMB3.7 million we incurred to retain and motivate our employees, (2) changes in operating assets and liabilities that positively affected cash flow, such as a decrease in other receivables of RMB17.3 million reflecting settlement of certain amounts due from related parties in connection with our business restructuring, an increase in other payables of RMB7.0 million, an increase in contract liabilities of RMB6.1 million, and an increase in accounts payable of RMB2.9 million, partially offset by (3) changes in operating assets and liabilities that negatively affected cash flow, such as an increase in accounts receivable and contract assets of RMB10.4 million in line with our business growth, and an increase in prepayments of RMB2.2 million. Our cash and cash equivalents at the beginning of 2017 amounted to RMB164,000 due to our business restructuring in 2016, through which Zero2IPO Group transferred its business of data services and marketing services to Zero2IPO Ventures, while the accumulated earning from the transferred business was recognized as a deemed distribution.

Net Cash Flows (Used in)/Generated from Investing Activities

In the six months ended June 30, 2020, our net cash generated from investing activities amounted to RMB68.7 million, primarily reflecting a net decrease from purchase and disposal of wealth management products measured at profit or loss of RMB69.7 million.

In 2019, our net cash generated from investing activities amounted to RMB10.0 million, primarily reflecting a net decrease in the balance of our wealth management products measured at fair value through profit or loss.

In 2018, our net cash used in investing activities amounted to RMB64.0 million, primarily reflecting (1) a net increase from purchase and disposal of wealth management products measured at fair value through profit or loss of RMB62.8 million, and (2) purchase of property, plant and equipment and intangible assets of RMB13.2 million, partially offset by proceeds from government grants of RMB12.0 million.

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In 2017, our net cash used in investing activities amounted to RMB21.8 million, primarily reflecting (1) purchase of wealth management products measured at fair value through profit or loss of RMB20.0 million and (2) purchase of property, plant and equipment and intangible assets of RMB2.1 million.

Net Cash Flows Generated from/(Used in) Financing Activities

In the six months ended June 30, 2020, our net cash used in financing activities amounted to RMB36.0 million, primarily reflecting dividends paid of RMB30.0 million and repayment of lease liabilities including interests of RMB4.7 million.

In 2019, our net cash used in financing activities amounted to RMB46.4 million, primarily reflecting (1) dividends paid of RMB22.0 million, (2) repayment of lease liabilities including interests of RMB14.8 million, and (3) deemed distributions of RMB10.7 million in connection with our Reorganization.

In 2018, our net cash used in financing activities amounted to RMB14.5 million, primarily reflecting repayment of lease liabilities including interests of RMB15.7 million, partially offset by proceeds from capital injection of shareholders of RMB1.2 million.

In 2017, our net cash generated from financing activities amounted to RMB16.5 million, primarily reflecting proceeds from capital injection of shareholders of RMB29.9 million, partially offset by (1) repayment of lease liabilities including interests of RMB9.6 million and (2) deemed distributions of RMB3.8 million in connection with our Reorganization.

Working Capital

The following table sets forth our current assets and liabilities as of the dates indicated.

	As of December 31,			As of	As of
	2017	2018	2019	June 30, 2020	October 31, 2020
	<i>(RMB in thousands)</i>				
CURRENT ASSETS					
Prepayments and other receivables	8,884	647	2,100	3,387	5,514
Accounts receivable	12,182	20,708	18,121	16,880	19,162
Contract assets	—	—	9,157	13,019	5,594
Other current assets	658	2,650	1,607	1,820	1,820
Financial assets measured at fair value					
through profit or loss	20,210	85,477	78,052	9,147	77,600
Cash and cash equivalents	52,028	15,985	21,023	47,160	30,002
Total current assets	<u>93,962</u>	<u>125,467</u>	<u>130,060</u>	<u>91,413</u>	<u>139,692</u>
CURRENT LIABILITIES					
Accounts payable	3,921	1,577	4,187	782	4,900
Other payables	14,785	14,055	16,634	13,358	6,881
Income tax payable	5,092	10,391	9,073	4,086	12,304
Contract liabilities	28,233	29,958	25,179	40,031	41,425
Lease liabilities	9,157	12,506	8,985	8,815	8,595
Other current liabilities	1,694	1,797	1,511	2,365	2,448
Total current liabilities	<u>62,882</u>	<u>70,284</u>	<u>65,569</u>	<u>69,437</u>	<u>76,553</u>
NET CURRENT ASSETS	<u>31,080</u>	<u>55,183</u>	<u>64,491</u>	<u>21,976</u>	<u>63,139</u>

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Our net current assets increased from RMB22.0 million as of June 30, 2020 to RMB63.1 million as of October 31, 2020, primarily due to a net increase in the aggregation of financial assets measured at fair value through profit or loss and cash and cash equivalents of RMB51.3 million primarily reflecting net profit from our operations, partially offset by an increase in income tax payable of RMB8.2 million.

Our net current assets decreased from RMB64.5 million as of December 31, 2019 to RMB22.0 million as of June 30, 2020, primarily due to (1) a net decrease of RMB42.8 million in the aggregation of financial assets measured at fair value through profit or loss and cash and cash equivalents primarily reflecting our dividend distribution of RMB30.0 million in 2020, and (2) an increase in contract liabilities of RMB14.9 million relating to prepayments we received for certain training services and customized events, partially offset by (1) a decrease in income tax payable of RMB5.0 million, (2) an increase in contract assets of RMB3.9 million in relation to our customized services delivered, (3) a decrease in other payable of RMB3.3 million, primarily because we paid out the employee benefits we accrued at the end of 2019 in the first half of 2020, and (4) a decrease in accounts payable of RMB3.4 million.

Our net current assets increased from RMB55.2 million as of December 31, 2018 to RMB64.5 million as of December 31, 2019, primarily due to (1) an increase in contract assets of RMB9.2 million in relation to our customized services delivered, for which payments had not become due, (2) a decrease in contract liabilities of RMB4.8 million, partially offset by a net decrease of RMB2.4 million in the aggregation of financial assets measured at fair value through profit or loss and cash and cash equivalents.

Our net current assets increased from RMB31.1 million as of December 31, 2017 to RMB55.2 million as of December 31, 2018, primarily due to (1) an increase of accounts receivable of RMB8.5 million, and (2) a net increase of RMB29.2 million in the aggregation of financial assets measured at fair value through profit or loss and cash and cash equivalents, reflecting proceeds from capital injection of shareholders, partially offset by a decrease in prepayments and other receivables of RMB8.2 million.

We intend to continue to finance our working capital with cash generated from our operations, bank loans and other borrowings, net proceeds from the Global Offering and other funds raised from the capital markets from time to time. We will closely monitor the level of our working capital, and diligently review future cash flow requirements and adjust our operation and expansion plans, if necessary, to ensure that we maintain sufficient working capital to support our business operations.

Taking into consideration of financial resources presently available to us, our Directors are of the view that our available cash and cash equivalents, wealth management products, anticipated cash flow from operations, and net proceeds from the Global Offering will be sufficient to meet our present and anticipated cash requirements for the next 12 months from the date of this prospectus. Based on review of financial documents and other due diligence documents, discussion with and confirmation from our Directors, the Sole Sponsor concurs with our Directors' view.

CAPITAL EXPENDITURES AND COMMITMENTS

We did not have any material capital expenditure during the Track Record Period.

In June 2020, we established a PRC company focusing on marketing business with other investors. As of June 30, 2020, we have invested the first capital injection of RMB1.0 million and recorded it as an investment in an associate. The rest of RMB3.0 million is expected to be injected

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within five years after the establishment of the PRC company. See Note 1.2 and Note 32 to the Accountant's Report in Appendix I to this prospectus for details. The following table sets forth our capital commitment as of the dates indicated.

	As of December 31,			As of June 30,
	2017	2018	2019	2020
	<i>(RMB in thousands)</i>			
Capital investment in an investee	—	—	—	3,000

INDEBTEDNESS

Our indebtedness during the Track Record Period consisted primarily of lease liabilities. The following table sets forth our lease liabilities as of the dates indicated.

	As of December 31,			As of	As of
	2017	2018	2019	June 30,	October 31,
	<i>(RMB in thousands)</i>				
Lease liabilities, current	9,157	12,506	8,985	8,815	8,595
Lease liabilities, non-current	42,293	32,531	14,950	10,931	10,862
Total	51,450	45,037	23,935	19,746	19,457

Save as otherwise disclosed in this prospectus, we did not have any bank loan or other borrowing, or any loan capital issued and outstanding or agreed to be issued, bank overdraft, borrowing or similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchases or finance lease commitments, guarantees or other material contingent liabilities as of October 31, 2020. As of October 31, 2020, our unutilized banking facilities was nil. Our Directors confirm that there has not been any material change in our indebtedness since October 31, 2020.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liability, guarantee or any litigation or claim of material importance, pending or threatened against us or any member of our Group that is likely to have a material and adverse effect on our business, financial condition and result of operations.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transaction.

LISTING EXPENSES

We expect to incur a total of approximately RMB39.4 million of listing expenses (including professional fees, underwriting commissions and other fees and based on the mid-point of the indicative Offer Price range), representing 11.0% of the gross proceeds of the Global Offering (assuming the Over-allotment Option is not exercised and the Offer Price is fixed at the mid-point of the indicative Offer Price range), of which approximately RMB26.7 million is expected to be charged to profit or loss and approximately RMB12.7 million is expected to be capitalized upon Listing. During the Track Record Period, we incurred listing expenses of approximately RMB13.8 million, of which approximately RMB12.5 million has been charged to the profit or loss and

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approximately RMB1.3 million has been capitalized. We expect to incur additional listing expense of approximately RMB25.6 million, of which approximately RMB14.2 million is expected to be charged to profit or loss and approximately RMB11.4 million is expected to be capitalized upon Listing.

In view of the above, prospective investors should note that the financial results of our Group for 2020 will be adversely affected by the non-recurring expenses in relation to the Global Offering. Our Directors would like to emphasize that the expenses in relation to the Global Offering are a current estimate for reference only, and the amounts to be charged to the profit or loss and the amounts to be capitalized are subject to adjustment due to changes in estimates and assumptions.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and on terms comparable to the terms of transactions with other entities that are not related parties.

During the Track Record Period, we provided certain services to our related parties, including data services, marketing services, consulting services and training services. The total transaction amount of such services was RMB1.0 million, RMB4.5 million, RMB0.3 million and RMB0.1 million in 2017, 2018, 2019 and the six months ended June 30, 2020, respectively. For services provided to our related parties, the following table sets forth a breakdown of the total transaction amount for the periods indicated.

	Year ended December 31,			Six months ended June 30, 2020
	2017	2018	2019	
	<i>(RMB in thousands)</i>			
Data services	609	475	240	120
Marketing services	393	301	—	—
Consulting services	—	3,632	—	—
Training services	—	56	56	—
Total	<u>1,002</u>	<u>4,464</u>	<u>296</u>	<u>120</u>

The increase in the transaction amount of our consulting services to related parties from nil in 2017 to RMB3.6 million in 2018 was because we provided consulting services in relation to a financing transaction of Beijing Sanhao Interactive Education Technology Co., Ltd. (北京三好互动教育科技有限公司), a company where Mr. Ni, our chairman of the Board, executive Director, chief executive officer and Controlling Shareholder, serves as a director, and we received consulting service fees of RMB3.6 million for such transaction.

During the Track Record Period, we leased certain office premises from our related parties, the total transaction amount of which was RMB5.6 million, RMB1.9 million, RMB0.7 million and RMB0.3 million in 2017, 2018, 2019 and the six months ended June 30, 2020, respectively.

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Other than the related party transactions described above, there were also related party transactions which were non-trade in nature. The following table sets forth the balances of other receivables and payables arising from such related party transactions as of the dates indicated.

	As of December 31,			As of June 30, 2020
	2017	2018	2019	
	<i>(RMB in thousands)</i>			
Other receivables from related parties	4,720	—	—	—
Other payables to related parties	(680)	(101)	(338)	(3,878)
Net balances due from/(due to) related parties	<u>4,040</u>	<u>(101)</u>	<u>(338)</u>	<u>(3,878)</u>

Such related party transactions included certain payments and collections made by our related parties on behalf of our Group and other non-trade transactions with related parties. The following table sets forth a breakdown of the net balances by nature as of the dates indicated.

	As of December 31,			As of June 30, 2020
	2017	2018	2019	
	<i>(RMB in thousands)</i>			
Net balances for payments and collections on behalf of our Group	4,040	(101)	(338)	—
Net balances for other non-trade transactions with related parties	—	—	—	(3,878)
Net balances due from/(due to) related parties	<u>4,040</u>	<u>(101)</u>	<u>(338)</u>	<u>(3,878)</u>

During the Track Record Period, certain payments and collections were made by our related parties on behalf of us. We were in the transitional periods following the business restructuring in the end of 2016 through which Zero2IPO Group transferred its business of data services and marketing services to Zero2IPO Ventures, and the business restructuring in the end of 2019 as part of our Reorganization through which Zero2IPO Group transferred its offline consulting business to Beijing Zero2IPO. Certain service contracts and procurement contracts in relation to the transferred businesses signed by Zero2IPO Group were under performance by Zero2IPO Group at the time of such business transfer. After such business transfer, the services under such contracts were then provided by us, the procurements were then received by us and the employees were assigned to us according to the business transfer agreements between Zero2IPO Group and us. Zero2IPO Group, as one of the signing party under such contracts, collected payments from or made payments to the counter-parties of such contracts and settled with us according to the business transfer agreements. Pursuant to our arrangement with Zero2IPO Group, we, on a regular basis, had net cash settlement with Zero2IPO Group regarding the balance of our receivable from or payable to Zero2IPO Group. All payments and collections made by our related parties on behalf of our Group in relation to the business restructuring in the end of 2016 were settled in 2019, and all payments and collections made by our related parties on behalf of our Group in relation to our

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business restructuring in the end of 2019 as part of the Reorganization were settled as of June 30, 2020, all of which will not recur in the future. The following table sets forth the fund flows in connection with such payments and collections made by our related parties on behalf of our Group during the Track Record Period.

	Receivables/ (payables) as of the beginning of the period	Collections on behalf of our Group	Payments on behalf of our Group	Net cash settlement with related parties	Receivables/ (payables) as of the end of the period
			<i>(RMB in thousands)</i>		
2017	24,791	7,311	(10,095)	(17,967)	4,040
2018	4,040	180	(2,692)	(1,629)	(101)
2019	(101)	—	(1,512)	1,275	(338)
Six months ended June 30, 2020	(338)	1,066	(816)	88	—

As of June 30, 2020, the net balances for payments and collections on behalf of our Group was nil and the net balances for other non-trade transactions with related parties was RMB3.9 million, out of which RMB3.8 million to Zero2IPO Group was in connection with its transfer of equity interest in Beijing Zero2IPO to Zero2IPO HK as part of our Reorganization. The amount due to our related parties has been settled in October 2020.

Our Directors are of the view that our related party transactions during the Track Record Period were conducted in the ordinary course of business at arm's length with reference to normal commercial terms, and would not distort our track record results or make our historical results not reflective of our future performance. See Note 31 to the Accountant's Report included in Appendix I to this prospectus for details.

KEY FINANCIAL RATIOS

	As of/ for the year ended December 31,			As of/for six months ended
	2017	2018	2019	June 30, 2020
Profitability ratios				
Gross margin ⁽¹⁾	41.5%	42.4%	48.6%	40.0%
Net margin ⁽²⁾	14.2%	16.5%	20.6%	(12.8)%
<i>Non-HKFRS measure:</i>				
Adjusted net margin ⁽³⁾	17.1%	16.5%	23.2%	0.1%
Return on equity ⁽⁴⁾	79.8%	44.3%	44.9%	N/A
Return on total assets ⁽⁵⁾	19.9%	15.9%	19.1%	N/A
Liquidity ratio				
Current ratio ⁽⁶⁾	1.5	1.8	2.0	1.3
Capital adequacy ratio				
Gearing ratio ⁽⁷⁾	—	0.38	0.04	—

Notes:

- (1) The calculation of gross margin is based on gross profit for the period divided by revenue for the respective period and multiplied by 100.0%.
- (2) The calculation of net margin is based on profit for the period divided by revenue for the respective period and multiplied by 100.0%.
- (3) The calculation of adjusted net margin, a non-HKFRS measure, is based on adjusted net profit/loss divided by revenue for the respective period and multiplied by 100.0%. See “ — Consolidated Statements of Comprehensive Income — Non-HKFRS Measure.”
- (4) The calculation of return on equity is based on profit for the period divided by average total equity attributable to equity holders of our Company as of the beginning and end of the period and multiplied by 100.0%.
- (5) The calculation of return on total assets is based on profit for the period divided by average total assets as of the beginning and end of the period and multiplied by 100.0%.

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- (6) The calculation of current ratio is based on current assets divided by current liabilities as of period end.
- (7) The calculation of gearing ratio is based on interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity as of period end.

Analysis of Key Financial Ratios

Gross Margin, Net Margin and Adjusted Net Margin

See “— Period to Period Comparison of Results of Operations” for a discussion of the factors affecting our gross margin, net margin and adjusted net margin, a non-HKFRS measure, during the Track Record Period.

Return on Equity and Return on Total Assets

Our return on equity increased from 44.3% for 2018 to 44.9% for 2019, primarily due to an increase in our net profit. Our return on equity decreased from 79.8% for 2017 to 44.3% for 2018, primarily because (1) our total equity was RMB(1.0) million on January 1, 2017, primarily due to our business restructuring in the end of 2016 through which Zero2IPO Group transferred its business of data services and marketing services to Zero2IPO Ventures, while the accumulated earning from the transferred business was recognized as a deemed distribution, and (2) an increase in our total equity in 2018. We recorded accumulated loss of RMB5.8 million at January 1, 2017, primarily due to our business restructuring in the end of 2016 as described above. Since Zero2IPO Group is not a company comprising our Group, the profits of the data services and marketing services before the Track Record Period were not recorded as retained earnings of our Group at January 1, 2017. Our accumulated loss as at January 1, 2017 represented the accumulated loss on the book of Zero2IPO Ventures since its incorporation amounting to RMB1.1 million and the share-based payment obligation assumed by us of RMB4.6 million.

Our return on total assets increased from 15.9% for 2018 to 19.1% for 2019, primarily due to a decrease in our total assets as a result of our surrender of leased property as we try to streamline our operations, while our net profit increased. Our return on total assets decreased from 19.9% for 2017 to 15.9% for 2018, primarily due to an increase in our total assets.

Current Ratio

Our current ratio increased from 1.5 as of December 31, 2017 to 1.8 as of December 31, 2018, primarily due to increases in our accounts receivable and financial assets measured at fair value through profit of loss, and further increased to 2.0 as of December 31, 2019, primarily due to decreases in contract liabilities and current lease liabilities. Our current ratio decreased to 1.3 as of June 30, 2020, primarily due to a decrease in current assets as a result of our dividend distribution of RMB30.0 million in 2020.

Gearing Ratio

We were in a net cash in hand position as of December 31, 2017. Our gearing ratio as of December 31, 2018 increased to 0.38, primarily due to a decrease in cash and cash equivalents, as we used certain cash in purchasing wealth management products. Our gearing ratio as of December 31, 2019 decreased to 0.04, primarily due to a decrease in our lease liabilities as a result of our surrender of leased property and repayment of lease liabilities. We were in a net cash in hand position as of June 30, 2020, primarily because we redeemed the majority of the wealth management products in the six months ended June 30, 2020.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our principal financial instruments include cash and cash equivalents and financial assets measured at fair value through profit or loss, which primarily consisted of wealth management products. We have various other financial assets and liabilities such as accounts receivable, accounts payable and other payables. We are exposed to various financial risks including interest rate risk, credit risk and liquidity risk. Our overall risk management focuses on the unpredictability of financial markets to minimize potential adverse effects on our financial performance. Our senior management is responsible for our risk management.

Our Directors reviewed and agreed policies for managing each of these risks as summarized below. For details of our financial risk management, see Note 3 to the Accountant's Report in Appendix I to this prospectus.

Interest Rate Risk

Financial assets and liabilities with variable interest rates expose us to cash flow interest rate risk. Financial assets and liabilities with fixed interest rate expose us to fair value interest rate risk. Other than interest-bearing cash and cash equivalents, restricted cash and lease liabilities, we have no other significant interest-bearing assets or liabilities. Our Directors do not anticipate any significant impact that would result from changes in interest rate.

Credit Risk

Our maximum exposure to credit risk in relation to financial assets is the carrying amounts of cash and cash equivalents, accounts receivable, wealth management products issued by banks carried at fair value through profit or loss.

To manage this risk, our deposits are mainly with state-owned or other reputable financial institutions in China. There has been no recent history of default in relation to these financial institutions. Our wealth management products are issued by banks investing in low risk underlying assets, which mainly consist of bank deposits, central bank bills, local government debts, corporate bonds and debts with high credit ratings. Thus, our Directors are of the view that the expected credit loss related to cash and cash equivalents and wealth management products is immaterial.

Our exposure to credit risk is also influenced by the characteristics of each customer. We perform credit evaluation on customer's history of making payments and current ability to pay. We do not obtain collaterals from customers. As of December 31, 2017, 2018 and 2019 and June 30, 2020, approximately RMB9.3 million, RMB14.7 million, RMB7.8 million and RMB6.2 million of our accounts receivable were due from top five debtors. Given our strong business relationship with these customers, our senior management does not expect any significant loss from non-performance of these customers. In addition, we do not provide any guarantee that would exposes us to credit risk.

Liquidity Risk

In order to manage liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our senior management to finance our operations and mitigate the effects of fluctuations in cash flows.

DIVIDEND

We are a holding company incorporated under the laws of the Cayman Islands. Any dividends we pay will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restriction and other factors which our Directors consider relevant.

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In September 2019, Zero2IPO Ventures declared a cash dividend of RMB22.0 million for the year of 2018 which was paid in September 2019. In May 2020, Zero2IPO Ventures declared a cash dividend of RMB30.0 million for the year of 2019 which was paid in May 2020. We have no present plan to pay any dividends to our Shareholders in the foreseeable future. According to our dividend policy adopted on December 7, 2020, the Articles of Association and applicable laws and regulations, our Company in general meeting may from time to time by ordinary resolution declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board, provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. We currently do not have a pre-determined or fixed dividend payout ratio. We will continue to re-evaluate our dividend policy in light of our financial condition and the prevailing economic environment. The determination to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, business conditions and strategies, future operations and earnings, capital and investment requirements, level of indebtedness, and other factors that our Directors deem relevant.

DISTRIBUTABLE RESERVES

As of June 30, 2020, our Company did not have any distributable reserves.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following our unaudited pro forma adjusted net tangible assets has been prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on consolidated net tangible assets attributable to the owners of our Company as of June 30, 2020 as if it had taken place on that date.

Our unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of our Group had the Global Offering been completed as of June 30, 2020 or any future date.

	Unadjusted audited consolidated net tangible assets of our Group attributable to the owners of our Company as at June 30, 2020 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted net consolidated tangible assets of our Group attributable to the owners of our Company as at June 30, 2020	Unaudited pro forma adjusted net consolidated tangible assets of our Group to the owners of our Company per Share as at June 30, 2020	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB</i> ⁽³⁾	<i>HK\$</i> ⁽⁴⁾
Based on an Offer Price of HK\$9.00 per Share	38,383	302,027	340,410	1.13	1.24
Based on an Offer Price of HK\$11.00 per Share	38,383	373,272	411,655	1.37	1.50

Notes:

- (1) Our unadjusted audited consolidated net tangible assets attributable to owners of our Company as at June 30, 2020 is extracted from the Accountant's Report of our Company as set out in Appendix I to this prospectus, which is based on the audited consolidated net assets of our Group attributable to the owners of our Company as at June 30, 2020 of RMB38,537,000 with an adjustment for the intangible assets as at June 30, 2020 of RMB154,000.

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- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$9.00 and HK\$11.00 per Share, respectively, after deduction of the estimated underwriting fees and other related expenses payable by our Company and takes no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 300,000,000 Shares were in issue immediately upon completion of the Capitalization Issue and the Global Offering, which is assumed to be on June 30, 2020 for the purpose of the pro forma financial information, and takes no account of any Shares which may be issued upon exercise of the Over-allotment Option.
- (4) For the purpose of this unaudited pro forma adjusted net tangible assets, the amounts stated in Renminbi are converted into Hong Kong dollars at a rate of RMB1.00 to HK\$1.0948. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (5) No adjustment has been made to reflect any trading result or other transactions of our Group entered into subsequent to June 30, 2020.

DISCLOSURE REQUIRED UNDER CHAPTER 13 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there are no circumstances which, had we been required to comply with Rules 13.13 to 13.19 in Chapter 13 of the Listing Rules, would have given rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since June 30, 2020 and there is no event since June 30, 2020 which would materially affect the information presented in our consolidated financial statements included in the Accountant's Report in Appendix I to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Growth Strategies” for a detailed description of our future plans.

USE OF PROCEEDS

Assuming the Over-allotment Option is not exercised and assuming the Offer Price is fixed at HK\$10.00 per Share (being the mid-point of the indicative range of the Offer Price of HK\$9.00 to HK\$11.00 per Share), we estimate that the net proceeds of the Global Offering, after deducting the estimated underwriting fees and other listing expenses payable by us in connection with the Global Offering, will be approximately HK\$356.0 million.

We intend to use the net proceeds from the Global Offering for the purposes and in the amounts set out below.

- approximately 39.4% of the net proceeds, or HK\$140.2 million, to expand our geographical coverage in China, including:
 - approximately 22.3% of the net proceeds, or approximately HK\$79.3 million, to expand our services into seven of China’s major second-tier cities where local equity investment activities are vigorous, including Guangzhou, Zhuhai, Wuhan, Qingdao, Suzhou, Nanjing and Chongqing, by expanding our established offices or setting up new offices. According to the CIC Report, the aggregate market size of the equity investment industry in these cities in terms of total investment amount is expected to increase rapidly from RMB166.5 billion in 2019 to RMB345.4 billion in 2024 at a CAGR of 15.7%. We believe that by leveraging our extensive experience in serving equity investment communities, we are well positioned to capture the demands in these underserved markets and enlarge our market share. We intend to offer our comprehensive portfolio of equity investment services including data services, marketing services, consulting services and training services in these localities. Through our comprehensive service offerings, we intend to assist investors, entrepreneurs and growth enterprises to build their presence and explore opportunities in these specific localities, as well as help local government agencies in investment attraction and strategic planning. We also intend to partner with local government agencies to organize roadshows associated with our Deal-Market, to facilitate investor-entrepreneur matching and attract investments to fuel local economic growth.

We expect to incur costs primarily in relation to office premises, employee compensations and benefits, and office facilities. At each of the seven cities, we plan to acquire an office premise of approximately 200.0 square meters with a purchase price ranging from approximately RMB4.0 million to RMB8.0 million, depending upon the prevailing market price at the relevant city. As we plan to operate business for a long-term in these selected cities, we consider that office purchase can provide us with a stable working environment and avoid relocation risks, which can better support our business growth in such cities. During the past, we operated our business through office lease (except for office premises purchased in Xi’an using government grants under our cooperation arrangement with local government agencies), primarily because we invested most of our capital into our existing operations to maintain our growth and expand our market, and thus we incurred significant venue rental costs for our business operations. According to the CIC Report, the offices in the second-tier cities are more affordable than those

FUTURE PLANS AND USE OF PROCEEDS

in first-tier cities and the price-to-rent ratio, representing the ratio of price to monthly rent, in these seven second-tier cities, is lower than that of the first-tier cities, indicating that the office markets are more fairly valued in these seven second-tier cities. From 2015 to 2019, the price-to-rent ratio of the offices in these seven of China's major second-tier cities increased from approximately 215.6 to approximately 290.5, while in three of the first-tier cities, i.e., Beijing, Shanghai and Shenzhen, the price-to-rent ratio increased from approximately 261.6 to approximately 320.9, according to the CIC Report. Therefore, we consider that the purchase of office premises at such seven cities will be a good way to make proper reservation of high-quality assets and though a substantial upfront investment, will help us achieve long-run cost-effectiveness. As of the Latest Practicable Date, we had not identified any suitable target to purchase as office premises. Based on our current estimate, we plan to recruit approximately 12 employees for our operations at each of these seven cities, i.e., a total of 84 employees. Our recruitment plan is made in line with our market expansion plan. We plan to staff our office at each of these seven cities with a director supervising the overall management, nine employees responsible for the service provision across our various service lines (two or three employees for each service line), one administrative staff and one finance staff to handle administrative tasks and financial matters. We consider that there is substantial need for us to increase our headcount in order to support our business operation in the cities to be expanded into as well as to maintain the basic office function at each of such cities. The following table sets forth the details of our recruitment plan in this regard for each of these seven cities.

<u>Title</u>	<u>Headcount</u>	<u>Major Responsibilities</u>	<u>Key Recruitment Criteria</u>
Project director	One	Responsible for the overall management of strategic planning and other customized report related services	More than eight years of work experience in consulting and strategic planning; master's degree or above
Senior analyst	Three	Responsible for the research and analytics in relation to customized reports	More than three years of work experience in equity investment-related research and analysis; experience in due diligence, industrial planning and other customized report related services; insights of trends and latest movements in the equity investment industry; master's degree or above
Event planning manager	Two	Responsible for business development and the planning and execution of branding and promotional plans	More than three years of work experience in event planning; excellent written and communication skills; master's degree or above

FUTURE PLANS AND USE OF PROCEEDS

Title	Headcount	Major Responsibilities	Key Recruitment Criteria
Fund-related consulting specialist	Two	Responsible for services in relation to fund registration and operation	One to three years of work experience; comprehensive understandings of fund operation and related banking, finance and legal knowledge; excellent communications skills; bachelor's degree or above
Project specialist	Two	Responsible for the planning, procurement and execution of roadshows, and communications with investors and local government agencies	More than two years of work experience in equity investment-related business development; comprehensive understandings of fundamental knowledge and latest movements in the equity investment industry; excellent communications skills; bachelor's degree or above
Administrative staff	One	Responsible for administrative tasks such as human resource management	One to three years of work experience; bachelor's degree or above
Finance staff	One	Responsible for general finance matters such as bookkeeping, bill issuance and tax payment	One to three years of work experience; comprehensive knowledge of finance matters; bachelor's degree or above

- o approximately 17.1% of the net proceeds, or approximately HK\$60.9 million, to expand into around 40 lower-tier cities by setting up contact points and recruiting approximately two employees for each of the 40 cities, i.e., a total of 80 employees, as our local representatives. We consider there is substantial need for such recruitment plan in order to support our business expansion into these 40 lower-tier cities. The two employees to be recruited at each of these cities will act as the points of contact between local equity investment communities and us, to build business connections and explore business opportunities. We intend to approach local government agencies to identify demands for one-stop customized equity investment services, with an eye towards providing continuous supports in promoting local economic development. We also intend to reinforce our presence in local equity investment communities by empowering industry participants with our comprehensive service offerings. To implement the business plans as described above, we consider that it is necessary for us to recruit two employees for each of the 40 cities. We expect to incur costs primarily in relation to employee compensations and benefits, accounting for approximately 93% of our net proceeds

FUTURE PLANS AND USE OF PROCEEDS

investment in the 40 lower-tier cities, and workspace rentals and office equipment, accounting for approximately 7% of our net proceeds investment in the 40 lower-tier cities. The following table sets forth the details of our recruitment plan in this regard for each of these 40 cities based on our current estimate.

Title	Headcount	Major Responsibilities	Key Recruitment Criteria
Operation manger	One	Responsible for communications with investors, enterprises and local government agencies to maintain and development business relationships	More than five years of work experience; excellent communications and management skills; master's degree or above
Operation specialist	One	Responsible for project execution and brand promotion	One to three years of work experience; excellent communications skills; bachelor's degree or above

We currently focus on areas where we have established presence, including Beijing, Shenzhen, Hangzhou, Xi'an, Nanjing, Shanghai, Haikou, Ningbo and Qingdao. We selected such cities as our current geographical focus primarily through analyzing the local economic development level and market demand with indicators including total GDP, average disposable income per person and average savings per person, as well as taking into consideration local government policies and municipal development plans. We have established our presence in such localities by establishing local offices, building business connections and promoting our services there. The following table sets forth the details of our established offices.

Office Location	Subsidiary Name	Incorporation Date	Registered Capital and Whether Fully Paid	Number of Employees as of June 30, 2020*
Beijing	Zero2IPO Ventures	September 10, 2013	RMB30,000,000; fully paid	105
	Beijing Zero2IPO	August 14, 2019	RMB1,052,632; fully paid	90
	Beijing Huchuang	June 8, 2020	HK\$50,000,000; not paid	—
Shenzhen	Shenzhen Branch of Zero2IPO Ventures	September 11, 2017	—	14
Hangzhou	Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd.	July 14, 2017	RMB5,000,000; fully paid	9
	Hangzhou Zero2IPO Sandhill Venture Service Co., Ltd.	November 19, 2019	RMB1,000,000; not paid	—
Xi'an	Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd.	June 29, 2018	RMB5,000,000; fully paid	2
Shanghai	Shanghai Qingyou Enterprise Management Consulting Co., Ltd.	May 8, 2018	RMB5,000,000; fully paid	7
Haikou	Hainan Qingyou Venture Information Consulting Co., Ltd.	March 20, 2018	RMB1,000,000; fully paid	10
Ningbo	Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd.	December 21, 2017	RMB30,000,000; RMB1,200,000 was paid	3

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Office Location	Subsidiary Name	Incorporation Date	Registered Capital and Whether Fully Paid	Number of Employees as of June 30, 2020*
Nanjing	Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd.	March 25, 2019	RMB500,000; fully paid	1
	Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd.	August 21, 2019	RMB5,000,000; fully paid	1
Qingdao	Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd.	November 28, 2019	RMB5,000,000; not paid	1

* Represents the number of employees who entered into labor contracts with subsidiaries located in the relevant city. Employees based in a specific office may perform work and provide support for other offices.

As of June 30, 2020, we had a total of 243 employees in the nine cities where we have established presence. The headcount at each of these nine cities varies based on our business scale, development stage and our business strategy in each of such cities. The headcount in our existing offices generally ranges from one to 14 employees per office, other than our Beijing office, which is our headquarter. Among the 195 employees of our Beijing office as of June 30, 2020, 11 employees were responsible for providing remote support for the training services business of our Hangzhou office, eight employees were responsible for providing remote support for the data services business, marketing services business and consulting services business of our Xi'an office, and six employees were responsible for providing remote support for the data services business and consulting services business of our Ningbo office.

The following table sets forth the number of employees responsible for the operations of our existing offices.

Office Location	Number of Employees as of June 30, 2020
Beijing	170 ⁽¹⁾
Shenzhen	14
Hangzhou	20 ⁽²⁾
Xi'an	10 ⁽²⁾
Shanghai	7
Haikou	10
Ningbo	9 ⁽²⁾
Nanjing ⁽³⁾	2
Qingdao ⁽³⁾	1

Notes:

- (1) Without taking into account the 25 employees based in Beijing that provided remote support for our other offices.
- (2) Includes employees based in Beijing that provide remote support for such offices (i.e. 11 employees for Hangzhou office, eight employees for Xi'an office and six employees for Ningbo office).
- (3) Nanjing office and Qingdao office were established in 2019 and were included in the seven second-tier cities we plan to expand into. Therefore, the number of employees of such offices as of June 30, 2020 was relatively small as compared to other established offices.

Our headcount for the seven second-tier cities (i.e.12 employees per office) falls into the headcount scope of our existing offices, and is current estimate reflecting the minimum number of employees to be recruited in order to build our presence and conduct business at each of such cities and will be adjusted based on newly emerging needs or changes in our business in such cities. Our average budgeted amount for expanding into such

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second-tier cities, without considering the office purchase and renovation costs, is approximately RMB5.0 million per office, which is comparable to our initial average capital investment of our existing offices (i.e., paid registered capital of approximately RMB5.0 million per office).

We believe it is important for us to set up offices in these second-tier cities and contact points in these lower-tier cities because it enables us to approach a wider group of customers, stay closer with customers in such locations and conduct service promotion and market expansion in a more effective way. We plan to set up a new subsidiary or expand our existing subsidiaries in each of the second-tier cities that we plan to expand into. As we only plan to recruit two employees for each of the 40 lower-cities to be expanded into and such employees will primarily serve as contact points between local equity investment communities and us, we plan to rent workspace from coworking space providers and we are not planning to set up a new subsidiary or branch offices for such lower-tier cities. To expand our geographical coverage in China, we strategically select second- and lower-tier cities distributed among China's major economic zones, with an eye towards reaching most of China's major equity investment communities and establishing a synergistic national business network. We selectively choose the second-tier cities primarily through analyzing the local economic development level and market demand with indicators including total GDP, average disposable income per person and average savings per person, while taking into consideration local government policies and municipal development plans. In determining the lower-tier cities, we primarily focus on top 100 cities in China in terms of total GDP with an average annual disposable income per capita of above RMB30,000. We also prioritize lower-tier cities adjacent to first- and second-tier cities where we have established presence or we intend to expand our business.

We expanded our geographical coverage during the Track Record Period, as shown in the table of our existing offices presented above (including Nanjing and Qingdao, which are also included in the seven second-tier cities to be expanded into as we established offices in such cities in 2019 and intend to further expand our business scale there), and we did not expand into the selected second- and lower-tier cities during the Track Record Period primarily because, (1) considering that the market size of equity investment industry in China decreased with a negative CAGR of 5.1% from 2015 to 2019, we followed a modest development strategy and focused primarily on maintaining our growth and expanding our market in cities where we have established presence; (2) we implemented our expansion plan progressively by expanding into two or three cities to set up offices in each year of the Track Record Period, which allowed us to evaluate the feasibility of our expansion plan and made adjustments based on the implementation of our expansion plan in the previous year; and (3) we prioritized the expansion of our business in first-tier cities during the Track Record Period after considering the economic development of such cities and the intensive market competition in the equity investment service industry in such cities. During the Track Record Period, we solicited customers and conducted business in the second- and lower-tier cities where we did not have physical presence primarily by having employees from our operation team and sales and marketing team based in Beijing, Shanghai or Shenzhen travel to such second- and lower-tier cities. We also receive potential customers' inquiries about our services from such cities leveraging our well-established brand and influence in the equity investment industry, and our professional staff will

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follow up with such customers and depending on the circumstances, travel to cities where such customers are located and schedule in-person meetings with them to establish business collaborations.

We intend to expand into the seven second-tier cities (including Nanjing and Qingdao where we have established offices and intend to further expand our business scale there) to set up new offices or expand our established offices and the 40 lower-tier cities to set up contact points primarily because (1) given that the equity investment industry in China is expected to recover from 2021 as indicated by a CAGR of 9.3% from 2019 to 2024 for its market size, we intend to capture the market growth trend and grow business through our geographical expansion. In particular, according to the CIC Report, the market size of the equity investment industry in the second- and lower-tier cities in China in terms of total investment amount is expected to increase from RMB493.9 billion in 2019 to RMB947.5 billion in 2024 at a CAGR of 13.9%, which is expected to be higher than the corresponding CAGR for the equity investment industry in China's first-tier cities, and the market share of the equity investment industry in China's second- and lower-tier cities is expected to grow from 44.5% in 2019 to 54.8% in 2024, indicating its significant growth potential; (2) as compared to first-tier cities, the equity investment service market in second- and lower-tier cities in China has relatively low entry barriers and is highly fragmented according to the CIC Report, which makes it easier for equity investment service provider with well-recognized brands and mature business model, such as our Group, to quickly break into the local markets; (3) in order to establish and increase their presence in second- and lower-tier cities, equity investment service providers need more localized marketing and operation strategies (for example, establishing local offices), which should allow them to engage in face-to-face communications with customers and establish local business connections efficiently, according to the CIC Report. With the five new cities to be expanded into in addition to our existing offices in nine cities, we believe we will be in a better position to capture business opportunities emerging within our geographical network and respond quickly to customers' demands, and our representatives to be located in the 40 lower-tier cities will primarily serve as local contact points that explore business opportunities and maintain customer relationships at local levels, which will extend the reach of our business and support our synergistic business network. We started soliciting customers from lower-tier cities since 2017 but have not established physical presence or conducted business operations in any lower-tier city. During the Track Record Period, we primarily relied on our employees located in other cities to travel to such lower-tier cities to explore opportunities in the local markets. Compared to such approach, our expansion into the second- and lower-tier cities through establishing local offices or contact points will greatly broaden our access to opportunities in the local markets. By being physically close to our customers, our employees will be able to interact with our customers on a regular basis, identify new customer demands and timely follow up with potential customers to secure engagements. We will also be able to address customer needs more efficiently and save the time and costs spent on business trips; and (4) our successful expansion in the nine cities where we have established presence has demonstrated that our expansion plan should be feasible and replicable for the five new cities to be expanded into and the two cities (Nanjing and Qingdao) where we intend to further expand our business scale, while our representatives at the 40 lower-tier cities will primarily serve as local contact points. In 2017, 2018, 2019 and the six months ended June 30, 2020, revenue contribution from second-tier cities was RMB2.2 million, RMB17.4 million, RMB30.6 million and RMB5.0 million, respectively, representing 1.7%, 10.6%, 18.8% and 12.5% of our total revenue during the same periods,

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respectively, demonstrating the increased demands from such cities and our ability to capture emerging opportunities in the local markets. We intend to expand the scale of our Qingdao office and Nanjing office and set up our Zhuhai office in the fourth quarter of 2020, and set up two new offices in the second tier-cities in 2021 and 2022, respectively, which is in line with our expansion in each year of the Track Record Period. We plan to establish our presence in the lower-tier cities progressively, by setting up 12 to 14 contact points in such lower-tier cities in each of 2021, 2022 and 2023. Leveraging our sophisticated service capabilities and well-recognized brand, we plan to capture the market demands in these cities by, among others, visiting prospective customers to build connections and promote our services, and launching advertising campaign to increase our brand awareness in local areas.

The following table sets forth the timetable of our expansion plan.

Time	Cities to be expanded into	Number of Cities
2020 Fourth Quarter	Offices in the second-tier-tier cities (Zhuhai)	1
	Offices in the second-tier-tier cities (expanding the scale of Qingdao office and Nanjing office)	2
2021 First Half	Offices in the second-tier-tier cities (Wuhan)	1
	Contact points in the lower-tier cities	7
Second Half	Offices in the second-tier-tier cities (Suzhou)	1
	Contact points in the lower-tier cities	7
2022 First Half	Offices in the second-tier-tier cities (Guangzhou)	1
	Contact points in the lower-tier cities	7
Second Half	Offices in the second-tier-tier cities (Chongqing)	1
	Contact points in the lower-tier cities	7
2023 First Half	Contact points in the lower-tier cities	6
	Contact points in the lower-tier cities	6
Total		47

- approximately 9.8% of the net proceeds, or approximately HK\$34.8 million, to improve our offline service offerings and capture the industry trend toward online-offline integration, including:
 - approximately 5.6% of the net proceeds, or approximately HK\$20.0 million, to establish a training center for SandHill College. We plan to acquire a building of approximately 750.0 square meters in Hangzhou with a total purchase price of approximately RMB16.0 million. Our plan to establish a training center in Hangzhou is made after considering that: (1) we established our office and started to operate training business in Hangzhou in 2017 and have experienced rapid growth since then. Leveraging our existing operations there, we can operate the training center cost-effectively to further grow our training business with the existing local office's support and established market presence; (2) our SandHill College primarily targets business professionals, and Hangzhou, located in one of the most affluent areas in China, can expose our service to a wide group of customers, especially entrepreneurs operating business there and in adjacent cities. According to the CIC Report, there were over 3,600 start-ups in Hangzhou as of June 30, 2020, representing a large addressable market for our training services; (3) given the course setting and high-end target customers of SandHill College, we believe it is important for us to establish a well-equipped training center, which can provide a stable training environment and premium experience for our customers and support our long-term business operation. Without relocation concerns, we

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can make more investments into the equipment and decoration of our training center and provide better services to our customers; and (4) the housing price in Hangzhou is more affordable as compared to that of first-tier cities.

We did not acquire a building to establish such training center during the Track Record Period, primarily because our SandHill College launched in April 2017 had relatively limited operating scale at the initial stage, and a significant upfront investment in fixed assets might not be a wise move at that time. As its business continues to grow, we believe that establishing a training center can help us accommodate and capture the evolving market demands and further grow our training business. We operated our training business primarily through leased venues and thus venue rental and event set-up costs represented a significant portion of our costs in relation to SandHill College during the Track Record Period. We believe that, the costs we expect to incur in relation to property acquisition, interior decoration and equipment purchase, though a substantial upfront investment, will help us achieve long-run cost-effectiveness. We also intend to use part of such property as our office premise, to support the daily operations of our local branch. As of the Latest Practicable Date, we had not identified any suitable target to purchase as our training center for SandHill College. We plan to recruit approximately four employees responsible for the operations of the training center and one employee for related administrative tasks; and

- approximately 4.2% of the net proceeds, or approximately HK\$14.8 million, to develop online platforms to host industry events and deliver Investment College related courses online. Since the COVID-19 outbreak, we have been exploring online delivery of our offline services as an alternative. We plan to leverage our internal research and development efforts and selective purchases of function modules to establish a platform to host industry events online, which will serve as an alternative to offline venues as well as realize live interactions and in-depth discussions. We also intend to establish an online platform for our Investment College to reach a wider audience and provide more flexible learning options. We believe that such platforms can extend the reach of our offline industry events and offline course offerings, and expand our monetization channels in a cost-effective manner. We will develop such platforms taking into account, among others, customer needs, market trends and compliance matters. We intend to limit the operation of such online platforms within the scope of the ICP License, which we current hold, and thus no additional license will be required. We expect to incur costs primarily in relation to employee compensations and benefits, software products and equipment, and system maintenance and upgrade.
- approximately 5.8% of the net proceeds, or approximately HK\$20.7 million, to upgrade our online platforms and enrich our online service offerings, including:
 - approximately 2.4% of the net proceeds, or approximately HK\$8.4 million, to upgrade our Deal-Market. We intend to include more interactive features and value-added services, such as helping entrepreneurs prepare and review their business presentation materials, and to optimize the UI design to improve user experience. Leveraging Deal-Market's platform business model, we also intend to connect entrepreneurs with providers of promotion, taxation, strategic planning and other entrepreneurship-related services. We expect to incur costs primarily in

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relation to employee compensations and benefits, software products and equipment, and system maintenance and upgrade;

- approximately 1.9% of the net proceeds, or approximately HK\$6.9 million, to upgrade our PEdata Database and introduce new services. We plan to introduce a new version of PEdata Database with the goal of making it a handy tool for investment due diligence. We intend to broaden its data coverage by cooperating with an increasing number of industry participants. We also intend to expand our application of big data analytics and AI technologies to further automate our data collection, analytics and research processes, which we believe will reinforce our capabilities in processing and integrating multi-source raw industry data and thereby improve data reliability and user experience. In addition, we have developed PEdata, a mobile equity investment database primarily targeting users in Southeast Asia, India and other emerging markets with localized data resources, and expect to launch it in the second half of 2020, and intend to continue to refine its functionalities, enlarge its data coverage, and explore more application scenarios. We expect to incur costs in relation to software products and equipment, and system maintenance and upgrade; and
- approximately 1.5% of the net proceeds, or approximately HK\$5.4 million, to enrich the content offerings of our PEdaily by enlarging our in-house content creation team responsible for news gathering, writing and editing, which we believe will strengthen our brand awareness and reinforce our industry influence.
- approximately 9.9% of the net proceeds, or approximately HK\$35.2 million, to enhance our sales and marketing efforts. As we continuously roll out new services and refine our existing services, we believe that investment in sales and marketing activities such as advertisement placements on major social media platforms will help us to achieve market acceptance for our new services, reinforce our market position and enlarge our customer base. We plan to use approximately 4.7% of the net proceeds in this regard. We also intend to recruit approximately 21 sales and marketing employees, as well as approximately 12 employees responsible for customer relationship management, in order to attract new customers, retain existing customers and identify cross-sell opportunities, therefore achieving greater synergy among our various service lines. Our sales and marketing and customer relationship management staff are responsible for, among others, showcasing and promoting our various service offerings, identifying, negotiating and closing sales opportunities, communicating with operation team and research and development team regarding customer feedbacks and current industry trends, as well as strengthening our relationships with existing customers. We plan to use approximately 5.2% of the net proceeds to cover the employee compensation and benefits of the employees to be recruited under the recruitment plan for a period of two years.

Our recruitment plan of sales and marketing staff is made in line with our market expansion into the second-tier and lower-tier cities. For the seven second-tier cities, the plan to recruit 12 employees for each of the seven cities does not include employees of sales and marketing functions, which will be undertaken by the 33 sales and marketing staff to be recruited. For the 40 lower-tier cities, the two employees to be recruited for each of such cities will be responsible to build and maintain business connections at local level while the 33 sales and marketing staff will provide support of a broader and higher level, such as participating in the formulation and implementation of overall marketing strategies and coordinating business referrals across regions. As our offices at

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the 40 lower-tier cities will primarily serve as local contact points and the two employees allocated to each of such cities are not intended to be full-time sales and marketing staff, once our offices at the 40 lower-tier cities identify business opportunities that require relatively significant manpower investment, they will liaise with the sales and marketing department at a higher level and involve the participation of our full-time sales and marketing staff to follow up with the potential customers and secure business opportunities.

We currently have a limited number of sales and marketing staff, which is insufficient and needs to be enlarged in order to support our business expansion into such localities. As of June 30, 2020, we had a total number of 23 sales and marketing staff, representing less than 10% of our total employees as of the same date, while the industry peers generally have a sales and marketing team representing more than 20% of their total employees, according to the CIC Report. In addition, as we continuously grow our customer base and penetrate into new localities, we intend to build and expand our nationwide sales network by implementing geographically specific sales and marketing strategies, which requires the recruitment of experienced sales personnel with first-hand local customer resources. We believe that the recruitment of 33 sales and marketing staff will help us reinforce our sales and marketing efforts, promote our services to a wider group of customers and establish our market presence in the cities that we intend to expand into. During the Track Record Period, the annual average sales contribution of our sales and marketing personnel amounted to RMB2.5 million to RMB3.5 million in terms of contract value. As our cost of revenue, especially our manpower investment in service provision, remains relatively stable as compared to revenue, we believe that by recruiting more sales and marketing staff and enhancing sales and marketing efforts, we will be able to expand our sales and improve our gross profit margin. Our expansion into the seven second-tier cities and the 40 lower-cities and our expanded sales and marketing team will make us one of the most extensive sales network among industry peers and establish our advantage over competitors of a closer contact with and better services for clients and more timely response to potential market opportunities. The following table sets forth details of such recruitment plan based on our current estimate.

Title	Headcount	Major Responsibilities	Key Recruitment Criteria
Vice president (business development)	One	Responsible for the strategic planning and overall management of our marketing and business development activities, and the management and supervision of our business development team	More than ten years of work experience; ability to understand and react quickly to market demands and industry movements; master's degree or above
Business development director	Two	Responsible for the analysis of and communications and negotiations with our key customers	More than ten years of work experience; excellent communication and negotiation skills; master's degree or above

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Title	Headcount	Major Responsibilities	Key Recruitment Criteria
Business development vice director	Two	Responsible for the management and supervision of our business development team	Five to ten years of work experience; excellent leadership skills; master's degree or above
Business development senior manager	Four	Responsible for business development, the collection and analysis of market information and customer feedbacks, and the development and maintenance of strategic alliances	Three to five years of work experience; excellent communication skills; bachelor's degree or above
Business development manager	Six	Responsible for business development and communications with customers	More than two years of work experience in business development; excellent communication skills; bachelor's degree or above
Business development specialist	Six	Responsible for general sales and communications with customers	One to three years of work experience; excellent communication skills; bachelor's degree or above
Customer relationship senior manager	Two	Responsible for the planning and general management of sales targets, and collaboration with business development team	Five to ten years of work experience; excellent leadership skills; bachelor's degree or above
Customer relationship manager	Four	Responsible for the execution of sales targets and the management and supervision of customer relationship team	Three to five years of work experience; bachelor's degree or above
Customer relationship specialist	Six	Responsible for the collection and assortment of customer information and market price levels, the preparation of public tendering-related materials, and pre-sales and post-sales services	One to three years of work experience; bachelor's degree or above

FUTURE PLANS AND USE OF PROCEEDS

- approximately 5.6% of the net proceeds, or approximately HK\$20.1 million, to scale our services into overseas emerging markets, such as Southeast Asia and India, in order to capture significant growth opportunities. We intend to recruit qualified specialists to jumpstart our overseas business. We also intend to enrich our data resources through purchases in order to lay a solid foundation for our future data services targeting customers overseas. We plan to open two overseas branches in Southeast Asia and India, each with approximately three employees.
- approximately 20.0% of the net proceeds, or approximately HK\$71.2 million, to selectively pursue investment and acquisition opportunities including, among others, investing in or acquiring data service providers focusing on equity investment secondary markets, or offline event service providers, to execute our business expansion plan and benefit from the synergy with our existing business. Our PEdata Database primarily focuses on the equity investment data in the primary market. By investing in, or acquiring, data service providers focusing on equity investment secondary markets, we will be able to broaden our data coverage and expand our service lines. We also intend to invest in or acquire offline event service providers to efficiently acquire new customers leveraging their established customer relationships, to enable such service providers to charge premium prices leveraging our well-established brand and sophisticated service capabilities, and to cross-sell our other services to the existing customer network of such service providers. We consider acquisition and investment as a growth strategy as we can quickly access new markets and cost-effectively supplement or expand our service offerings by acquiring or investing in strategically valuable target companies and benefiting from the target companies' expertise, experience, talent pool and customer base, while maximizing the value of our brand and achieving synergies across our comprehensive service offerings. According to the CIC Report, it is a common industry practice for an equity investment service company to expand through strategic investment and acquisition and many market players in the equity investment service industry have invested in or acquired smaller-sized companies in order to benefit from the synergy effect of their business or expand their business into new industrial fields. We did not expand through acquisition in the past primarily because we invested most of our capital into our existing operations to maintain our growth and expand our market while retained some capital to withstand the volatile market conditions and intense market competition.

In selecting potential investment and acquisition targets, we will consider a variety of factors, including the suitability with our strategic planning, degree of potential synergies, market position, experience of management team, valuation, historical operating metrics and financial performance. Based on our current estimate, we generally will consider the investment in or acquisition of (1) data service providers based in China that have been established for more than five years and have established database covering data of all public companies listed on the Shenzhen Stock Exchange and Shanghai Stock Exchange and have annual revenue of approximately RMB20.0 million, annual profit before tax of approximately RMB4.0 million and a total number of employees ranging from 30 to 50, and (2) offline event service providers based in China with Southeast Asia and other emerging markets globally as their target market that have been established for more than five years, are primarily engaged in organization of small to medium-sized offline events, have proven track record in providing offline events services for overseas market and have annual revenue of approximately RMB15.0 million, annual profit before tax of approximately RMB5.0

FUTURE PLANS AND USE OF PROCEEDS

million and a total number of less than 20 employees. As of the Latest Practicable Date, we had not identified any potential target company for investment or acquisition.

- approximately 9.5% of the net proceeds, or approximately HK\$33.8 million, to be used for additional working capital and other general corporate purposes.

The above allocation of the proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed below or above the midpoint of the indicative range of the Offer Price. Any additional proceeds received from the exercise of the Over-allotment Option will also be allocated to the above purposes on a pro rata basis. In the event that the Over-allotment Option is exercised in full, we will receive net proceeds of HK\$414.5 million (assuming an Offer Price of HK\$10.00 per Share, the midpoint of our indicative Offer Price range).

If the Offer Price is determined at the highest point of the stated range, the net proceeds to our Company would be increased to approximately HK\$317.0 million after deducting the estimated underwriting fees and other listing expenses payable by us, assuming that the Over-allotment Option is not exercised. If the Offer Price is determined at the lowest point of the stated range, the net proceeds to our Company would be decreased to approximately HK\$395.0 million after deducting the estimated underwriting fees and other listing expenses payable by us, assuming that the Over-allotment Option is not exercised.

To the extent that the net proceeds of the Global Offering are not immediately applied for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in short-term deposits with authorized financial institutions in the PRC or in Hong Kong. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

USE OF EXISTING CASH AND COMMERCIAL RATIONALE FOR LISTING

We intend to use our existing cash and cash equivalents to fund for, among other things, (1) our day-to-day operations, such as the provision of equity investment services, and (2) our additional investment and acquisition needs that are not currently anticipated but may arise in the future. In general, we believe that the equity investment service industry in which we operate is highly competitive and rapidly evolving and, therefore, would like to accumulate adequate capital resources to retain our competitive edge and tap into the underserved markets.

In addition to funding needs, we believe that we can commercially benefit from the Listing in the following aspects.

- Listing on the Main Board of the Stock Exchange can further enhance our brand awareness and recognition as a hub and go-to expert in China's equity investment industry, which we believe has been instrumental in retaining existing customers and attracting new ones.
- We believe that the scrutiny process during the Listing will enable us to demonstrate to the public that, our corporate governance, legal compliance, internal control, and operational and financial reporting capabilities have satisfied the heightened standards for public companies, which could enhance our ability to attract strategic investors and business partners.
- Listing on the Main Board of the Stock Exchange can enlarge and diversify our shareholder base, which enhances the liquidity of our Shares.

FUTURE PLANS AND USE OF PROCEEDS

- After the Listing, our Shares will be publicly traded and it will be easier for us to execute our strategic investments and acquisitions using our Shares as considerations.
- Listing on the Main Board of the Stock Exchange can help us establish our international presence and access foreign funding sources, which in turn may facilitate our potential outbound investments and acquisitions should we choose to do so.

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HONG KONG UNDERWRITERS

Fortune (HK) Securities Limited
China International Capital Corporation Hong Kong Securities Limited
CCB International Capital Limited
China Everbright Securities (HK) Limited
Futu Securities International (Hong Kong) Limited
Guosen Securities (HK) Capital Company Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Company has agreed to offer the Hong Kong Public Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms.

Subject to the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be offered as mentioned herein (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option), and to certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally to subscribe or procure subscribers for, their respective applicable proportions of the Hong Kong Public Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions of this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Public Offer Shares under the Hong Kong Underwriting Agreement are subject to termination by written notice from the Joint Global Coordinators to the Company, if, at any time prior to 8:00 a.m. on the Listing Date:

- (a) there develops, occurs, exists or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations, or any event or circumstance likely to result in a change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting Hong Kong, the PRC, the United States, the United Kingdom, the European Union (or any member thereof), Japan, Singapore or any other relevant jurisdictions (collectively, the “**Relevant Jurisdictions**”);
 - (ii) any change or development involving a prospective change, or any event or series of events resulting or likely to result in or representing any change or development, or any prospective change or development, in local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions or exchange control or any monetary or trading settlement system (including, without limitation, a change in

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the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets or a change in the system under which the value of the Hong Kong Dollar is linked to the United States Dollar or revaluation of Hong Kong Dollar or Renminbi against any foreign currencies or a change in any other currency exchange rates, in any of the Relevant Jurisdictions;

- (iii) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), New York (imposed at Federal or New York State level or other competent authority), London, Singapore, the PRC, the European Union (or any member thereof), Japan or any other jurisdiction relevant to any member of the Group, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any of the Relevant Jurisdictions;
- (iv) the imposition of any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Singapore Stock Exchange, the Tokyo Stock Exchange, the Shanghai Stock Exchange or the Shenzhen Stock Exchange;
- (v) a change or development or event involving a prospective change in or affecting taxation or exchange control (or the implementation of any exchange control), currency exchange rates or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong Dollar or the RMB against any foreign currencies) in any of the Relevant Jurisdictions adversely affecting an investment in the Shares;
- (vi) any adverse change or development or event involving any prospective adverse change or development in the assets, liabilities, profit, losses, earnings, results of operations business, performance, business prospects, financial or trading position, conditions or prospects (financial or otherwise) of the Company or any member of the Group;
- (vii) the outbreak or escalation of hostilities (whether or not war is or has been declared) involving or affecting any of the Relevant Jurisdictions or the declaration by any of the Relevant Jurisdictions of a national emergency or war or any other national or international calamity or crisis;
- (viii) any event, or series of events, in the nature of force majeure in or affecting directly or indirectly any of the Relevant Jurisdictions (including, without limitation, any act of God, act of government, declaration of a regional, national or international emergency or war, calamity, crisis, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, pandemic, outbreak of infectious disease, escalation, adverse mutation or aggravation of diseases (including, without limitation, COVID-19, SARS, swine or avian flu, H5N1, H1N1, H7N9 or such related/mutated forms), economic sanctions, earthquake, terrorism, strike, labour dispute or lock-out;

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- (ix) any change or prospective change in, or a materialisation of, any of the risks set out in the section headed “Risk Factors” in the this prospectus;
- (x) any litigation or claim being threatened or instigated against any member of the Group or any Director;
- (xi) any Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company or the commencement by any government, political, regulatory body of any action against any Director in his capacity as such or an announcement by any governmental, political regulatory body that it intends to take any such action;
- (xii) the chairman of the Board, Chief Executive Officer, Chief Financial Officer or any Director vacating his office;
- (xiii) any governmental authority or a political or regulatory body or organization in any Relevant Jurisdiction commencing any investigation or take other action, or announcing an intention to investigate or take other action, against any member of the Group or any Director,
- (xiv) any imposition of sanctions under any sanction laws or regulations, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions on the PRC, Hong Kong or any other jurisdiction relevant to any member of the Group;
- (xv) any contravention by any member of the Group or any Director of the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions), the PRC company law, the Listing Rules or other applicable laws;
- (xvi) any loss or damage sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person);
- (xvii) non-compliance of the Hong Kong Public Offering Documents (or any other documents used in connection with the contemplated offer and sale of the Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws;
- (xviii) except with the prior written consent of the Joint Global Coordinators, the issue or requirement to issue by the Company of any supplement or amendment to this prospectus, Application Forms, post hearing information pack, preliminary offering circular or offering circular or other documents in connection with the offer and sale of the Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC in circumstances where the matter to be disclosed is, in the sole opinion of the Joint Global Coordinators, adversely affect the marketing for or implementation of the Global Offering;
- (xix) an order or a petition is presented for the winding up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator,

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receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group;

- (xx) a valid demand by any creditor for repayment or payment of any of the indebtedness of any member of the Group or in respect of which that member of the Group is liable prior to its stated maturity, or any loss or damage sustained by that member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person);
- (xxi) a material breach by any member of the Group of the Listing Rules or applicable laws; or
- (xxii) a prohibition on the Company from offering, allotting, issuing, selling or delivering the Offer Shares pursuant to the terms of the Global Offering;

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

- (A) is or will or is likely to have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole;
 - (B) has or will have or may likely have a material adverse effect on the success or marketability of the Hong Kong Public Offering or the International Offering or the level of applications under the Hong Kong Public Offering or the level of Offer Shares being applied for or accepted or subscribed for or purchased or the distribution of Offer Shares;
 - (C) makes or will make or may likely make it inadvisable or inexpedient or impracticable or incapable for any part of the Hong Kong Underwriting Agreement, or for any part of the Hong Kong Public Offering or the Global Offering or the delivery of the Offered Shares to be performed or implemented or proceed as envisaged or to market the Global Offering in the manner contemplated by the Offering Documents; or
 - (D) has or will have or may likely have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting the Hong Kong Public Offering and/or the Global Offering) incapable or impracticable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or
- (b) there has come to the notice of the Joint Global Coordinators or any of the Hong Kong Underwriters:
- (i) that any statement contained in any of this prospectus, the Application Forms and the Formal Notice and/or in any notices, announcements, post hearing information packs, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect, inaccurate or misleading in any respect, or that any

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forecast, estimate, expression of opinion, intention or expectation expressed or contained in any of this prospectus, the Application Forms and the formal notice and/or any notices, announcements, post hearing information packs, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) is not fair and honest and made on reasonable grounds or, where appropriate, based on reasonable assumptions with reference to the facts and circumstances then subsisting;

- (ii) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable law or regulation;
- (iii) that any matter or event arising or has been discovered rendering or there coming to the notice of any of the Joint Global Coordinators or the Hong Kong Underwriters any matter or event showing any of the representations, warranties and undertakings given by the Warrantors in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable, is (or would when repeated be) untrue, incorrect, incomplete or misleading or having been breached;
- (iv) any matter or event, act or omission which gives or is likely to give rise to any liability of the Warrantors pursuant to the indemnities given by the Warrantors under the Hong Kong Underwriting Agreement or the International Underwriting Agreement;
- (v) any breach of any of the obligations of any party (other than the Joint Global Coordinators or the Underwriters, if applicable) to the Hong Kong Underwriting Agreement, the International Underwriting Agreement, any of the Operative Documents;
- (vi) any adverse change or development involving a prospective adverse change (whether permanent or not) or development in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, properties, results of operations, position or condition (financial or otherwise) of any member of the Group;
- (vii) any of the experts (other than the Sole Sponsor) specified in this prospectus has withdrawn its respective consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears;
- (viii) that the Company has withdrawn this prospectus and the Application Forms (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering;
- (ix) that the approval by the Listing Committee of the listing of, and permission to deal in the Offer Shares, subject only to allotment and the dispatch of share certificates in respect thereof, is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld;

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- (x) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, not having been disclosed in this prospectus, constitute a misstatement or omission from any of this prospectus, the Application Forms and/or in any notices, announcements, post hearing information, proof, advertisements, communications or other documents (including any supplement or amendment thereto) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering; or
- (xi) the investment commitments by any cornerstone investors after signing of agreements with such cornerstone investors having been withdrawn, terminated or cancelled or a material portion of the orders in the book-building process at the time the International Underwriting Agreement is entered into having been withdrawn, terminated or cancelled.

then the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) may in its sole discretion and upon giving notice to the Company on or prior to 8:00 a.m. on the Listing Date, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that (except pursuant to the Global Offering and the Over-allotment Option) within six months from the Listing Date, the Company will not, without the prior consent of the Stock Exchange and unless in compliance with the requirements of the Listing Rules, allot or issue or agree to allot or issue any Shares or other securities convertible into equity securities of the Company (including warrants or other convertible securities), whether or not of a class already listed, except in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and the Company that, except pursuant to the Global Offering and the Over-allotment Option, he/it will not and will procure that the registered holder(s) of the Shares controlled by him/it will not:

- (a) in the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and ending on the date (the “**End Date**”) which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or a charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan) in respect of, any of the securities of the Company in respect of which he/it is shown by this prospectus to be the beneficial owner (“**Relevant Securities**”); or
- (b) in the period of a further six months commencing on the End Date, dispose of, nor enter into any agreement to dispose of, or otherwise create any options, rights, interests or encumbrances (save as pursuant to a pledge or charge as security in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan) in respect of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, that he/it would cease to be a Controlling Shareholder.

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Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and to the Company that within the period commencing on the date of this prospectus and ending on the date which is 12 months from the Listing Date, he/it will:

- (a) when he/it pledges or charges any Shares beneficially owned by it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and
- (b) when he/it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform the Company of such indications.

The Company will inform the Stock Exchange as soon as we have been informed of matters referred in above by any of the Controlling Shareholders and disclose such matters by way of announcement pursuant to the requirements under the Listing Rules as soon as possible.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

Pursuant to the Hong Kong Underwriting Agreement, the Company has undertaken to each of the Joint Global Coordinators, the Sole Sponsor and the Hong Kong Underwriters that:

- (A) save for the Global Offering (including pursuant to the Over-allotment Option), the Capitalization Issue, the Post-IPO RSU Scheme and the Share Reservation, it will not, without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time from the date of the Hong Kong Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six-Month Period**”):
 - (a) offer, allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, assign, grant or sell any option, warrant, right or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, or otherwise transfer or dispose of, or agree to transfer or dispose of, either directly or indirectly, conditionally or unconditionally, or repurchase, any legal or beneficial interest in any Shares or other securities of the Company, or any interests in any of the foregoing (including, but not limited to, any securities that are convertible into or exercisable or exchangeable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company); or
 - (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any Shares or other securities of the Company, or any interest therein

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(including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company); or

- (c) enter into any transaction with the same economic effect as any transaction described in paragraphs (a) or (b) above; or
- (d) offer to or contract to or agree to announce, or publicly disclose that the Company will or may enter into any such transaction described in paragraphs (a), (b) or (c) above

in each case, whether any such transaction described in paragraphs (a), (b) or (c) above is to be settled by delivery of the Shares or other securities of the Company, in cash or otherwise (whether or not the issue of such Shares or other securities of the Company will be completed within the First Six-Month Period).

If the Company enters into any of the foregoing transactions described in described in (a) to (c) above or offers, agrees or contracts to, or announces, or publicly discloses, any intention to enter into any such transaction during the period of six months commencing on the date on which the First Six-Month Period expires (the “**Second Six-Month Period**”), the Company must take all necessary steps to ensure that it will not create a disorderly or false market in the securities of the Company.

Undertakings by our Controlling Shareholders

Pursuant to the Hong Kong Underwriting Agreement, each of our Controlling Shareholders has undertaken to the Joint Global Coordinators, the Sole Sponsor and the Hong Kong Underwriters that except pursuant to the Global Offering (including pursuant to the Over-allotment Option) or if applicable, the Stock Borrowing Agreement, without the prior written consent of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) and unless permitted by and in compliance with the requirements of the Listing Rules:

- (A) during the First Six-Month Period, he/it will not, and will procure that the relevant registered holder(s) will not:
 - (i) offer, pledge, charge sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant, or purchase any option, warrant, contract or right to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest in any of the foregoing (including, but not limited to, any securities that are convertible into or exchangeable or exercisable for, or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company) beneficially owned by he/it as at the Listing Date (the “**Locked-up Securities**”); or
 - (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of, any Locked-up Securities; or

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- (iii) enter into any transaction with the same economic effect as any transaction described in paragraphs (i) or (ii) above; or
- (iv) offer to or contract to or agree to or publicly disclose that it will or may enter into any transaction described in paragraphs (i), (ii) or (iii) above,

in each case, whether any such transaction described in paragraphs (A)(i), (A)(ii) or (A)(iii) above is to be settled by delivery of such Shares or other securities of the Company in cash or otherwise (whether or not the settlement or delivery of such Shares or other securities of the Company will be completed within the First Six-Month Period).

- (B) during the Second Six-Month Period, he/it will not enter into any of the foregoing transactions described in (A)(i), (A)(ii) or (A)(iii) above or agree or contract to or publicly announce any intention to enter into any such transactions if, immediately following such transfer, he/it will cease to be a “controlling shareholder” (as the term is defined in the Listing Rules) of the Company.

Until the expiry of the Second Six-Month period, in the event that any of the Controlling Shareholders enters into any such transactions or agrees or contracts to, or publicly announces an intention to enter into any such transactions, he/it will take all reasonable steps to ensure that it/he will not create a disorderly or false market in the securities of the Company.

International Offering

In connection with the International Offering, it is expected that the Company will enter into the International Underwriting Agreement with, inter alia, the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will severally agree to subscribe or purchase or procure subscribers for the International Offer Shares being offered pursuant to the International Offering.

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters at any time from the date of the Price Determination Date until 30 days after the last date for the lodging of applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 6,000,000 additional Shares representing 15% of the Offer Shares initially offered under the Global Offering, at the Offer Price to cover over-allocations in the International Offering, if any.

Commissions and Expenses

The Underwriters will receive underwriting commissions at the rate of 2.5% of the aggregate Offer Price payable for the Offer Shares (including the Shares to be issued pursuant to the Over-allotment Option). Furthermore, the Company agrees, at its sole and absolute discretion, to pay to the Underwriters a discretionary incentive fee of up to 1% of the aggregate Offer Price payable for the Offer Shares (including the Shares to be issued pursuant to the Over-allotment Option). The aggregate underwriting commissions, documentation fee, listing fees, Stock Exchange trading fee and transaction levy, legal and other professional fees, and printing and other expenses in relation to the Global Offering are estimated to amount to approximately HK\$43.9 million in total (based on the Offer Price of HK\$10.00 per Share, being the mid-point of the indicative Offer Price range of HK\$9.00 to HK\$11.00 per Share and assuming the Over-allotment Option is not exercised and the payment of discretionary incentive fee (if any) is excluded), and are payable by the Company.

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Indemnity

The Company has agreed to indemnify the Joint Global Coordinators, the Sole Sponsor and the Hong Kong Underwriters for certain losses that they may suffer or incur, including certain losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach by the Company of the Hong Kong Underwriting Agreement. Each of the Controlling Shareholders has agreed to jointly and severally indemnify the Joint Sponsor, the Joint Global Coordinators, the Joint Lead Managers and the Hong Kong Underwriters for certain losses which they may suffer, including losses incurred arising from any breach by any of the Controlling Shareholders of the Hong Kong Underwriting Agreement or any of the warranties given by any of the Controlling Shareholders being untrue, inaccurate or misleading in any respect.

ACTIVITIES BY SYNDICATE MEMBERS

The Underwriters, together referred to as “Syndicate Members”, may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or the stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In relation to the Shares, those activities could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their or part of their underlying assets, whether on the Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described in the sections headed “Structure of the Global Offering.” These activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

When engaging in any of these activities, it should be noted that the Syndicate Members are subject to certain restrictions, including the following:

- the Syndicate Members (other than the stabilizing manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

UNDERWRITING

- all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

UNDERWRITERS' INTERESTS IN THE COMPANY

The Underwriters will receive an underwriting commission. Particulars of these underwriting commission and expenses are set out in the paragraph headed “— Commissions and Expenses” in this section.

Save for their obligations under the Underwriting Agreements, as of the Latest Practicable Date, none of the Underwriters was interested legally or beneficially in any shares of any member of the Group nor has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any member of the Group nor any interest in the Global Offering.

SOLE SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

- (a) the Hong Kong Public Offering of 4,000,000 Shares (subject to adjustment as mentioned below) for subscription by the public in Hong Kong as described in the paragraph headed “— The Hong Kong Public Offering” below; and
- (b) the International Offering of an aggregate of 36,000,000 Shares (subject to adjustment and the Over-allotment Option as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S.

The Shares initially being offered in the Global Offering will represent approximately 13.3333% of our enlarged total number of issued Shares immediately after completion of the Capitalization Issue and the Global Offering, assuming that the Over-allotment Option is not exercised and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation. The underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed “Underwriting” in this prospectus.

Investors may apply for Offer Shares under the Hong Kong Public Offering or apply for or indicate an interest for Offer Shares under the International Offering, but may not apply under both of these methods for the Offer Shares.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a several basis under the terms of the Hong Kong Underwriting Agreement and is subject to the Company and the Joint Global Coordinators (on behalf of the Underwriters) agreeing on the Offer Price. The Hong Kong Public Offering and the International Offering are subject to the conditions set forth in the paragraph headed “— Conditions of the Global Offering” in this section. The Hong Kong Underwriting Agreement and the International Underwriting Agreement are expected to be conditional upon each other.

Number of Shares Initially Offered

The Hong Kong Public Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions set forth in the Hong Kong Underwriting Agreement and described in the paragraph headed “— Conditions of the Global Offering” in this section) for the subscription in Hong Kong of, initially 4,000,000 Shares at the Offer Price (representing 10% of the total number of the Offer Shares).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors.

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Allocation

Allocation of Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Public Offer Shares.

The total number of Offer Shares available under the Hong Kong Public Offering (after taking into account of any reallocation) is to be divided into two pools for allocation purposes: Pool A and Pool B. Accordingly, the maximum number of Hong Kong Public Offer Shares initially in Pool A and Pool B will be 2,000,000 and 2,000,000, respectively. The Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of HK\$5.0 million (excluding the brokerage, SFC transaction levy and the Stock Exchange trading fee payable) or less. The Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK\$5.0 million and up to a total value of Pool B (excluding the brokerage, SFC transaction levy and the Stock Exchange trading fee payable). Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If the Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of this paragraph only, the “price” for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 2,000,000 Hong Kong Public Offer Shares (being 50% of all the Hong Kong Public Offer Shares initially available under the Hong Kong Public Offering) are liable to be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached as further described below:

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then an additional 8,000,000 Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Offer Shares available under the Hong Kong Public Offering will be 12,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering prior to the exercise of the Over-allotment Option;
- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then an additional 12,000,000 Offer Shares will be reallocated to the Hong Kong Public Offering from the

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International Offering so that the total number of Offer Shares available under the Hong Kong Public Offering will be 16,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Global Offering prior to the exercise of the Over-allotment Option; and

- if the number of Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of Offer Shares initially available for subscription under the Hong Kong Public Offering, then an additional 16,000,000 Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering so that the total number of Offer Shares available under the Hong Kong Public Offering will be 20,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering prior to the exercise of the Over-allotment Option.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Global Coordinators deems appropriate. In addition, the Joint Global Coordinators may in its sole discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Joint Global Coordinators has the authority to reallocate all or any unsubscribed Hong Kong Public Offer Shares to the International Offering in such proportions as the Joint Global Coordinators deems appropriate.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may be reallocated as between these offerings at the discretion of the Joint Global Coordinators. If such reallocation is done other than pursuant to Practice Note 18 of the Listing Rules, in accordance with Guidance Letter HKEX-GL91-18, in the event that (i) the International Offering is undersubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed; or (ii) the International Offering is fully subscribed or oversubscribed and the Hong Kong Public Offering is oversubscribed by less than 15 times of the total numbers of Offer Shares initially available under the Hong Kong Public Offering, the Joint Global Coordinators may reallocate Offer Shares from the International Offering to the Hong Kong Public Offering, increasing the total number of shares available under the Hong Kong Public Offering to 8,000,000 Shares, representing double of the initial allocation to the Hong Kong Public Offering and 20% of the Offer Shares, and the final Offer Price shall be fixed at the low-end of the indicative Offer Price range (that is, HK\$9.00 per Offer Share) stated in this prospectus.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him that he and any person(s) for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

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The listing of the Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering are required to pay, on application, the maximum price of HK\$11.00 per Offer Share in addition to the brokerage, SFC transaction levy and Stock Exchange trading fee payable on each Offer Share. If the Offer Price, as finally determined in the manner described in the paragraph headed “— Pricing and Allocation” below, is less than the maximum price of HK\$11.00 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy and Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed “How to Apply for Hong Kong Public Offer Shares” in this prospectus.

THE INTERNATIONAL OFFERING

The International Offering is expected to be fully underwritten by the International Underwriters on a several basis. The Company expects to enter into the International Underwriting Agreement relating to the International Offering on the Price Determination Date.

Number of Offer Shares Offered

Subject to reallocation as described above, the International Offering will consist of an initial offering of 36,000,000 Offer Shares, representing 90% of the total number of Offer Shares initially available under the Global Offering (assuming the Over-allotment Option is not exercised). The International Offering will be offered by us outside of the United States in reliance on Regulation S.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the “book-building” process described in the paragraph headed “— Pricing and Allocation” below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor’s invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Company and the Shareholders as a whole.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Joint Global Coordinators so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any application of Offer Shares under the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION AND STOCK BORROWING ARRANGEMENT

We expect to grant to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters), the Over-allotment Option.

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Pursuant to the Over-allotment Option, the Joint Global Coordinators has the right, exercisable at any time from the date of the International Underwriting Agreement up to the 30th day after the last day for lodging of applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 6,000,000 additional Offer Shares, representing 15% of the initial Offer Shares, at the Offer Price, to cover over-allocations in the International Offering, if any. The Joint Global Coordinators may, at its option, also cover such over-allocations by purchasing the Offer Shares in the secondary market or through stock borrowing arrangements from holders of Shares or exercise of Over-allotment Option, or by a combination of these means or otherwise as may be permitted under applicable laws, rules and regulations. If the Joint Global Coordinators exercises the Over-allotment Option in full, the Offer Shares (including the shares allotted and issued pursuant to the exercise of the Over-allotment Option) will represent approximately 15.0327% of the total number of issued Shares immediately following the completion of the Capitalization Issue and the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

In order to facilitate settlement of over-allocations in connection with the International Offering, the Stabilizing Manager may choose to borrow up to 6,000,000 Shares from JQ Brothers Ltd. pursuant to the Stock Borrowing Agreement. The stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws, rules and regulatory requirements.

PRICING AND ALLOCATION

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building,” is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price is expected to be fixed by agreement between the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or about Monday, December 21, 2020 and in any event no later than Tuesday, December 29, 2020.

The Offer Price will not be more than HK\$11.00 per Offer Share and is expected to be not less than HK\$9.00 per Offer Share unless otherwise announced, as further explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with our consent, reduce the number of Offer Shares and/or the indicative Offer Price range at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause there to be published on the website of the Company (www.zero2ipo.cn) and the website of the Stock Exchange (www.hkexnews.hk) notices of the reduction. Upon issue of such a notice, the revised Offer Price range will be final and conclusive and the Offer Price, if agreed upon

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by the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), will be fixed within such revised Offer Price range. Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the indicative Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering.

Supplemental listing documents will also be issued by the Company in the event of a reduction in the number of Offer Shares or the Offer Price. Such supplemental listing documents will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon between the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters), will under no circumstances be set outside the Offer Price range stated in this prospectus.

If the number of Offer Shares being offered under the Global Offering or the indicative Offer Price range is so reduced, applicants who have already submitted an application will be notified that they are required to confirm their applications. All applicants who have already submitted an application need to confirm their applications in accordance with the procedures set out in the announcement and all unconfirmed applications will not be valid.

In the event of a reduction in the number of Offer Shares, the Joint Global Coordinators may, at their discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Joint Global Coordinators.

The final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of and results of allocations of Offer Shares under the Hong Kong Public Offering are expected to be announced on Tuesday, December 29, 2020 on the website of the Company (www.zero2ipo.cn) and the website of the Stock Exchange (www.hkexnews.hk).

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the offer price. In Hong Kong and a number of other jurisdictions, activity aimed at reducing the market price is prohibited, and the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or maintaining the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. Fortune (HK) Securities Limited has been appointed as the Stabilizing Manager for the purposes of the Global Offering. Such stock borrowing arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules

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provided that the requirements as set out in Rule 10.07(3) of the Listing Rules are complied with, including that the stock borrowing arrangement must be for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option.

The maximum number of Shares to be borrowed from JQ Brothers Ltd. will be limited to the maximum number of Shares that may be issued upon full exercise of the Over-allotment Option, the same number of Shares so borrowed will be returned to JQ Brothers Ltd. or its nominees (as the case may be) within three business days after the last day on which the Over-allotment Option may be exercised or, if earlier, the date on which the Over-allotment Option is exercised in full. The borrowing of Shares pursuant to the stock borrowing arrangement will be effected in compliance with applicable Listing Rules, laws and other regulatory requirements and no payments will be made to JQ Brothers Ltd. in relation to such stock borrowing arrangement.

Any such stabilizing activity will be made in compliance with all applicable laws, rules and regulations in place in Hong Kong on stabilization including the Securities and Futures (Price Stabilizing) Rules under the Hong Kong Securities and Futures Ordinance. However, there is no obligation on the Stabilizing Manager, its affiliates or any person acting for it to do this. Such stabilization, if commenced, will be conducted at the absolute discretion of the Stabilizing Manager, its affiliates or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period. Any such stabilization activity is required to be brought to an end within 30 days from the last date for lodging application under the Hong Kong Public Offering.

Following any over-allotment of Shares in connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for it may take all or any of the following stabilizing actions in Hong Kong during the stabilization period to cover such over-allotment. The possible stabilizing action which may be taken by the Stabilizing Manager, its affiliates or any person acting for it in connection with the Global Offering may involve (i) purchases of Shares, (ii) establishing, hedging and liquidating positions in Shares, (iii) exercising the Over-allotment Option in whole or in part, (iv) stock borrowing and/or (v) offering or attempting to do any of (i), (ii), (iii) or (iv) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilizing Manager, its affiliates or any person acting for it may, in connection with the stabilizing action, maintain a long position in the Shares;
- there is no certainty regarding the extent to which and the time or period for which the Stabilizing Manager, its affiliates or any person acting for it will maintain such a long position;
- liquidation of any such long position by the Stabilizing Manager, its affiliates or any person acting for it may have an adverse impact on the market price of the Shares;
- no stabilizing action can be taken to support the price of the Shares for longer than the stabilizing period which will begin on the Listing Date, and is expected to expire on Wednesday, January 20, 2021, being the 30th day after the date of closing of the application lists under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;
- the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

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- stabilizing bids may be made or transactions effected in the course of the stabilizing action at any price at or below the Offer Price, which means that stabilizing bids may be made or transactions effected at a price below the price paid by applicants for, or investors in, the Shares.

OVER-ALLOCATION

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager, its affiliates or any person acting for them may cover such over-allocation by using Shares purchased by the Stabilizing Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or through the stock borrowing arrangements mentioned above or by a combination of these means. The number of Shares which can be over-allocated will not exceed the number of Shares which may be sold pursuant to the exercise in full of the Over-allotment Option, being 6,000,000 Shares, representing 15% of the Offer Shares initially available under the Global Offering.

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for the Offer Shares will be conditional on:

- (a) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue and the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation and such listing and permission not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;
- (b) the Offer Price having been duly determined and the execution and delivery of the International Underwriting Agreement on or around the Price Determination Date;
- (c) the execution and delivery of the International Underwriting Agreement and the Stock Borrowing Agreement on or before the Price Determination Date;
- (d) the obligations of the Hong Kong Underwriter under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements, and
- (e) in each case on or before the dates and times specified in the Hong Kong Underwriting Agreement or the International Underwriting Agreement (unless and to the extent such conditions are validly waived on or before such dates and times);

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriter(s)) on or before Tuesday, December 29, 2020, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

STRUCTURE OF THE GLOBAL OFFERING

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company on the Company's website at www.zero2ipo.cn and the website of the Stock Exchange at www.hkexnews.hk on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Public Offer Shares" in this prospectus. In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

We expect to issue share certificates for the Offer Shares on Tuesday, December 29, 2020. Share certificates issued in respect of Hong Kong Public Offer Shares will only become valid at 8:00 a.m. on the Listing Date provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Capitalization Issue and the Global Offering (including Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made for the Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the Shares and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, December 30, 2020, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, December 30, 2020. The Shares will be traded in board lots of 400 Shares each. The stock code of the Shares is 1945.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Hong Kong Public Offer Shares, then you may not apply for or indicate an interest for International Offer Shares.

To apply for Hong Kong Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **HK eIPO White Form** service at www.hkeipo.com or the IPO App; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Joint Global Coordinators, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for the Hong Kong Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States; and are not a U.S. person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO White Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorized officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at their discretion and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** service for the Hong Kong Public Offer Shares.

Unless permitted by the Listing Rules or any relevant waivers/consents that have been granted by the Stock Exchange, you cannot apply for any Hong Kong Public Offer Shares if you:

- are an existing beneficial owner of Shares in the Company and/or any its subsidiaries;
- are a Director or chief executive officer of the Company and/or any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- will become a core connected person of the Company immediately upon completion of the Global Offering;
- have been allocated or have applied for any International Offer Shares or otherwise participate in the International Offering.

3. APPLYING FOR HONG KONG PUBLIC OFFER SHARES

Which Application Channel to Use

For Hong Kong Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through www.hkeipo.com or the IPO App.

For Hong Kong Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours between from 9:00 a.m. on Wednesday, December 16, 2020 until 12:00 noon on Monday, December 21, 2020 from:

- (i) any of the following offices of the Joint Bookrunners:

Fortune (HK) Securities Limited	43/F, COSCO Tower 183 Queen's Road Central Hong Kong
China International Capital Corporation Hong Kong Securities Limited	29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
CCB International Capital Limited	12/F, CCB Tower 3 Connaught Road Central Central, Hong Kong
China Everbright Securities (HK) Limited	12/F, Everbright Centre 108 Gloucester Road Wanchai Hong Kong
Futu Securities International (Hong Kong) Limited	Unit C1-2, 13/F United Centre No. 95 Queensway Hong Kong
Guosen Securities (HK) Capital Company Limited	Suites 3207–3212, 32/F One Pacific Place 88 Queensway Hong Kong

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(ii) any of the designated branches of the following receiving bank:

Bank of China (Hong Kong) Limited:

<u>District</u>	<u>Branch Name</u>	<u>Address</u>
Hong Kong Island	Central District (Wing On House) Branch	B/F-2/F, Wing On House, 71 Des Voeux Road Central, Hong Kong
Kowloon	194 Cheung Sha Wan Road Branch	194-196 Cheung Sha Wan Road, Sham Shui Po, Kowloon
New Territories	Kwai Chung Plaza Branch	A18-20, G/F Kwai Chung Plaza, 7-11 Kwai Foo Road, Kwai Chung, New Territories

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, December 16, 2020 until 12:00 noon on Monday, December 21, 2020 from the Depository Counter of HKSCC at 1/F One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a check or a banker's cashier order attached and marked payable to "**BANK OF CHINA (HONG KONG) NOMINEES LIMITED — ZERO2IPO PUBLIC OFFER**" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above, at the following times:

- Wednesday, December 16, 2020 — 9:00 a.m. to 4:00 p.m.
- Thursday, December 17, 2020 — 9:00 a.m. to 4:00 p.m.
- Friday, December 18, 2020 — 9:00 a.m. to 4:00 p.m.
- Saturday, December 19, 2020 — 9:00 a.m. to 12:00 noon
- Monday, December 21, 2020 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Monday, December 21, 2020, the last application day or such later time as described in "— 10. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Applications Lists" in this section.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** service, among other things, you:

- (i) undertake to execute all relevant documents and instruct and authorize the Company and/or the Joint Global Coordinators (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;
- (vi) agree that none of the Company, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);
- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering nor participated in the International Offering;
- (viii) agree to disclose to the Company, our Hong Kong Branch Share Registrar, receiving banks, the Joint Global Coordinators, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Joint Global Coordinators and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- (xii) represent, warrant and undertake that (i) you understand that the Hong Kong Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Hong Kong Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Hong Kong Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorize the Company to place your name(s) or the name of the HKSCC Nominees, on the Company's register of members as the holder(s) of any Hong Kong Public Offer Shares allocated to you, and the Company and/or its agents to send any Share certificate(s) and/or any e-Auto Refund payment instructions and/or any refund check(s) to you or the first- named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund check(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;
- (xvii) understand that the Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH HK eIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in “— 2. Who can apply” section, may apply through the **HK eIPO White Form** service for the Offer Shares to be allotted and registered in their own names through the designated website at www.hkeipo.com or the IPO App.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website, you authorize the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for Submitting Applications under the HK eIPO White Form

You may submit your application to the **HK eIPO White Form** Service Provider at www.hkeipo.com (24 hours daily, except on the last application day) from 9:00 a.m. on Wednesday, December 16, 2020 until 11:30 a.m. on Monday, December 21, 2020 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Monday, December 21, 2020 or such later time under the “Effects of Bad Weather and/or Extreme Conditions on the Opening of the Applications Lists” in this section.

No Multiple Applications

If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Hong Kong Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **HK eIPO White Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Environmental Protection

The obvious advantage of the **HK eIPO White Form** is to save the use of papers via the self-serviced and electronic application process.

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
1/F, One & Two Exchange Square,
8 Connaught Place, Central,
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Hong Kong Public Offer Shares on your behalf.

You will be deemed to have authorized HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Joint Global Coordinators and our Hong Kong Branch Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Hong Kong Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Hong Kong Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering;
 - (if the electronic application instructions are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorized to give those instructions as their agent;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- confirm that you understand that the Company, the Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorize the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of the Company, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to the Company, our Hong Kong Branch Share Registrar, receiving banks, the Joint Global Coordinators, the Underwriters and/or their respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;
- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Hong Kong Public Offer Shares;
- agree with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Public Offer Shares on your behalf;
- instructed and authorized HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorized HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 400 Hong Kong Public Offer Shares. Instructions for more than 400 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Public Offer Shares will be considered and any such application is liable to be rejected.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Time for Inputting Electronic Application Instructions⁽¹⁾

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

- Wednesday, December 16, 2020 — 9:00 a.m. to 8:30 p.m.
- Thursday, December 17, 2020 — 8:00 a.m. to 8:30 p.m.
- Friday, December 18, 2020 — 8:00 a.m. to 8:30 p.m.
- Monday, December 21, 2020 — 8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, December 16, 2020 until 12:00 noon on Monday, December 21, 2020 (24 hours daily, except on Monday, December 21, 2020, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Monday, December 21, 2020 the last application day or such later time as described in “— 10. Effect of Bad Weather and/or Extreme Conditions on the Opening of the Application Lists” in this section.

Note:

- (1) These times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or Investor Participants.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed “Personal Data” applies to any personal data held by the Company, the Hong Kong Branch Share Registrar, the receiving bankers, the Joint Global Coordinators, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Public Offer Shares through the **HK eIPO White Form** service is also only a facility

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors and the Joint Global Coordinators and Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allotted any Hong Kong Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Center to complete an input request form for **electronic application instructions** before 12:00 noon on Monday, December 21, 2020.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **HK eIPO White Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange. "Statutory control" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

9. HOW MUCH ARE THE HONG KONG PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 400 Hong Kong Public Offer Shares. Each application or **electronic application instruction** in respect of more than 400 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at www.hkeipo.com.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed “Structure of the Global Offering — Pricing and Allocation.”

10. EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above;
- “extreme conditions” caused by a super typhoon; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, December 21, 2020. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Monday, December 21, 2020 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed “Expected Timetable,” an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Public Offer Shares on the Company’s website at www.zero2ipo.cn and the website of the Stock Exchange at www.hkexnews.hk.

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The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company's website at www.zero2ipo.cn and the Stock Exchange's website at www.hkexnews.hk by no later than 9:00 a.m. on Tuesday, December 29, 2020;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result (alternatively: www.hkeipo.hk/IPOResult or IPO App with a "search by ID" function on a 24-hour basis from 8:00 am on Tuesday, December 29, 2020 to 12:00 midnight on Monday, January 4, 2021);
- by telephone enquiry line by calling +852 3691 8488 between 9:00 a.m. and 6:00 p.m. from Tuesday, December 29, 2020 to Monday, January 4, 2021 (excluding Saturday, Sunday and public holidays); and
- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, December 29, 2020 to Thursday, December 31, 2020 at all the designated branches of the receiving bank.

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Public Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering."

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

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If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Global Coordinators, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Hong Kong Public Offer Shares is void:

The allotment of Hong Kong Public Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Hong Kong Public Offer Shares and International Offer Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the check or banker's cashier order paid by you is dishonored upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Joint Global Coordinators believes that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Hong Kong Public Offer Shares initially offered under the Hong Kong Public Offering.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum offer price of HK\$11.00 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with “Structure of the Global Offering — Conditions of the Global Offering” in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the check or banker’s cashier order will not be cleared.

Any refund of your application monies will be made on or before Tuesday, December 29, 2020.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one Share certificate for all Hong Kong Public Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund check(s) crossed “Account Payee Only” in favor of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund check, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund check(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund check(s).

Subject to arrangement on dispatch/collection of share certificates and refund monies as mentioned below, any refund checks and share certificates are expected to be posted on or before Tuesday, December 29, 2020. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of check(s) or banker’s cashier’s order(s).

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

Share certificates will only become valid at 8:00 a.m. on Wednesday, December 30, 2020 provided that the Global Offering has become unconditional and the right of termination described in the “Underwriting” section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of share certificates or the share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Hong Kong Public Offer Shares and have provided all information required by your Application Form, you may collect your refund check(s) and/or Share certificate(s) from the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 29, 2020 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorize any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation’s chop. Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund check(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Public Offer Shares, your refund check(s) and/ or share certificate(s) will be sent to the address on the relevant Application Form on or before Tuesday, December 29, 2020, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Hong Kong Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Public Offer Shares, your refund check(s) will be sent to the address on the relevant Application Form on or before Tuesday, December 29, 2020, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant’s stock account as stated in your Application Form on Tuesday, December 29, 2020, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS Participant (other than a CCASS Investor Participant)*

For Hong Kong Public Offer Shares credited to your designated CCASS Participant’s stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Public Offer Shares allotted to you with that CCASS Participant.

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

- *If you are applying as a CCASS Investor Participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 29, 2020 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the HK eIPO White Form service

If you apply for 1,000,000 Hong Kong Public Offer Shares or more and your application is wholly or partially successful, you may collect your share certificate(s) from Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, December 29, 2020, or such other date as notified by the Company as the date of despatch/collection of share certificates/e-Auto Refund payment instructions/refund checks.

If you do not collect your share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Public Offer Shares, your share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, December 29, 2020 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund check(s) by ordinary post at your own risk.

(iv) If you apply via Electronic Application Instructions to HKSCC

Allocation of Hong Kong Public Offer Shares

For the purposes of allocating Hong Kong Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, December 29, 2020, or, on any other date determined by HKSCC or HKSCC Nominees.
- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong

HOW TO APPLY FOR HONG KONG PUBLIC OFFER SHARES

business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in “Publication of Results” above on Tuesday, December 29, 2020. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, December 29, 2020 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time) on Tuesday, December 29, 2020. Immediately following the credit of the Hong Kong Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, December 29, 2020.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200 Accountants' Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.



羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ZERO2IPO HOLDINGS INC. AND FORTUNE FINANCIAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Zero2IPO Holdings Inc. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-60, which comprises the consolidated balance sheets as at December 31, 2017, 2018, and 2019 and June 30, 2020, the Company's balance sheets as at December 31, 2019 and June 30, 2020 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-60 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated December 16, 2020 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2019 and June 30, 2020 and the consolidated financial position of the Group as at December 31, 2017, 2018 and 2019 and June 30, 2020 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2019 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which contains information about the dividends paid by the companies now comprising the Group in respect of the Track Record Period and states that no dividends have been paid by Zero2IPO Holdings Inc. in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong

December 16, 2020

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("**Underlying Financial Statements**").

The Historical Financial Information is presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

Consolidated Statements of Comprehensive Income

	Notes	Year ended December 31,			Six months ended June 30,	
		2017	2018	2019	2019	2020
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	6	129,343	164,130	167,442	46,822	39,829
Cost of revenue	7	(75,620)	(94,597)	(86,048)	(35,158)	(23,883)
Gross profit		53,723	69,533	81,394	11,664	15,946
Selling and marketing expenses	7	(10,708)	(10,923)	(10,300)	(3,903)	(5,617)
General and administrative expenses	7	(9,670)	(16,602)	(21,229)	(7,782)	(13,938)
Research and development expenses	7	(8,903)	(7,928)	(7,679)	(3,821)	(3,859)
Net impairment losses on financial assets	9	(47)	(391)	(536)	(271)	(403)
Other income	10	251	1,451	2,646	2,190	490
Other gain – net	10	474	2,482	1,252	1,235	1,178
Operating profit/(loss)		25,120	37,622	45,548	(688)	(6,203)
Finance income	12	81	55	60	31	64
Finance costs	12	(959)	(3,216)	(2,436)	(1,321)	(939)
Finance cost – net	12	(878)	(3,161)	(2,376)	(1,290)	(875)
Profit/(loss) before income tax		24,242	34,461	43,172	(1,978)	(7,078)
Income tax (expense)/credit	13	(5,829)	(7,300)	(8,647)	1,463	2,006
Profit/(loss) for the year/period		18,413	27,161	34,525	(515)	(5,072)
Profit/(loss) attributable to:						
Owners of the Company		18,413	27,161	34,525	(515)	(5,072)
Non-controlling interests		–	–	–	–	–
Other comprehensive income/(loss), net of tax		–	–	–	–	–*
Total comprehensive income/(loss) for the year/period		18,413	27,161	34,525	(515)	(5,072)
Total comprehensive income/(loss) attributable to:						
Owners of the Company		18,413	27,161	34,525	(515)	(5,072)
Non-controlling interests		–	–	–	–	–
Earnings/(losses) per share for profit/(loss) attributable to owners of the Company						
Basic and diluted	14	0.22	0.32	0.41	(0.01)	(0.06)

Consolidated Balance Sheets

	Notes	As at December 31,			As at
		2017	2018	2019	June 30,
		RMB'000	RMB'000	RMB'000	2020
ASSETS					
Non-current assets					
Property, plant and equipment	16	53,787	55,902	32,545	27,012
Intangible assets		96	185	164	154
Investments accounted for using the equity method		–	–	–	1,000
Deferred income tax assets	27	545	4,760	5,205	8,135
Other non-current assets	20	3,950	3,981	2,577	2,577
Total non-current assets		58,378	64,828	40,491	38,878
Current assets					
Prepayments and other receivables	20	8,884	647	2,100	3,387
Accounts receivable	19	12,182	20,708	18,121	16,880
Contract assets	6	–	–	9,157	13,019
Other current assets		658	2,650	1,607	1,820
Financial assets measured at fair value through profit or loss	18	20,210	85,477	78,052	9,147
Cash and cash equivalents	21	52,028	15,985	21,023	47,160
Total current assets		93,962	125,467	130,060	91,413
Total assets		152,340	190,295	170,551	130,291
LIABILITIES					
Non-current liabilities					
Deferred income	26	–	12,000	11,676	11,386
Lease liabilities	17	42,293	32,531	14,950	10,931
Deferred income tax liabilities	27	–	5	7	–
Total non-current liabilities		42,293	44,536	26,633	22,317
Current liabilities					
Accounts payable	23	3,921	1,577	4,187	782
Other payables	24	14,785	14,055	16,634	13,358
Income tax payable		5,092	10,391	9,073	4,086
Contract liabilities	25	28,233	29,958	25,179	40,031
Lease liabilities	17	9,157	12,506	8,985	8,815
Other current liabilities		1,694	1,797	1,511	2,365
Total current liabilities		62,882	70,284	65,569	69,437
Total liabilities		105,175	114,820	92,202	91,754
EQUITY					
Equity attributable to owners of the Company					
Share capital	28	–	–	–*	60
Combined capital	28	30,000	30,000	30,000	–
Other reserves	29	9,230	12,949	16,611	41,811
Retained earnings/(accumulated losses)		7,935	32,526	31,738	(3,334)
Total equity		47,165	75,475	78,349	38,537
Total equity and liabilities		152,340	190,295	170,551	130,291

* The amount is less than RMB1,000.

Company Balance Sheets

	Notes	As at December 31, 2019 <i>RMB'000</i>	As at June 30, 2020 <i>RMB'000</i>
ASSETS			
Non-current assets			
Investment in subsidiaries		—	38,704
Current assets			
Cash and cash equivalents		—*	60
Total assets		—*	38,764
LIABILITIES			
Current liabilities			
Other payables		—	9
Total liabilities		—	9
EQUITY			
Share capital	28	—*	60
Other reserves	29	—	38,704
Accumulated losses		—	(9)
Total equity		—*	38,755
Total liabilities and equity		—*	38,764

* The amount is less than RMB1,000.

Consolidated Statements of Cash Flows

Notes	Year ended December 31,			Six months ended June 30,		
	2017	2018	2019	2019	2020	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
				<i>(Unaudited)</i>		
Cash flows from operating activities						
Cash generated from/(used in) operations	30	57,169	47,574	48,712	14,624	(321)
Income tax paid		–	(5,069)	(7,256)	(7,256)	(6,215)
Net cash inflow/(outflow) from operating activities		57,169	42,505	41,456	7,368	(6,536)
Cash flows from investing activities						
Purchase of wealth management products measured at fair value through profit or loss		(20,000)	(242,990)	(316,890)	(181,100)	(133,300)
Proceeds from disposal of wealth management products measured at fair value through profit or loss		265	180,205	327,309	175,999	203,014
Purchase of property, plant and equipment and intangible assets		(2,097)	(13,232)	(410)	(59)	(39)
Capital injection in an investment using equity accounting		–	–	–	–	(1,000)
Proceeds from government grants		–	12,000	–	–	–
Net cash (outflow)/inflow from investing activities		(21,832)	(64,017)	10,009	(5,160)	68,675
Cash flows from financing activities						
Proceeds from capital injection of shareholders of the companies now comprising the Group		29,900	1,200	1,000	–	200
Proceeds from issuance of shares by the Company		–	–	–	–	60
Consideration paid for the transfer of Ningbo Zero2IPO	1.2	–	–	–	–	(1,200)
Payment of listing expense		–	–	–	–	(393)
Deemed distributions	30	(3,797)	(51)	(10,651)	(216)	–
Repayment of lease liabilities		(9,576)	(15,680)	(14,776)	(7,162)	(4,669)
Dividends paid		–	–	(22,000)	–	(30,000)
Net cash inflow/(outflow) from financing activities		16,527	(14,531)	(46,427)	(7,378)	(36,002)
Net increase/(decrease) in cash and cash equivalents		51,864	(36,043)	5,038	(5,170)	26,137
Cash and cash equivalents at the beginning of the financial year/period	21	164	52,028	15,985	15,985	21,023
Cash and cash equivalents at end of year/period	21	52,028	15,985	21,023	10,815	47,160

Consolidated Statements of Changes in Equity

	Notes	Share capital	Combined capital	Other reserves	(Accumulated losses)/retained earnings	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at January 1, 2017		–	100	4,658	(5,760)	(1,002)
Year ended December 31, 2017						
Profit for the year		–	–	–	18,413	18,413
Total comprehensive income		–	–	–	18,413	18,413
Transaction with owners:						
Capital injection from shareholders of the companies now comprising the Group	28/29	–	29,900	3,651	–	33,551
Deemed distribution	30	–	–	–	(3,797)	(3,797)
Appropriation to statutory reserves	29	–	–	921	(921)	–
Balance at December 31, 2017		–	30,000	9,230	7,935	47,165
Balance at January 1, 2018		–	30,000	9,230	7,935	47,165
Year ended December 31, 2018						
Profit for the year		–	–	–	27,161	27,161
Total comprehensive income		–	–	–	27,161	27,161
Transaction with owners:						
Capital injection from shareholders of the companies now comprising the Group	28	–	–	1,200	–	1,200
Deemed distribution	30	–	–	–	(51)	(51)
Appropriation to statutory reserves	29	–	–	2,519	(2,519)	–
Balance at December 31, 2018		–	30,000	12,949	32,526	75,475
Balance at January 1, 2019		–	30,000	12,949	32,526	75,475
Year ended December 31, 2019						
Profit for the year		–	–	–	34,525	34,525
Total comprehensive income		–	–	–	34,525	34,525
Transaction with owners:						
Capital injection from shareholders of the companies now comprising the Group	28	–	–	1,000	–	1,000
Dividends	15	–	–	–	(22,000)	(22,000)
Deemed distribution	30	–	–	–	(10,651)	(10,651)
Appropriation to statutory reserves	29	–	–	2,662	(2,662)	–
Balance at December 31, 2019		–	30,000	16,611	31,738	78,349

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 General information, reorganization and basis of preparation

1.1 General information

Zero2IPO Holdings Inc. (the “**Company**”) was incorporated in the Cayman Islands on August 1, 2019, as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together referred as to the “**Group**”) are principally engaged in providing integrated equity investment service, namely data services, consulting services, marketing services and training services (collectively, the “**Listing Business**”) in People’s Republic of China (the “**PRC**”).

Mr. Ni Zhengdong is the founder and the controlling shareholder of the Group.

1.2 History and reorganization of the Group

Since January 1, 2017 and prior to the Reorganization, the Listing Business was principally carried out by Zero2IPO Consulting Group Co., Ltd. 清科管理顧問集團有限公司 (“**Zero2IPO Group**”) (formerly known as Zero2IPO Finance Management and Consulting Co., Ltd. 清科財務管理顧問集團有限公司) through: i) Beijing Zero2IPO Venture Information Consulting Co., Ltd. 北京清科創業信息諮詢有限公司 (“**Zero2IPO Ventures**”), a then subsidiary of Zero2IPO Group; ii) certain subsidiaries of Zero2IPO Ventures; iii) Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd. 寧波清科寧豐企業管理諮詢有限責任公司 (“**Ningbo Zero2IPO**”), a then subsidiary of Zero2IPO Group and iv) the business unit providing consulting services within the Zero2IPO Group.

Zero2IPO Group was incorporated in Beijing, PRC in November 2005. Other than the Listing Business, Zero2IPO Group also engages in fund management and equity investment business (the “**Non-Listing Business**”).

In the preparation for the Listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited, the Group underwent a reorganization (the “**Reorganization**”) pursuant to which the Listing Business was transferred to the Company. The Reorganization mainly involved the following:

- On August 1, 2019, the Company was incorporated in the Cayman Islands. On August 14, 2019, one-fully paid share of the Company with a par value of US\$0.00001 was transferred from the incorporator to JQ Brothers Ltd., an offshore holding company wholly-owned by Mr. Ni Zhengdong. Subsequently, 49,999 shares of the Company with par value of US\$0.00001 each were issued and allocated to JQ Brothers Ltd.. On April 14, 2020, the authorised shares were consolidated into 500,000,000 shares with par value of US\$0.0001 each on a 10:1 basis.
- On September 2, 2019, Zero2IPO Holdings Ltd. (“**Zero2IPO BVI**”) was incorporated under the laws of British Virgin Islands (“**BVI**”) and is wholly-owned by the Company.
- On September 12, 2019, Zero2IPO Ventures Limited (“**Zero2IPO HK**”) was incorporated in Hong Kong (“**HK**”) and is wholly-owned by Zero2IPO BVI.
- On August 14, 2019, Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd. (“**Beijing Zero2IPO**”) was incorporated in Beijing, the PRC, and is wholly-owned by Zero2IPO Group.
- On December 17, 2019, Dymant Investment Hong Kong Limited (“**Dymant**”) subscribed the increased registered capital of Beijing Zero2IPO at a consideration of RMB200,000. After the completion of the subscription, Dymant held approximately 5% equity interest of Beijing Zero2IPO.
- On April 8, 2020, Zero2IPO Group transferred its equity interest in Ningbo Zero2IPO to Beijing Zero2IPO at a consideration of RMB1,200,000. After the transfer, Ningbo Zero2IPO became a subsidiary of Beijing Zero2IPO.
- On April 14, 2020, the Company issued an aggregate of 85,070,250 Shares to each of then existing shareholders of Zero2IPO Group or their respective affiliates on a pro rata basis at nominal value, after which, the Company has substantially the same shareholding structure as Zero2IPO Group.
- On June 10, 2020, Zero2IPO Group transferred its equity interest in Beijing Zero2IPO to Zero2IPO HK at a consideration of RMB3,800,000. Immediately after the transfer, Beijing Zero2IPO was owned as to 95% by Zero2IPO HK and 5% by Dymant. On June 19, 2020, Dymant became a wholly-owned subsidiary of the Company, after which, Beijing Zero2IPO became a wholly-owned subsidiary of the Group.

- On June 8, 2020, Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd (“**Beijing Huchuang**”) was established under the laws of the PRC and is wholly owned by Zero2IPO HK.
- On June 19, 2020, the Company issued 9,454 Shares to the ultimate controller of Dymant in order to obtain 100% equity interest of Dymant. After then, Beijing Zero2IPO became our wholly-owned subsidiary.

Certain internet-based businesses under data services, marketing services and consulting services are categorized as value-added telecommunications services which foreign investment is restricted under current PRC laws and regulations.

- During the period from December 2019 to June 2020, Zero2IPO Group and Zero2IPO Ventures transferred their non-foreign investment restricted business to Beijing Zero2IPO. Among others, Zero2IPO Group transferred its equity interests in Ningbo Zero2IPO and its offline consulting services business to Beijing Zero2IPO; and Zero2IPO Ventures transferred Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. (杭州清科沙丘投資管理有限公司), Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. (西安清科艾西企業管理諮詢有限公司) (“**Xi'an Aixi**”), Hainan Qingyou Venture Information Consulting Co., Ltd. (海南清柚創業信息諮詢有限公司) (“**Hainan Qingyou**”), Shanghai Qingyou Enterprise Management Consulting Co., Ltd. (上海清柚企業管理諮詢有限公司) (“**Shanghai Qingyou**”) and Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. (南京清科艾寧企業管理諮詢有限責任公司) (“**Nanjing Enterprise**”) to Beijing Zero2IPO.
- Zero2IPO Group also transferred its online consulting services to Zero2IPO Ventures.

Accordingly, all the Group's internet-based businesses under data services, marketing services and consulting services are operated by Zero2IPO Ventures, and the non-foreign investment restricted business are operated by Beijing Zero2IPO and its subsidiaries.

In June 2020, Beijing Huchuang, Zero2IPO Ventures and Zero2IPO Group (in the capacity of the registered shareholder of Zero2IPO Ventures) entered into a series of contractual agreements (collectively referred to as the “**Contractual Agreements**”) pursuant to which Beijing Huchuang is able to control Zero2IPO Ventures and its subsidiaries by way of controlling the voting rights, governing their financial and operating policies, appointing or removing the majority of the members of their controlling authorities, and casting the majority of votes at meetings of such authorities. Accordingly, the Group has rights to exercise power over these structured entities, receives variable returns from its involvement in these structured entities, and has the ability to affect those returns through its power over these structured entities. As a result, they are presented as controlled structured entities of the Group, and their assets, liabilities and results are included in the Group's consolidated financial statements.

The Reorganization was completed on June 24, 2020. Upon completion of Reorganization, substantially all of the equity holders of Zero2IPO Group became the shareholders of the Company with substantially the same shareholding percentages in Zero2IPO Group before and after the Reorganization, and the Company became the holding company of the companies now comprising the Group.

After the completion of Reorganization and as at the date of this report, the Company has direct and indirect interests in the following subsidiaries and associate:

Company Name	Place of establishment/date of incorporation	Principal activities	Issued and paid-in/Registered capital	Percentage of attributable equity interest				As at the date of the reporting date
				As at December 31,				
				2017	2018	2019	2020	
Dymant Investment Hong Kong Inc.	British Virgin Islands/November 14, 2019	Investment holding	HKD1.00/USD1.00	NA	NA	NA	100%	100%
Dymant	Hong Kong, China/November 18, 2019	Investment holding	HKD1.00/HKD1.00	NA	NA	NA	100%	100%
Zero2IPO BVI	British Virgin Island/September 2, 2019	Investment holding	-/USD1.00	NA	NA	NA	100%	100%
Zero2IPO HK	Hong Kong, China/September 12, 2019	Investment holding	-/USD50.00	NA	NA	NA	100%	100%
Beijing Huchuang	Beijing, China/June 8, 2020	Investment holding	-/HKD50,000,000	NA	NA	NA	100%	100%
Beijing Zero2IPO Venture Information Consulting Co., Ltd. (“北京清科創業信息諮詢有限公司”)	Beijing, China/September 10, 2013	Data service, marketing service, training service business	30,000/30,000	100%	100%	100%	100%	100%
Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. (“杭州清科沙丘投資管理有限公司”)	Hangzhou, China/July 14, 2017	Training service business	5,000/5,000	100%	100%	100%	100%	100%
Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd. (“寧波清科企業寧豐管理諮詢有限責任公司”)	Zhejiang, China/December 21, 2017	Data service, consulting services, marketing services and training services business	1,200/1,200	NA	100%	100%	100%	100%
Hainan Qingyou Venture Information Consulting Co., Ltd. (“海南清柚創業信息諮詢有限公司”)	Hainan, China/March 20, 2018	Data service, marketing service, training service business	1,000/1,000	NA	100%	100%	100%	100%
Shanghai Qingyou Enterprise Management Consulting Co., Ltd. (“上海清柚企業管理諮詢有限公司”)	Shanghai, China/May 8, 2018	Data service, marketing service, training service business	5,000/5,000	100%	100%	100%	100%	100%

Company Name	Place of establishment/date of incorporation	Principal activities	Issued and paid-in/Registered capital	Percentage of attributable equity interest				
				As at December 31,		As at June 30, 2020	As at the date of the reporting date	
				2017	2018			2019
Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. (“西安清科艾西企業管理諮詢有限公司”)	Xi'an, China/ June 29, 2018	Data service, consulting services, marketing services and training services business	RMB'000 5,000/5,000	NA	100%	100%	100%	
Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd. (“南京清科艾寧投資管理諮詢有限公司”, “Nanjing Investment”)	Nanjing, China/ March 25, 2019	Data service, marketing service training service business	500/500	NA	100%	100%	100%	
Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. (“南京清科艾寧企業管理諮詢有限公司”, “Nanjing Investment”)	Nanjing, China/ August 21, 2019	Data service, marketing service, training service business	5,000/5,000	NA	100%	100%	100%	
Hangzhou Zerp2IPO Sandhill Venture Service Co., Ltd. (“杭州清科沙丘創業服務有限公司”)	Hangzhou, China/ November 19, 2019	Data service, consulting services, marketing services and training services	-/1,000	NA	100%	100%	100%	
Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd. (“青島清科艾和企業管理諮詢服務有限公司”)	Shandong, China/ November 28, 2019	Data service, marketing service, training service business	-/5,000	NA	NA	100%	100%	
Beijing Zero2IPO Innovation and Venture Consulting Co., Ltd. (“北京清科新創創業諮詢有限公司”)	Beijing, China/ August 14, 2019	Data service, consulting services, marketing services and training services business	1,000/1,000	NA	100%	100%	100%	
Zhongguancun International Exhibition Co., Ltd. (“中關村國際會展運營管理有限公司”)	Beijing, China/ May 25, 2020	Exhibition and marketing services	3,750/20,000	NA	NA	26.7% ⁽¹⁾	20%	

Company Name	Place of establishment/date of incorporation	Principal activities	Issued and paid-in/Registered capital	Percentage of attributable equity interest				
				As at December 31,		As at June 30, 2020	As at the date of the reporting date	
				2017	2018			2019
Zhuhai Zero2IPO Aiyue Venture Consulting Co., Ltd. (“珠海清科艾粵創業諮詢有限公司”)	Guangdong, China/ August 21, 2020	Data service, consulting services, marketing services, training services business	10/500 RMB'000	NA	NA	NA	100%	
Tianjin Zero2IPO Hudong Investment Co., Ltd. (“天津清科互動投資有限公司”)	Tianjin, China/ August 28, 2020	Data service, consulting services, marketing services, training services business	-/USD30,000,000	NA	NA	NA	100%	
Shenzhen Zero2IPO Benniu Information management Co., Ltd. (“深圳市清科犇牛信息管理有限公司”)	Shenzhen, China/ October 27, 2020	Data service, consulting services, marketing services, training services business	-/1,000	NA	NA	NA	100%	
Qihe Zero2IPO Aiqi Enterprise Management Consulting Co., Ltd. (“齊河清科艾齊企業管理諮詢有限公司”)	Shandong, China/ November 10, 2020	Data service, consulting services, marketing services, training services business	-/500	NA	NA	NA	100%	

No statutory audited financial statements were issued for these companies as they were newly incorporated or not required to issue audited financial statements under relevant rules and regulations in their jurisdiction of incorporation.

All English names represent the best effort of the directors of the Company in translating the Chinese names, as they do not have official English names, and are for reference only.

Note:

(1) Zhongguancun International Exhibition Co., Ltd., is accounted for as associate using the equity method.

1.3 Basis of presentation

Immediately prior and after the Reorganization, the Listing Business were carried out through: i) Zero2IPO Ventures and its subsidiaries; ii) Ningbo Zero2IPO; and iii) the department providing consulting services within the Zero2IPO Group, which are all under the control of Mr. Ni Zhengdong through Zero2IPO Group, and the control is not transitory. Accordingly, the Reorganization is regarded as a business combination under common control, and for the purpose of this report, the Historical Financial Information has been prepared on a consolidated basis.

Due to the difference in nature of the products and businesses, each of the Listing Business and Non-Listing Business has been operated as stand-alone business and has separate operation teams. Also, separable accounting records and management accounts were maintained and available to capture the results and performance of each business.

The Historical Financial Information presents the consolidated results and financial position of the Group as if the current group structure had been in existence throughout the periods presented and as if the Listing Business was transferred to the Group at the beginning of the earliest period presented or when such businesses were established or since the date when the consolidated companies first came under the control of Mr. Ni Zhengdong, whichever is the shorter period.

The net assets of the companies were consolidated using the existing book values from Mr. Ni Zhengdong's perspective. No amount is recognised in consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of business combination under common control, to the extent of the continuation of the controlling party's interest.

Inter-company transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Basis of preparation

The Historical Financial Information has been prepared in accordance with principal accounting policies as set out below which are in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by Hong Kong Institute of Certified Public Accountants.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The Historical Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss ("FVPL").

All effective standards, amendments to standards and interpretations for the financial year beginning on January 1, 2020 are consistently applied to the Group throughout the Track Record Period.

The Group also elected to early adopt the Amendment to HKFRS 16 COVID-19 - Related rent concessions retrospectively from January 1, 2020. The amendment provides an optional practical expedient allowing lessees to elect not to assess whether a rent concession related to COVID-19 is a lease modification. Lessees adopting this election may account for qualifying rent concessions in the same way as they would if they were not lease modifications. The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before June 30, 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to all qualifying COVID-19 - Related rent concessions. The application has no impact to the opening reserves as at January 1, 2020. The amount of which the Group recognized changes in lease payments that resulted from rent concessions in the profit or loss for the six months ended June 30, 2020 was not material.

2.2 Changes in accounting policies

(i) *New standards and amendments not yet adopted*

Standards and amendments that have been issued but not yet effective and not been early adopted by the Group during the Track Record Period are as follows:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28 - Sale or contribution of assets between an investor and its associate or joint venture	To be determined
HKFRS 17 Insurance contracts	January 1, 2023
Amendment to HKAS 1 - Presentation of financial statements' on classification of liabilities	January 1, 2022
Amendment to HKAS 37 - Onerous contract - cost of fulfilling a contract	January 1, 2022
A number of narrow - scope amendments to HKFRS 3, HKAS 16 and some annual improvements on HKFRS 1, HKFRS 9, HKAS 41 and HKFRS 16	January 1, 2022

None of them is expected to have a significant effect on the Historical Financial Information of the Group.

2.3 Principles of consolidation and equity accounting

2.3a *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The merger accounting is used to account for business combinations under common control by the Group (refer to Note 2.4a).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated balance sheets, respectively.

As described in Note 1.2, the wholly owned subsidiary of the Company, Beijing Huchuang has entered into the Contractual Agreements, including the Exclusive Option Agreement, Exclusive Business Cooperation Agreement, Share Pledge Agreement, and Powers of Attorney, with Zero2IPO Ventures and its respective equity holders, which enable and the Group to:

- irrevocably exercise equity holders' voting rights of Zero2IPO Ventures,
- exercise effective financial and operational control over of Zero2IPO Ventures,
- receive substantially all of the economic interest returns generated by Zero2IPO Ventures by way of technical and consulting services provided by Beijing Huchuang,
- obtain an irrevocable and exclusive right to purchase from the respective equity holders all or part of the equity interests in Zero2IPO Ventures and all or any part of its assets in Zero2IPO Ventures at a minimum purchase price permitted under the PRC laws and regulations. The excess of the nominal price should be returned to the wholly owned subsidiary of the Company or the nominee, and
- obtain a pledge over the entire equity interests of Zero2IPO Ventures from its respective equity holders as collateral security for all of Zero2IPO Ventures payments due to Beijing Huchuang and to secure performance of all obligations of Zero2IPO Ventures and the respective equity holders under the Contractual Agreements.

The Group does not have any equity interest in Zero2IPO Ventures. However, as a result of the Contractual Arrangements, the Group has rights to receive variable returns from its involvement with Zero2IPO Ventures and has the ability to affect those returns through its power over Zero2IPO Ventures and is considered to control Zero2IPO Ventures. Consequently, the Company regards Zero2IPO Ventures as an indirect subsidiary under HKFRSs. The Group has consolidated the financial position and results of operations of Zero2IPO Ventures in the consolidated financial statements of the Group during the Track Record Period.

Nevertheless, the Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Zero2IPO Ventures and uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of Zero2IPO Ventures. The directors of the Company, based on the advice of its legal counsel, consider that the Contractual Arrangements among Beijing Huchuang, Zero2IPO Ventures and its equity holders are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

2.3b Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Over its management, including participation in the financial and operating policy decisions. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(a) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.10.

2.4 Business combinations

2.4a Business combinations under common control

The Group uses merger accounting to account for the business combination of entities and businesses under common control.

The Historical Financial Information incorporates the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been consolidated from the date when the combining entities or businesses first came under the control of the controlling party.

The assets and liabilities of the combining entities or businesses are consolidated using the carrying book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the consideration at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statements of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination. Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which they were incurred.

2.4b Business combinations not under common control

The acquisition method of accounting is used to account for business combinations not under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Group on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

2.7 Foreign currency translation

2.7a Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is United States dollar ("USD"). The Company's primary subsidiaries operate in the PRC and these subsidiaries consider RMB as their functional currency. The presentation currency of the Group is RMB.

2.7b Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation

of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis within other gain - net.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at FVPL are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income ("FVOCI") are recognised in other comprehensive income ("OCI").

2.7c Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in OCI.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in OCI. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of right-of-use assets, the lease term, if shorter, as follows:

	<u>Estimated useful lives</u>
Computers and other electric equipment	3 years
Office equipment	3–5 years
Buildings	30 years
Right-of-use assets	Shorter of estimated useful life and the lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

2.9 Intangible assets**2.9a Initial recognition***(i) Software*

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its useful lives.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(ii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (i) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.9b Amortisation methods and periods

The management estimates the useful lives to reflect the Group's intention to derive future economic benefits from the use of these assets. The Group amortises intangible assets with an estimated useful life using the straight-line method over the following periods:

	<u>Estimated useful lives</u>
Software	10 years

2.10 Impairment of non-financial assets

The non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.11 Investments and other financial assets**2.11a Classification**

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.11b Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

2.11c Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains-net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gain-net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gain-net and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gain-net in the period in which it arises.

2.11d Impairment

The Group has types of assets subject to HKFRS 9's new expected credit loss model:

- accounts receivable;
- contract assets; and
- other financial assets at amortised cost.

Measurement of expected credit losses

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable and contract assets, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 3.1b for further details.

Impairment on other financial assets at amortised cost is measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating, if available;
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Expected credit losses are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the expected credit loss amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Write-off policy

Financial assets are written off when the Group is satisfied that recovery is remote. Where loans or receivables have been written off, the Group continues to attempt to recover the receivable due. Where recoveries are made, the recovered amount is recognised in profit or loss.

2.12 Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business.

Accounts receivable are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the accounts receivable with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 2.11d for a description of the Group's impairment policies.

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Accounts and other payables

These amounts primarily represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends approved by the Company's shareholders or directors, where appropriate.

2.17 Current and deferred income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet dates in countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax*Inside basis differences*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

2.18 Employee benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Bonus plans

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

(iii) Pension obligations

The Group has to make contribution to staff retirement scheme managed by China local government authorities in accordance with the relevant rules and regulations. Contributions to these schemes are charged to the consolidated statements of comprehensive income as and when incurred. The Group has no legal or constructive obligations to pay further contributions.

2.19 Share-based payment

The parent company granted some share appreciation right to the employees of the Group, for detail of the arrangement, please see Note 22.

(a) Equity-settled share-based payment transactions

Equity-settled share-based payment transactions are share-based payment arrangement in which the Group received goods or services as consideration for its own equity instruments or the Group has no obligation to settle the transaction, because the transaction will be settled by a shareholder or another group entity.

The parent company of the Group granted some share appreciation right, which was a cash-settled share-based payment from the perspective of the parent company, to the employee of the Group, as the Group has no obligation to settle the share appreciation right while the parent company has the obligation to settle the obligation, thus it was accounted for as an equity-settled share-based payment. The expense to be recognised is determined by reference to the fair value of the share appreciation right, which was subject to re-measurement at each reporting date, with a corresponding debt to equity.

At the end of each reporting period, the Group revises its estimates of the number of share appreciation rights that are expected to be vested. The impact of the revision of the original estimates, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

(b) Cash-settled share-based payment transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is with recognition of a corresponding liability. The liability is re-measured at each reporting date up to and at the date of settlement, with any changes in fair value recognised in profit or loss for the year/period.

2.20 Revenue recognition

Revenue is recognised when or as the control of the services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the services may be transferred over time or at a point in time. Control of the services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of services transfers over time, revenue is recognised over the period of the contract by reference to progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative stand-alone selling price. The Group generally determines stand-alone selling prices based on the prices charged to customers. If the stand-alone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer. A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group has a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration from the customer.

Incremental costs incurred to obtain a contact, if recoverable, are capitalized and presented as assets and subsequently amortized when the related revenue is recognised.

The Group mainly provides data services, marketing services, consulting services and training services.

(i) Data services

– *Revenue from "PE data" database*

The Group maintains a database named "PEdata" and provides access to database to its customers that subscribed the right to access and made a corresponding membership payment. The contract usually has a fixed contract term with a fixed consideration that need to pay upon subscription. As the Group has the obligation to continuously update the content of the database, which will significantly impact and benefit the customers, thus it is a right to access license and revenue recognised on a straight-line basis over the contract term.

– *Revenue from customized and standardized research reports*

The Group provides customized or standardized research reports to its customers. As the customer can't benefit from the performance of the Group before the delivery of the reports, nor control the work in progress and also have no right to payment for the work performed, thus can't meet the criteria of recognizing revenue over time. The revenue is recognised when the reports are delivered to the customers.

(ii) Marketing services

– *Offline brand and customized events*

The Group holds offline events under "Zero2IPO" brand and customized events to meet some customer's specific requirement. The revenue is mainly from sponsors fee and on-site advertisement fee. The revenue is recognised during the event period when the Group satisfies its performance.

– *Online platforms*

The Group provides promotion and advertising services to its customers on its own media platform. The Group recognizes media advertising revenue over the promotion and advertising period, during which the Group satisfies its performance.

(iii) Consulting services

– *Financial advisory service*

Financial advisory service represents advisory fees associated with private placement transactions and mergers and acquisitions. Revenue is recognised at the point when the underlying transactions completed under the terms of respective contract and the Group has a present right to payment from the customers for the service performed.

– *Other consulting services*

Other consulting service fees are mainly for the services provided to the enterprises through the road shows organized. Revenue is recognised during the period when the services have been rendered.

(iv) Training services

– *Investment training service*

The Group provides training services through investment college and Sandhill College. For those training services provided, the revenue is recognised during the period when the training delivered as the customer benefit and consumes the benefit simultaneously.

– *Online training platform*

The Group provides online courses through its Sandhill University online training platform. The customers can purchase courses for a use right and the revenue is recognised when the courses are delivered. The customers can also subscribe a package of courses which provided continuously online for a period and the revenue is recognised on the over the subscription period based on the course's consumption.

The Group also provides services pack to VIP customers and one-stop services pack to local governments. The pack normally includes licenses to access PEdata database, standardized reports, offline events and online media advertising services as well as investment training services. The total transaction price of the services pack is allocated to each identified performance obligation, based on the stand-alone selling price.

2.21 Leases

The Group leases properties for operation. Rental contracts are typically made for fixed periods with fixed lease payments. Lease terms are negotiated on an individual basis and do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance costs. The finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is recorded in property, plant and equipment, and depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities arising from leases are initially measured on the present value of the fixed payment or in-substance fixed payments.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate. When determining the incremental borrowing rate, specific condition, term and currency to the contract, as well as the recent debt issuances and public available data for instrument with similar characteristics were considered.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and the lease payment made before the lease commencement.

2.22 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to cost are deferred and recognised as other income in the consolidated statements of comprehensive income over the period necessary to match them with the expense that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated statements of comprehensive income on a straight-line basis over the expected lives of the related assets.

2.24 Related parties

- (i) *A person, or a close member of that person's family, is related to the Group if that person:*
- has control or joint control of the Group;
 - has significant influence over the Group; or
 - is a member of the key management personnel of the Group or the Group's parent.
- (ii) *An entity is related to the Group if any of the following conditions applies:*
- The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - The entity is controlled or jointly controlled by a person identified in note 2.24(i); or
 - A person identified in note 2.24(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the senior management of the Group.

3.1 Financial risk factors**3.1a Market risk***Interest rate risk*

Financial assets/liabilities with variable interest rate expose the Group to cash flow interest-rate risk. And financial assets/liabilities with fixed interest rate expose the Group to fair value interest-rate risk. Other than interest-bearing cash and cash equivalents, restricted cash and lease liabilities, the Group has no other significant interest-bearing assets or liabilities. The directors of the Company do not anticipate there is any significant impact resulted from the changes in interest rate.

3.1b Credit risk

The Group's maximum exposure to credit risk in relation to financial assets is the carrying amounts of cash and cash equivalents, accounts receivable, contract assets and wealth management products ("WMP") issued by banks carried at FVPL.

(i) *Risk management*

Credit risk is managed on a group basis.

The Group is exposed to credit risk primarily in relation to its cash and cash equivalent and WMPs issued by banks, as well as accounts and other receivables and contract assets. The carrying amount of each class of the above mentioned assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

To manage this risk, deposits are mainly placed with state-owned or reputable financial institutions in the PRC. There has been no recent history of default in relation to these financial institutions. WMPs are issued by banks investing in low risk underlying assets, which mainly consist of bank deposits, central bank bill, local government debt, corporate bond or debt with high credit ratings. Thus, the directors of the Company were of the view the expected credit loss related to cash and cash equivalent and WMPs was immaterial.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performed credit evaluation which focus on the customer's past history of making payments and current ability to pay. The Group does not obtain collateral from customers. As at December 31, 2017, 2018, 2019 and June 30, 2020, approximately RMB9,324,000, RMB14,696,000, RMB7,810,000 and RMB6,156,300 of the Group's gross accounts receivables were due from the largest five debtors. Given the strong business relationship with these customers, the management does not expect that there will be any significant losses from non-performance of these customers.

The Group does not provide any guarantees which would expose the Group to credit risk.

(ii) *Impairment of financial assets and contract assets*

Accounts receivable and contract assets

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all accounts receivable and contract assets. Accounts receivable included amounts due from third parties and related parties.

And the recognition and measurement method of loss allowance for each category is measured separately:

- For accounts receivable and contract assets due from third parties, the Group calculates the expected credit loss by referring to the historical credit loss experience, combining with the current situation and the forecast of future economic conditions and measuring the accounts receivable aging and expected credit loss rate during the lifetime.
- For accounts receivable due from related parties, the historical loss rate for those receivables is nil. Thus, no impairment provision recognised for those receivables as the expected credit loss was not material during the Track Record Period.

The balance of each category of accounts receivable and contract assets as at December 31, 2017, 2018 and 2019 and June 30, 2020 were as follows:

	Accounts receivable and contract assets	Allowance	Net value
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at December 31, 2017			
Accounts receivable			
From third parties	11,493	(80)	11,413
From related parties	769	–	769
	<u>12,262</u>	<u>(80)</u>	<u>12,182</u>
As at December 31, 2018			
Accounts receivable			
From third parties	21,179	(471)	20,708
	<u>21,179</u>	<u>(471)</u>	<u>20,708</u>
As at December 31, 2019			
Accounts receivable			
From third parties	19,035	(914)	18,121
	<u>19,035</u>	<u>(914)</u>	<u>18,121</u>
Contract assets			
From third parties	9,250	(93)	9,157
	<u>9,250</u>	<u>(93)</u>	<u>9,157</u>
As at June 30, 2020			
Accounts receivable			
From third parties	18,159	(1,279)	16,880
	<u>18,159</u>	<u>(1,279)</u>	<u>16,880</u>
Contract assets			
From third parties	13,150	(131)	13,019
	<u>13,150</u>	<u>(131)</u>	<u>13,019</u>

The loss allowance as at December 31, 2017, 2018 and 2019 and June 30, 2020 was determined as follows for accounts receivable and contract assets from third parties:

	Less than 30 days	30 days to 90 days	90 days to 180 days	180 days to 365 days	365 days to 540 days	540 days to 2 years	Over 2 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2017								
Expected loss rate	0.60%	0.70%	0.80%	0.80%	-	-	-	
Accounts receivable	6,557	4,308	1,054	343	-	-	-	12,262
Less: allowance	(39)	(30)	(8)	(3)	-	-	-	(80)
	<u>6,518</u>	<u>4,278</u>	<u>1,046</u>	<u>340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,182</u>
As at December 31, 2018								
Expected loss rate	1.00%	1.30%	1.50%	1.70%	1.90%	100.00%	-	
Accounts receivable	8,717	2,545	8,067	1,250	404	196	-	21,179
Less: allowance	(87)	(35)	(122)	(22)	(9)	(196)	-	(471)
	<u>8,630</u>	<u>2,510</u>	<u>7,945</u>	<u>1,228</u>	<u>395</u>	<u>-</u>	<u>-</u>	<u>20,708</u>
As at December 31, 2019								
Expected loss rate	1.40%	1.80%	2.30%	2.90%	4.50%	100.00%	100.00%	
Accounts receivable	11,056	2,298	3,686	783	632	55	525	19,035
Less: allowance	(156)	(42)	(85)	(23)	(28)	(55)	(525)	(914)
	<u>10,900</u>	<u>2,256</u>	<u>3,601</u>	<u>760</u>	<u>604</u>	<u>-</u>	<u>-</u>	<u>18,121</u>
Expected loss rate	1.00%	1.00%	1.00%	1.00%	-	-	-	
Contract assets	2,750	1,250	2,500	2,750	-	-	-	9,250
Less: allowance	(28)	(12)	(25)	(28)	-	-	-	(93)
	<u>2,722</u>	<u>1,238</u>	<u>2,475</u>	<u>2,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,157</u>
As at June 30, 2020								
Expected loss rate	1.67%	2.16%	2.55%	3.33%	5.21%	100.00%	100.00%	
Accounts receivable	6,097	4,762	1,176	4,690	576	329	529	18,159
Less: allowance	(102)	(103)	(30)	(156)	(30)	(329)	(529)	(1,279)
	<u>5,995</u>	<u>4,659</u>	<u>1,146</u>	<u>4,534</u>	<u>546</u>	<u>-</u>	<u>-</u>	<u>16,880</u>
Expected loss rate	1.00%	1.00%	1.00%	1.00%	1.00%	-	-	
Contract assets	1,900	750	1,250	6,500	2,750	-	-	13,150
Less: allowance	(19)	(7)	(13)	(65)	(27)	-	-	(131)
	<u>1,881</u>	<u>743</u>	<u>1,237</u>	<u>6,435</u>	<u>2,723</u>	<u>-</u>	<u>-</u>	<u>13,019</u>

Accounts receivable and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a bankrupt of a debtor.

Impairment losses on accounts receivable and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3.1c Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Group's financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at December 31, 2017				
Accounts payable	3,921	–	–	3,921
Other payables (excluding employee benefits payables and other tax payables)	983	–	–	983
Lease liabilities	12,081	12,475	35,055	59,611
	<u>16,985</u>	<u>12,475</u>	<u>35,055</u>	<u>64,515</u>
As at December 31, 2018				
Accounts payable	1,577	–	–	1,577
Other payables (excluding employee benefits payables and other tax payables)	563	–	–	563
Lease liabilities	14,406	13,421	22,585	50,412
	<u>16,546</u>	<u>13,421</u>	<u>22,585</u>	<u>52,552</u>
As at December 31, 2019				
Accounts payable	4,187	–	–	4,187
Other payables (excluding employee benefits payables and other tax payables)	2,082	–	–	2,082
Lease liabilities	10,319	9,243	6,823	26,385
	<u>16,588</u>	<u>9,243</u>	<u>6,823</u>	<u>32,654</u>
As at June 30, 2020				
Accounts payable	482	300	–	782
Other payables (excluding employee benefits payables and other tax payables)	7,965	–	–	7,965
Lease liabilities	9,733	9,566	2,844	22,143
	<u>18,180</u>	<u>9,866</u>	<u>2,844</u>	<u>30,890</u>

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as interest-bearing borrowings and lease liabilities less cash and cash equivalents, divided by total equity. The Group aims to maintain its gearing ratio below 0.7. The gearing ratios at December 31, 2017, 2018 and 2019 and June 30, 2020 were as follows:

	As at December 31,			As at
	2017	2018	2019	June 30,
	RMB'000	RMB'000	RMB'000	2020
Interest-bearing borrowings and lease liabilities	51,450	45,037	23,935	19,746
Less: cash and cash equivalents	(52,028)	(15,985)	(21,023)	(47,160)
Net (cash)/debt	(578)	29,052	2,912	(27,414)
Total equity	47,165	75,475	78,349	38,537
Gearing ratio	N/A	0.38	0.04	N/A

3.3 Fair values

(i) Fair value hierarchy

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the Group's asset that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at December 31, 2017				
Assets				
Financial assets measured at FVPL				
–WMP	–	–	20,210	20,210
As at December 31, 2018				
Assets				
Financial assets measured at FVPL				
–WMP	–	–	85,477	85,477
As at December 31, 2019				
Assets				
Financial assets measured at FVPL				
–WMP	–	–	78,052	78,052
As at June 30, 2020				
Assets				
Financial assets measured at FVPL				
–WMP	–	–	9,147	9,147

The Group did not have any financial liabilities that were measured at fair value as of December 31, 2017, 2018 and 2019 and June 30, 2020.

There were no transfers between levels for recurring fair value measurements during the Track Record Period.

(ii) Valuation process and valuation techniques used to determine level 3 fair value

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purpose. The team manages the valuation exercise of level 3 instrument on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

(iii) Fair value measurements using significant unobservable inputs.

The valuation of level 3 instruments included investment in WMPs issued by banks and financial institutions. As it was not traded in an active market, the fair value has been determined using discounted cash flows.

All the WMPs will mature within one year with variable return rates indexed to the performance of underlying assets. The fair values were determined based on cash flow discounted assuming the expected return will be obtained upon maturity.

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

	Significant unobservable inputs	Range of inputs				Relationship of unobservable inputs to fair values
		As at December 31,			As at June 30, 2020	
		2017	2018	2019		
Investment in WMP	Expected return rate	4.15%~4.85%	3.00%~4.55%	2.9%~4.5%	3.65%~3.8%	The higher the expected return rate, the higher the fair value

For investment in WMP, the estimated carrying amount as at December 31, 2017, 2018, 2019 and June 30, 2020 would have been RMB200,000 higher/lower, RMB746,000 higher/lower, RMB94,000 higher/lower and RMB40,000 higher/lower should the expected return rate used in discounted cash flow analysis be higher/lower by 1% from management's estimates.

4 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4.1 Current and deferred income tax

The Group is subject to income taxes in different areas. Judgment is required in determining the provision for income taxes in each of these jurisdictions. There are transactions and calculations during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the period in which such estimate is changed.

4.2 Impairment of account receivables and contract assets

The loss allowances for account receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1b.

5 Segment information

The Group's business activities are mainly in data services, marketing services, consulting services and training services and are regularly reviewed and evaluated by the CODM. As a result of this evaluation, the Group is organised into four reportable segments according to the revenue streams of the Group, and the revenue streams of the Group are data services, marketing services, consulting services and training services.

The CODM assesses the performance of the operating segments based on the gross profit. The reconciliation of gross profit to profit before income tax is shown in the consolidated statements of comprehensive income. There were no separate segment assets and segment liabilities information provide to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segments.

The segment results for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 are as follows:

	Data services	Marketing services	Consulting services	Training services	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2017					
Revenue	38,314	70,245	11,726	9,058	129,343
Cost of revenue	(22,370)	(37,142)	(9,414)	(6,694)	(75,620)
Gross profit	<u>15,944</u>	<u>33,103</u>	<u>2,312</u>	<u>2,364</u>	<u>53,723</u>
2018					
Revenue	52,119	79,738	15,392	16,881	164,130
Cost of revenue	(26,537)	(39,714)	(11,411)	(16,935)	(94,597)
Gross profit/(loss)	<u>25,582</u>	<u>40,024</u>	<u>3,981</u>	<u>(54)</u>	<u>69,533</u>
2019					
Revenue	53,105	67,770	24,092	22,475	167,442
Cost of revenue	(25,643)	(31,612)	(12,604)	(16,189)	(86,048)
Gross profit	<u>27,462</u>	<u>36,158</u>	<u>11,488</u>	<u>6,286</u>	<u>81,394</u>
Six months ended June 30, 2019 (unaudited)					
Revenue	20,434	14,291	3,117	8,980	46,822
Cost of revenue	(12,028)	(10,664)	(4,948)	(7,518)	(35,158)
Gross profit/(loss)	<u>8,406</u>	<u>3,627</u>	<u>(1,831)</u>	<u>1,462</u>	<u>11,664</u>
Six months ended June 30, 2020					
Revenue	20,350	10,449	5,315	3,715	39,829
Cost of revenue	(8,640)	(6,924)	(3,592)	(4,727)	(23,883)
Gross profit/(loss)	<u>11,710</u>	<u>3,525</u>	<u>1,723</u>	<u>(1,012)</u>	<u>15,946</u>

6 Revenue

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenues from external customers in China, while substantially all of the non-current assets of the Group were located in the PRC. Thus no geographical segment information is presented.

An analysis of the Group's revenue by category for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 was as follows:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers					
<i>Recognised over time</i>					
Data services	16,515	18,825	19,190	9,907	8,979
Marketing services	70,245	79,738	67,770	14,291	10,449
Consulting services	–	–	2,947	–	180
Training services	5,768	13,221	10,869	5,514	1,102
<i>Recognised at a point in time</i>					
Data services	21,799	33,294	33,915	10,527	11,371
Consulting services	11,726	15,392	21,145	3,117	5,135
Training services	3,290	3,660	11,606	3,466	2,613
Total	129,343	164,130	167,442	46,822	39,829

The Group generally enters into service contracts with customers for a contract term less than one year. Therefore the Group has applied the practical expedient permitted under HKFRS 15 not to disclose the transaction price allocated to the unsatisfied performance obligations.

6a Contract assets

The Group have recognised the following assets and liabilities related to contracts with customers:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Contract assets relating to contracts	–	–	9,250	13,150
Less: allowance for impairment	–	–	(93)	(131)
Total contract assets	–	–	9,157	13,019
Contract liabilities relating to contracts	28,233	29,958	25,179	40,031

Significant changes in contract assets relating to satisfaction of performance obligation:

	Gross Amount	Loss allowance
	<i>RMB'000</i>	<i>RMB'000</i>
As of December 31, 2018	–	–
Increase resulting from satisfaction of performance obligation	9,250	–
Net impairment loss of contract assets	–	(93)
As of December 31, 2019	<u>9,250</u>	<u>(93)</u>
As of December 31, 2018	–	–
Increase resulting from satisfaction of performance obligation	4,637	–
Net impairment loss of contract assets	–	(46)
As of June 30, 2019 (unaudited)	<u>4,637</u>	<u>(46)</u>
As of December 31, 2019	9,250	(93)
Increase resulting from satisfaction of performance obligation	3,900	–
Net impairment loss of contract assets	–	(38)
As of June 30, 2020	<u>13,150</u>	<u>(131)</u>

7 Expenses by nature

The details of cost of revenue, selling and marketing expenses, general and administrative expenses and research and development expense are as follows:

	Note	Year ended December 31,			Six months ended June 30,	
		2017	2018	2019	2019	2020
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefit expense	8	59,280	69,475	69,614	32,367	27,655
Depreciation and amortisation		8,703	16,831	15,885	8,160	5,498
Offline event costs		16,205	14,931	12,624	1,944	509
Event promotion costs		1,589	4,718	419	18	116
Video recording fee		2,565	1,811	592	188	68
Data purchase fee		698	267	113	102	–
Event organization fee		372	1,546	741	440	–
Travel expense		3,983	4,491	4,665	1,588	702
Advertisement		352	1,136	1,371	571	1,617
Professional service fee		3,629	4,893	3,918	1,034	1,035
Auditor's remuneration		–	1,048	–	–	–
Printing cost		618	1,120	1,225	212	155
Office expenses		678	1,003	848	424	549
Utilities and property management fee		1,218	2,185	2,317	1,092	819
Listing expenses		–	–	5,692	132	6,828
Others		5,011	4,595	5,232	2,392	1,746
Total		<u>104,901</u>	<u>130,050</u>	<u>125,256</u>	<u>50,664</u>	<u>47,297</u>

8 Employee benefit expense

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Salaries, wages and other benefits	44,657	55,180	55,298	25,313	23,862
Retirement costs: contributions to defined contribution plans	4,829	6,281	6,152	3,022	483
Other social security costs, housing benefits and other employee benefits	6,143	8,014	8,164	4,032	3,310
Share-based compensation expenses	3,651	–	–	–	–
Total employee benefit expense	59,280	69,475	69,614	32,367	27,655

As at December 31, 2017, 2018 and 2019 and June 30, 2020, defined contribution plans payables were RMB667,000, RMB737,000, RMB474,000 and RMB6,000 respectively.

8a Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include directors for the years ended December 31, 2017, 2018, 2019 and the six months ended June 30, 2019 and 2020 respectively, whose emoluments are reflected in the analysis shown in Note 11 for each of the Track Record Period. The emoluments payable to the remaining 3, 3, 2, 2 and 3 individuals during the Track Record Period are as follows:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Salaries, wages and bonus	2,256	2,510	1,748	862	1,085
Other social security costs, housing benefits and other employee benefits	269	380	256	128	104
Total employee benefit expense	2,525	2,890	2,004	990	1,189

The emoluments fell within the following bands:

	Year ended December 31			Six months ended June 30	
	2017	2018	2019	2019	2020
Emolument bands (in HKD)					
Nil - 500,000	–	–	–	1	2
500,001 - 1,000,000	3	1	1	1	1
1,000,001 - 1,500,000	–	2	1	–	–
	3	3	2	2	3

9 Net impairment losses on financial assets

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Impairment loss provided for the year/period from:					
– Accounts receivable	47	391	443	225	365
– Contract assets	–	–	93	46	38
	47	391	536	271	403

10 Other income and other gain – net

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Government grants	200	1,456	2,500	2,155	342
Others	51	(5)	146	35	148
Other income	251	1,451	2,646	2,190	490
Liquidated damages and others	–	–	(3,277)	(263)	(4)
Gain on disposal of property, plant and equipment/termination of lease contract	–	–	1,535	125	372
Fair value change of financial assets measured at FVPL	474	2,482	2,994	1,373	810
Other gain – net	474	2,482	1,252	1,235	1,178

In 2019, the liquidated damages are mainly due to the termination of lease contract before expiration date.

11 Benefits and interests of directors

(a) Director's and Chief Executive's emoluments

For the year ended December 31, 2017:

	Salary, wages and bonus	Other social security costs, housing benefits and other employee benefits	Total
	RMB'000	RMB'000	RMB'000
Chairman, chief executive			
Mr. Ni*	600	116	716
Executive Directors			
Ms. Fu**	830	116	946
Ms. Zhang**	800	116	916
Non-executive Director			
Mr. Kung***	–	–	–
	2,230	348	2,578

For the year ended December 31, 2018:

	Salary, wages and bonus	Other social security costs, housing benefits and other employee benefits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chairman, chief executive			
Mr. Ni*	600	127	727
Executive Directors			
Ms. Fu**	700	127	827
Ms. Zhang**	700	127	827
Non-executive Director			
Mr. Kung***	–	–	–
	<u>2,000</u>	<u>381</u>	<u>2,381</u>

For the year ended December 31, 2019:

	Salary, wages and bonus	Other social security costs, housing benefits and other employee benefits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chairman, chief executive			
Mr. Ni*	744	128	872
Executive Directors			
Ms. Fu**	770	128	898
Ms. Zhang**	770	128	898
Non-executive Director			
Mr. Kung***	–	–	–
	<u>2,284</u>	<u>384</u>	<u>2,668</u>

For the six months ended June 30, 2019: (unaudited)

	Salary, wages and bonus	Other social security costs, housing benefits and other employee benefits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chairman, chief executive			
Mr. Ni *	372	64	436
Executive Directors			
Ms. Fu**	350	64	414
Ms. Zhang**	350	64	414
Non-executive Director			
Mr. Kung***	–	–	–
	<u>1,072</u>	<u>192</u>	<u>1,264</u>

For the six months ended June 30, 2020:

	Salary, wages and bonus	Other social security costs, housing benefits and other employee benefits	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Chairman, chief executive			
Mr. Ni*	300	35	335
Executive Directors			
Ms. Fu**	300	35	335
Ms. Zhang**	300	35	335
Non-executive Director			
Mr. Kung***	-	-	-
Independent non-executive Director			
Ms. Yu****	-	-	-
Mr. Xu****	-	-	-
Mr. Zhang****	-	-	-
	900	105	1,005
	900	105	1,005

* Mr. Ni Zhengdong was appointed as a director of the Company on August 1, 2019. The amounts presented above represent the salary, wages and bonus, other social security costs, housing benefits and other employee benefits paid during the Track Record Period.

** Mr. Fu Xinghua and Mr. Zhang Yanyan were appointed as executive directors of the Company on May 29, 2020. The amounts presented above represent the salary, wages and bonus, other social security costs, housing benefits and other employee benefits paid during the Track Record Period.

*** Mr. Kung Hung Ka was appointed as a non-executive director of the Company on May 29, 2020. The amounts presented above represent the salary, wages and bonus, other social security costs, housing benefits and the employee benefits paid during the Track Record Period.

**** Ms. Yu Bin, Mr. Xu Shaocun and Mr. Zhang Min were appointed as directors on December 7, 2020.

(b) Director's retirement and termination benefits

No retirement or termination benefits have been paid to the Company's directors during the Track Record Period.

(c) Consideration provided to third parties for making available directors' services

No consideration provided to third parties for making available Directors' services subsisted at the end of the year or at any time during the Track Record Period.

(d) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings are entered into by the Company in favor of directors, controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(e) Directors' material interests in transactions, arrangements or contract

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

12 Finance costs - net

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Finance income				<i>(Unaudited)</i>	
Interest income from bank deposits	(81)	(55)	(60)	(31)	(64)
Finance costs					
Interest expense for lease liabilities	959	3,216	2,436	1,321	939
Finance cost - net	<u>878</u>	<u>3,161</u>	<u>2,376</u>	<u>1,290</u>	<u>875</u>

13 Income tax expense/(credit)

(a) Cayman Islands Income Tax

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to Cayman Islands income tax.

(b) Hong Kong Income Tax

Hong Kong profits tax rate is 16.5% up to April 1, 2018 when the two-tiered profits tax regime took effect, under which the tax rate is 8.25% for assessable profits in the first HKD2 million and 16.5% for any assessable profits in excess.

(c) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in the PRC was subject to statutory tax rate of 25% on the assessable profits for the Track Record Period, based on the exiting legislation, interpretations and practices in respect therefore.

In 2018, Shanghai Qingyou and Hainan Qingyou, and in 2019, Shanghai Qingyou, Hainan Qingyou, Beijing Zero2IPO, Nanjing Investment, Nanjing Enterprise, Qingdao Aihe and Xi'an Aixi were qualified as "Small and micro enterprises" under the relevant PRC laws and regulations. According to the EIT Law and its implementation rules, the qualified enterprises are entitled to a preference income tax rate of 20% on its assessable profit which is eligible for a 50% deduction for the year in 2018. For the year ended December 31, 2021, the qualified enterprises are entitled a preferential tax rate under the newly issued EIT treatment. Under such treatment, the first RMB1,000,000 of the annual assessable profits is eligible for a 75% deduction and the portion of the annual assessable profits between RMB1,000,000 and RMB3,000,000 is eligible for a 50% deduction, which are all entitled to a reduced enterprise income tax rate of 20%.

According to the relevant laws and regulations promulgated by the State Council of the People's Republic of China that was effective from 2008 onwards, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year ("**Super Deduction**"). The State Taxation Administration of the People's Republic of China announced in September 2018 that enterprises engaging in research and development activities would entitle to claim 175% of their research and development expenses as Super Deduction from January 1, 2018 to December 31, 2020. The Group has made its best estimate for the Super Deduction to be claimed for the Group's entities in ascertaining their assessable profits during the Track Record Period.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax				<i>(Unaudited)</i>	
Current tax on profits for the year/period	5,926	11,510	9,090	803	931
Deferred income tax					
Changes in deferred tax assets/liabilities (Note 27)	(97)	(4,210)	(443)	(2,266)	(2,937)
Income tax expense/(credit)	<u>5,829</u>	<u>7,300</u>	<u>8,647</u>	<u>(1,463)</u>	<u>(2,006)</u>

13a Reconciliation of income tax expense/(credit)

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(loss) before income tax	24,242	34,461	43,172	(1,978)	(7,078)
Tax at the PRC tax rate of 25%	6,060	8,615	10,793	(495)	(1,770)
Effect of preferential tax rates	(355)	(41)	(902)	(352)	150
Tax effect of non-deductible expenses	995	28	32	10	262
Tax effect of Super Deduction of research and development expenses	(871)	(1,302)	(1,276)	(626)	(648)
Income tax expense/(credit)	5,829	7,300	8,647	(1,463)	(2,006)

14 Earnings/(losses) per share

The basic earnings/(losses) per share is calculated based on the profit attributable to equity holders of the Company for the year ended December 31, 2017, 2018 and 2019 and for the six months ended June 30, 2019 and 2020 divided by the weighted average number of shares in issue during the year/period.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
Profit/(Losses) attributable to owners of the Company (RMB'000)	18,413	27,161	34,525	(515)	(5,072)
Weighted average number of ordinary shares in issue (thousand) (i)	85,085	85,085	85,085	85,085	85,085
Basic earnings/(losses) per share (RMB per share)	0.22	0.32	0.41	(0.01)	(0.06)

- (i) In determining the weighted average number of ordinary shares in issue during the Track Record Period, 85,084,704 share of the Company, which were issued and allocated by the Company in connection with Reorganisation, had been treated as if these shares were in issue since January 1, 2017.

The basic and diluted earnings per share for the year ended December 31, 2017, 2018 and 2019 and for the six months ended June 30, 2019 and 2020 are the same with no potential ordinary shares.

The earnings per share as presented above has not taken into account the proposed capitalization issue of 174,915,296 shares pursuant to the shareholders' resolution passed on December 7, 2020 because the proposed capitalization issue has not become effective as of the date of this report.

15 Dividends

A cash dividend of RMB22,000,000 for the year of 2018 was declared by Zero2IPO Ventures on September 10, 2019. The above dividend had been recognised as distribution by the Group and paid out during the year ended December 31, 2019.

Zero2IPO Ventures declared dividends of RMB30,000,000 for the year of 2019 to its then shareholders in May 2020. The dividends were fully paid in May 2020.

No dividend was paid by Zero2IPO Holdings Inc. during the Track Record Period and up to the date of this report.

16 Property, plant and equipment

	Computers and other electric equipment	Office equipment	Buildings	Right-of-use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at January 1, 2017					
Cost	1,191	2,281	–	2,231	5,703
Accumulated depreciation	(674)	(814)	–	(1,227)	(2,715)
Net book amount	<u>517</u>	<u>1,467</u>	<u>–</u>	<u>1,004</u>	<u>2,988</u>
Year ended December 31, 2017					
Opening net book amount	517	1,467	–	1,004	2,988
Additions	395	88	–	59,015	59,498
Depreciation charge	(322)	(643)	–	(7,734)	(8,699)
Closing net book amount	<u>590</u>	<u>912</u>	<u>–</u>	<u>52,285</u>	<u>53,787</u>
As at December 31, 2017					
Cost	1,517	2,369	–	61,246	65,132
Accumulated depreciation	(927)	(1,457)	–	(8,961)	(11,345)
Net book amount	<u>590</u>	<u>912</u>	<u>–</u>	<u>52,285</u>	<u>53,787</u>
Year ended December 31, 2018					
Opening net book amount	590	912	–	52,285	53,787
Additions	271	6,346	8,027	4,283	18,927
Depreciation charge	(366)	(2,251)	–	(14,195)	(16,812)
Closing net book amount	<u>495</u>	<u>5,007</u>	<u>8,027</u>	<u>42,373</u>	<u>55,902</u>
As at December 31, 2018					
Cost	1,675	8,715	8,027	60,342	78,759
Accumulated depreciation	(1,180)	(3,708)	–	(17,969)	(22,857)
Net book amount	<u>495</u>	<u>5,007</u>	<u>8,027</u>	<u>42,373</u>	<u>55,902</u>
Year ended December 31, 2019					
Opening net book amount	495	5,007	8,027	42,373	55,902
Additions	95	24	291	546	956
Depreciation charge	(255)	(2,944)	(185)	(12,480)	(15,864)
Disposals/termination of lease contract	–	–	–	(8,449)	(8,449)
Closing net book amount	<u>335</u>	<u>2,087</u>	<u>8,133</u>	<u>21,990</u>	<u>32,545</u>
As at December 31, 2019					
Cost	1,773	8,739	8,318	41,518	60,348
Accumulated depreciation	(1,438)	(6,652)	(185)	(19,528)	(27,803)
Net book amount	<u>335</u>	<u>2,087</u>	<u>8,133</u>	<u>21,990</u>	<u>32,545</u>

	Computers and other electric equipment	Office equipment	Buildings	Right-of-use assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended June 30, 2019					
(unaudited)					
Opening net book amount	495	5,007	8,027	42,373	55,902
Additions	56	8	292	–	356
Depreciation charge	(163)	(1,392)	(46)	(6,549)	(8,150)
Disposals/termination of lease contract	–	–	–	(1,214)	(1,214)
Closing net book amount	<u>388</u>	<u>3,623</u>	<u>8,273</u>	<u>34,610</u>	<u>46,894</u>
As at June 30, 2019 (unaudited)					
Cost	1,691	8,715	8,319	55,684	74,409
Accumulated depreciation	(1,303)	(5,092)	(46)	(21,074)	(27,515)
Net book amount	<u>388</u>	<u>3,623</u>	<u>8,273</u>	<u>34,610</u>	<u>46,894</u>
Six months ended June 30, 2020					
Opening net book amount	335	2,087	8,133	21,990	32,545
Additions	22	166	(148)	493	533
Depreciation charge	(124)	(811)	(136)	(4,791)	(5,862)
Disposals/ termination of lease contract	–	–	–	(204)	(204)
Closing net book amount	<u>233</u>	<u>1,442</u>	<u>7,849</u>	<u>17,488</u>	<u>27,012</u>
As at June 30, 2020					
Cost	1,795	8,576	8,170	41,545	60,086
Accumulated depreciation	(1,562)	(7,134)	(321)	(24,057)	(33,074)
Net book amount	<u>233</u>	<u>1,442</u>	<u>7,849</u>	<u>17,488</u>	<u>27,012</u>

Depreciation charges were expensed off (Note 7) in the following categories in the consolidated statements of comprehensive income:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	
Cost of revenue	5,846	11,586	10,290	5,364	3,821
General and administrative expenses	998	2,737	3,312	1,549	1,094
Selling and marketing expenses	1,081	1,504	1,388	748	544
Research and development expenses	774	985	874	489	403
	<u>8,699</u>	<u>16,812</u>	<u>15,864</u>	<u>8,150</u>	<u>5,862</u>

The Group obtains right to control the use of properties through entering respective lease arrangement. The leased assets cannot be used as security for borrowing purposes.

17 Lease

(a) Amounts recognised in the consolidated balance sheets

Other than the right-of-use assets presented in property, plant and equipment in Note 16, the consolidated balance sheets show the following amounts relating to leases:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Lease liabilities				
Current	9,157	12,506	8,985	8,815
Non-current	42,293	32,531	14,950	10,931
	<u>51,450</u>	<u>45,037</u>	<u>23,935</u>	<u>19,746</u>

(b) Amounts recognised in the consolidated statements of comprehensive income

The consolidated statements of comprehensive income show the following amounts relating to leases:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation charge of right-of-use assets					
Right-of-use assets	<u>7,734</u>	<u>14,195</u>	<u>12,480</u>	<u>6,549</u>	<u>4,791</u>
Interest expense (included in finance costs)	959	3,216	2,436	1,321	939
Expense relating to short-term leases (included in cost of revenue and administrative expenses)	<u>8,001</u>	<u>7,433</u>	<u>4,723</u>	<u>1,170</u>	<u>255</u>
	<u>8,960</u>	<u>10,649</u>	<u>7,159</u>	<u>2,491</u>	<u>1,194</u>

In 2019, gain on termination of lease contract was recognised in the consolidated statements of comprehensive income as disclosed in Note 10.

The total cash outflow for leases for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020 are RMB17,849,000, RMB21,793,000, RMB18,643,000, RMB8,478,000 and RMB5,170,000, respectively.

18 Financial instruments by category

The Group holds the following financial instruments:

	Notes	As at December 31,			As at June 30,
		2017	2018	2019	2020
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Financial assets					
Financial assets at amortised cost					
– Accounts receivable	(a) 19	12,182	20,708	18,121	16,880
– Other receivables (excluding deductible input VAT)		8,968	4,146	3,374	3,463
– Cash and cash equivalents	21	52,028	15,985	21,023	47,160
Financial assets at FVPL					
– Investment in WMPs	(b)	20,210	85,477	78,052	9,147
		<u>93,388</u>	<u>126,316</u>	<u>120,570</u>	<u>76,650</u>
Financial liabilities					
Financial liabilities at amortised cost					
– Accounts payable	23	(3,921)	(1,577)	(4,187)	(782)
– Other payables (excluding employee benefits payables and other tax payables)		(983)	(563)	(2,082)	(7,965)
– Lease liabilities		(51,450)	(45,037)	(23,935)	(19,746)
		<u>(56,354)</u>	<u>(47,177)</u>	<u>(30,204)</u>	<u>(28,493)</u>

(a) As at December 31, 2017, 2018 and 2019 and June 30, 2020, the fair values of the financial assets and financial liabilities at amortised cost approximated their respective carrying amounts.

(b) The WMPs were not principal guaranteed, and were therefore classified as financial assets as FVPL. The fair value measurement of these assets is disclosed in Note 3.3.

19 Accounts receivable

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
From third parties	11,493	21,179	19,035	18,159
Less: allowance for impairment	(80)	(471)	(914)	(1,279)
From related parties	769	–	–	–
	<u>12,182</u>	<u>20,708</u>	<u>18,121</u>	<u>16,880</u>

An aging analysis of the gross accounts receivable as at December 31, 2017, 2018 and 2019 and June 30, 2020, based on date of recognition, is as follows:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Up to 30 days	6,557	8,717	11,056	6,097
30 days to 90 days	4,308	2,545	2,298	4,762
90 days to 180 days	1,054	8,067	3,686	1,176
180 days to 360 days	343	1,250	783	4,690
360 days to 540 days	–	404	632	576
540 days to 2 years	–	196	55	329
2 years above	–	–	525	529
	<u>12,262</u>	<u>21,179</u>	<u>19,035</u>	<u>18,159</u>

Based on the contract terms, the credit period granted by the Group is normally not exceeding one year.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. Movement in lifetime ECL that has been recognised for accounts receivable as follows:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at January 1	33	80	471	471	914
Provision for impairment charged for the year/period	47	391	443	225	365
At the end of the year/period	80	471	914	696	1,279

As at December 31, 2017, 2018 and 2019 and June 30, 2020, all of the accounts receivable were dominated in RMB.

20 Prepayments and other receivables

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Rental deposits	3,950	3,981	2,577	2,577
Current assets				
Other receivables				
Due from related parties	4,720	–	–	–
Rental and other deposits	256	12	373	380
Reserve fund	20	153	329	193
Deductible input VAT	–	67	305	351
Others	22	–	95	313
	5,018	232	1,102	1,237
Prepayment				
Prepayment of professional fee	1,501	–	13	–
Prepayment of property management charges	266	116	190	569
Prepayment of office equipment	1,520	–	–	–
Prepayment of listing expenses	–	–	436	829
Others	579	299	359	752
	3,866	415	998	2,150
	8,884	647	2,100	3,387

As at December 31, 2017, 2018 and 2019 and June 30, 2020, all of the other receivables were dominated in RMB.

As at December 31, 2018, other receivables primarily included rental deposits, and the balance of which will be received when lease contracts finished.

21 Cash and cash equivalents

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Bank deposits at call	52,028	15,985	21,018	47,155
Deposits placed at other major licensed platform	–	–	5	5
	52,028	15,985	21,023	47,160

As at December 31, 2017, 2018 and 2019 and June 30, 2020, all of the cash and cash equivalents were dominated in RMB.

For the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2019 and 2020, the average interest rates of the bank deposits at call were 0.35%.

22 Share-based payments

A long-term incentive program (“**Plan**”) was approved by Zero2IPO Group and its shareholders in June, 2016 for the purpose of rewarding and motivating the selected employees of Zero2IPO Group. Under the long-term incentive program, participants were granted share appreciation rights (“**SARs**”) of Zero2IPO Group.

An SAR entitles the holder to receive in value the Zero2IPO Group’s share price and its appreciation. The total SARs represents 1.027% issued shares of Zero2IPO Group and each year 25% of total SARs are granted to participants.

The fair value of each SAR was determined based on the fair value of each share of Zero2IPO Group at each balance sheet date. The expenses for share-based payments were pushed down to the Group for the participants granted SARs and working on Listing Business, but the related liabilities would be carried by Zero2IPO Group, the parent company of Zero2IPO Ventures. In 2017, the Plan was cancelled and an acceleration of vesting was accounted.

As the Group has no obligation to settlement, thus it was treated as deemed contribution from the parent company recorded in the equity.

During the Track Record Period, movement of SARs granted of Zero2IPO Group to the Group’s employees and the respective weighted fair value are as follows:

	<u>Number of SARs</u>	<u>Weighted average fair value per SAR</u>
Outstanding as of January 1, 2017	312,550	40
Fair value of SAR upon cancellation	312,550	40
Cancelled during the year	(312,550)	40
Outstanding as of December 31, 2017	–	–

The Group has used the market approach model to determine the fair value of the underlying ordinary share. The fair value of each SAR at the grant date and each balance sheet date was determined by reference to the issuance price of the ordinary shares of Zero2IPO Group that issued during the Track Record Period.

The total expenses recognised in the consolidated statement of comprehensive income for share-based payments were RMB3,651,000 for the year ended December 31, 2017 due to the cancellation.

23 Accounts payable

Aging analysis of the accounts payables at the end of each reporting periods are as follows:

	<u>As at December 31,</u>			<u>As at June 30,</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Up to 6 months	3,921	1,401	3,887	482
6 months to 1 year	–	16	300	–
1 to 2 years	–	160	–	300
	<u>3,921</u>	<u>1,577</u>	<u>4,187</u>	<u>782</u>

Accounts payable are usually paid within one year of recognition.

As at December 31, 2017, 2018 and 2019 and June 30, 2020, all of the accounts payable were dominated in RMB.

24 Other payables

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefits payable	11,968	12,863	12,152	5,183
Other tax payables	1,834	629	2,400	210
Accrued listing expenses	–	–	1,623	3,691
Other payables to related parties	680	101	338	3,878
Other payables	303	462	121	396
	<u>14,785</u>	<u>14,055</u>	<u>16,634</u>	<u>13,358</u>

Other payables is unsecured and is usually paid within one year of recognition.

Other payables to related parties include the consideration of RMB3,800,000 payable to Zero2IPO Group for the transfer of equity interest in Beijing Zero2IPO as disclosed in Note 1.2.

25 Contract liabilities

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Contract liabilities	28,233	29,958	25,179	40,031

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year/ period:	18,849	24,741	25,953	21,115 <i>(Unaudited)</i>	11,222

Contract liabilities represent advance payments received from customers for services that have not yet been transferred to the customers. As at December 31, 2017, 2018 and 2019 and June 30, 2020, the contract liabilities mainly included the advance payments received from offline events and subscription fee of PEdata database. These services are mainly expected to be recognised as revenue to the customers within one year.

26 Deferred income

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Government grants relating to assets	–	12,000	11,676	11,386

Deferred revenue represents government grants relating to certain assets, which is deferred and recognised in the consolidated statement of comprehensive income on a straight-line basis over the expected useful lives of the related assets.

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Opening balance	–	–	12,000	12,000 <i>(Unaudited)</i>	11,676
Government grants	–	12,000	–	–	–
Debited to the consolidated statements of comprehensive income	–	–	(324)	(133)	(290)
	<u>–</u>	<u>12,000</u>	<u>11,676</u>	<u>11,867</u>	<u>11,386</u>

27 Deferred income tax

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates at which are expected to be applied at the time of reversal of the temporary differences.

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
Deferred income tax assets				
– to be recovered after 12 months	410	4,646	4,914	3,685
– to be recovered within 12 months	135	129	316	4,474
	<u>545</u>	<u>4,775</u>	<u>5,230</u>	<u>8,159</u>
Deferred income tax liabilities				
– to be recovered after 12 months	–	–	–	–
– to be recovered within 12 months	–	(20)	(32)	(24)
	<u>–</u>	<u>(20)</u>	<u>(32)</u>	<u>(24)</u>

27a Deferred income tax assets

The amount of offsetting deferred income tax assets is nil, RMB15,000, RMB25,000 and RMB24,000 for the years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020. The analysis of deferred income tax assets and liabilities before offsetting is as follows:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attributable to:				
– Deferred revenue	–	3,000	2,919	2,846
– Lease liabilities	290	813	674	839
– Accrued operating expenses	116	26	74	–
– Allowance for accounts receivable and contract assets	20	103	242	331
– Accumulated tax loss	119	833	1,321	4,143
Total deferred tax assets	<u>545</u>	<u>4,775</u>	<u>5,230</u>	<u>8,159</u>
Set-off of deferred tax liabilities pursuant to set-off provisions	–	(15)	(25)	(24)
	<u>545</u>	<u>4,760</u>	<u>5,205</u>	<u>8,135</u>

Movements	Deferred income	Lease liabilities	Accrued operating expenses	Allowance for accounts receivable and contract assets	Accumulated tax loss	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At January 1, 2017	–	47	–	8	393	448
Credited/(debited) to profit or loss	–	243	116	12	(274)	97
At December 31, 2017	–	290	116	20	119	545
Credited/(debited) to profit or loss	3,000	523	(90)	83	714	4,230
At December 31, 2018	3,000	813	26	103	833	4,775
(Debited)/credited to profit or loss	(81)	(139)	48	139	488	455
At December 31, 2019	2,919	674	74	242	1,321	5,230
At January 1, 2019	3,000	813	26	103	833	4,775
(Debited)/credited to profit or loss	(33)	313	(26)	70	2,001	2,325
At June 30, 2019 (unaudited)	2,967	1,126	–	173	2,834	7,100
At January 1, 2020	2,919	674	74	242	1,321	5,230
(Debited)/credited to profit or loss	(73)	165	(74)	89	2,822	2,929
At June 30, 2020	2,846	839	–	331	4,143	8,159

As of December 31, 2017, 2018 and 2019 and June 30, 2020, the Group recognised deferred income tax assets for all deductible temporary difference and tax losses.

Deferred income tax assets are recognised for deductible temporary differences and tax losses to the extent that the realisation of the related tax benefits through future tax profit is probable.

27b Deferred income tax liabilities

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
The balance comprises temporary differences attributable to:				
Fair value changes	–	20	32	24
Set-off of deferred tax liabilities pursuant to set-off provisions	–	(15)	(25)	(24)
	–	5	7	–

Movements	Total
	<i>RMB'000</i>
At December 31, 2017 and January 1, 2018	–
Debited to profit or loss	20
At December 31, 2018	20
Debited to profit or loss	12
At December 31, 2019	32
At January 1, 2019	20
Credited to profit or loss	(95)
At June 30, 2019 (unaudited)	(75)
At January 1, 2020	32
Credited to profit or loss	(8)
At June 30, 2020	24

As at December 31, 2017, 2018 and 2019 and June 30, 2020, the Group did not recognise deferred income tax liabilities in respect of undistributed retained earnings of the subsidiaries in PRC amounting to RMB7,935,000, RMB32,526,000, RMB31,738,000 and nil respectively, as the Company is able to control the timing of the distribution of the retained earnings of these group companies. After the dividend for the year of 2019 declared and paid in May 2020, it is probable that the subsidiaries in the Group would not make distribution in the foreseeable future.

28 Share capital/Combined capital

Combined capital

The Group	Number of shares in issue	Combined capital
		<i>RMB'000</i>
As at January 1, 2017	NA	100
Capital injection from shareholders	NA	29,900
As at December 31, 2017, 2018 and 2019	NA	30,000
Reorganisation of the Group as described in Note 1.2	NA	(30,000)
As at June 30, 2019	NA	–

As mentioned in Note 1.2 above, the Historical Financial Information has been prepared as if the current group structure had been in existence throughout Track Record Period or since the respective dates of incorporation/establishment of the combining companies, or since the date when the combining companies first came under the control of Mr. Ni Zhengdong, where there is a shorter period. Combined capital during the Track Record Period represented the combined share capital of the companies comprising the Group after elimination of inter-company investment.

Share capital

The Company	Note	Number of shares authorised for issue	Number of shares in issue	Share capital <i>USD'000</i>	Equivalent share capital <i>RMB'000</i>
As at August 1, 2019 incorporation of the Company		5,000,000,000	–	–	–
Issuance of shares	1.2	–	49,999	–*	–*
As at December 31, 2019		<u>5,000,000,000</u>	<u>49,999</u>	<u>–*</u>	<u>–*</u>
Share consolidation	1.2	(4,500,000,000)	(44,999)	–*	–*
Issuance of shares	1.2	–	85,079,704	9	60
As at June 30, 2020		<u>500,000,000</u>	<u>85,084,704</u>	<u>9</u>	<u>60</u>

* The amount is less than RMB1,000.

Pursuant to a shareholders' resolution dated December 7, 2020, subject to the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the offer shares pursuant to the global offering, the directors of the Company are authorized to allot and issue a total of 174,915,296 shares credited as fully paid at par value to the shareholder whose name appears on the register of members of the Company at the close of business on the date immediately preceding the date on which the global offering becomes unconditional (or as it may direct) by way of capitalization of the sum of US\$17,491.53 standing to the credit of the share premium account of the Company. The shares to be allotted and issued pursuant to the above capitalization issue will rank pari passu in all respects with the existing issued shares.

29 Other reserves

The Group

	Notes	Statutory reserve <i>RMB'000</i>	Other reserve <i>RMB'000</i>	Total other reserves <i>RMB'000</i>
As at January 1, 2017		–	4,658	4,658
Contribution from then shareholders of the companies now comprising the Group	22	–	3,651	3,651
Appropriation to statutory reserve (i)		921	–	921
As at December 31, 2017		<u>921</u>	<u>8,309</u>	<u>9,230</u>
The capital of Ningbo Zero2IPO arising from the combination under common control	1.2	–	1,200	1,200
Appropriation to statutory reserve (i)		2,519	–	2,519
As at December 31, 2018		<u>3,440</u>	<u>9,509</u>	<u>12,949</u>
The capital of Beijing Zero2IPO arising from the combination under common control	1.2	–	1,000	1,000
Appropriation to statutory reserve (i)		2,662	–	2,662
As at December 31, 2019		<u>6,102</u>	<u>10,509</u>	<u>16,611</u>
As at January 1, 2019 and June 30, 2019		<u>3,440</u>	<u>9,509</u>	<u>12,949</u>
As at January 1, 2020		<u>6,102</u>	<u>10,509</u>	<u>16,611</u>
Completion of the Reorganisation as described in Note 1.2	1.2	–	30,000	30,000
Deemed distribution for the Reorganisation	1.2	–	(5,000)	(5,000)
Capital injection from shareholders of the companies now comprising the Group		–	200	200
As at June 30, 2020		<u>6,102</u>	<u>35,709</u>	<u>41,811</u>

(i) Statutory reserves

The statutory surplus reserves mainly comprises the following:

In accordance with the Company Law of the PRC, domestic enterprises in Mainland China are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC (“PRC GAAP”), to the statutory surplus reserve until such reserve balance reaches 50% of the registered capital of such entities. Moreover, upon a resolution made by the shareholders, a certain percentage of domestic enterprises’ profit after taxation, as determined under PRC GAAP, is transferred to the discretionary surplus reserve.

The statutory surplus reserves can be used to reduce previous years’ losses, if any, and may be converted into paid-in capital, provided that the statutory reserve after such conversion is not less than 25% of the registered capital of relevant subsidiaries.

The Company

	Notes	Capital reserve <i>RMB'000</i>	Translation reserve <i>RMB'000</i>	Total other reserves <i>RMB'000</i>
As at August 1, 2019 incorporation of the Company		–	–	–
Issuance of shares	1.2	–*	–*	–*
As at December 31, 2019		–*	–*	–*
Capital contribution from shareholders upon the completion of the Reorganisation		38,704	–	38,704
Other comprehensive income		–	–*	–*
As at June 30, 2020		38,704	–	38,704

* The amount is less than RMB1,000

30 Cash flow information

30a Cash generated from/(used in) operations

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit/(loss) before income tax	24,242	34,461	43,172	(1,978)	(7,078)
Adjustments for Depreciation and amortisation	8,703	16,831	15,885	8,160	5,498
Gain on disposal of property, plant and equipment/ termination of lease contract	–	–	(1,535)	(125)	(372)
Provisions of impairment accounts receivable and contract assets	47	391	536	271	403
Finance costs	959	3,216	2,436	1,321	939
Fair value change of financial assets measured at FVPL	(474)	(2,482)	(2,994)	(1,373)	(810)
Share-based payments	3,651	–	–	–	–
Other income	–	–	(324)	(133)	(290)
Change in operating assets and liabilities:					
(Increase)/decrease in accounts receivable and contract assets	(10,390)	(8,917)	(7,106)	8,549	(3,025)
(Increase)/decrease in other current assets	(574)	(1,992)	1,043	(398)	(213)
(Increase)/decrease in prepayments	(2,188)	3,452	583	(7,407)	(1,151)
Decrease/(increase) in other receivables	17,274	(2,434)	(1,474)	3,847	555
Increase/(decrease) in accounts payable	2,883	(2,344)	2,610	74	(3,404)
Increase/(decrease) in other payables	6,973	5,667	659	(2,674)	(6,224)
Increase/(decrease) in contract liabilities	6,063	1,725	(4,779)	6,490	14,851
Cash generated from/(used in) operations	57,169	47,574	48,712	14,624	(321)

As explained in Note 1.2 “History and reorganization of the Group”, Zero2IPO Group and its subsidiaries transferred certain businesses in the scope of Listing Business to the subsidiaries of Zero2IPO Holdings Inc. Considering the business transfer was under common control as explained in Note 1.3 “Basis of presentation”, the profit or loss generated from the transferred businesses were consolidated into the financial statements as if they had existed from the date when the combining businesses first came under the control of the controlling party. As Zero2IPO Group didn't transfer the cash generated from the transferred businesses to the Group, the operating cash flows generated from these businesses were accounted for as deemed distributions to its shareholders in financing activities. For the years ended December 31, 2017, 2018 and 2019 and the period ended June 30, 2019, the deemed distribution was RMB3,797,000, RMB51,000, RMB10,651,000 and RMB216,000, respectively.

30b Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	As at December 31,			As at June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cash and cash equivalents	52,028	15,985	21,023	10,815	47,160
Lease liabilities	(51,450)	(45,037)	(23,935)	(37,857)	(19,746)
Net debt	578	(29,052)	(2,912)	(27,042)	27,414

	Cash and cash equivalents	Lease liabilities due within 1 year	Lease liabilities due after 1 year	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Net debt as at January 1, 2017	164	(1,053)	–	(889)
Cash flows	51,864	9,576	–	61,440
Other changes	–	(17,680)	(42,293)	(59,973)
Net debt as at December 31, 2017	52,028	(9,157)	(42,293)	578
Cash flows	(36,043)	15,680	–	(20,363)
Other changes	–	(19,029)	9,762	(9,267)
Net debt as at December 31, 2018	15,985	(12,506)	(32,531)	(29,052)
Cash flows	5,038	14,776	–	19,814
Other changes	–	(11,255)	17,581	6,326
Net debt as at December 31, 2019	21,023	(8,985)	(14,950)	(2,912)
Net debt as at January 1, 2019	15,985	(12,506)	(32,531)	(29,052)
Cash flows	(5,170)	7,162	–	1,992
Other changes	–	(7,608)	7,626	18
Net debt as at June 30, 2019 (unaudited)	10,815	(12,952)	(24,905)	(27,042)
Net debt as at January 1, 2020	21,023	(8,985)	(14,950)	(2,912)
Cash flows	26,137	4,669	–	30,806
Other changes	–	(4,499)	4,019	(480)
Net debt as at June 30, 2020	47,160	(8,815)	(10,931)	27,414

31 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

31a Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period.

Relationship	Companies
Ultimately controlled by the majority shareholder of the Company	Zero2IPO Consulting Group Co., Ltd. (“清科管理顧問集團有限公司”)
Ultimately controlled by the majority shareholder of the Company	Beijing Zero2IPO Chuangfu Investment Management Ltd. (“北京清科創富投資管理有限公司”)
Ultimately controlled by the majority shareholder of the Company	Beijing Zero2IPO Investment Management Ltd. (“北京清科投資管理有限公司”)
Ultimately controlled by the majority shareholder of the Company	Shanghai Zero2IPO Investment Management Co., Ltd. (“上海清科創業投資管理有限公司”)
Ultimately controlled by the majority shareholder of the Company	Hangzhou Zero2IPO Zhongyu Investment Management Co., Ltd. (“杭州清科眾予投資管理有限公司”)
Ultimately controlled by the majority shareholder of the Company	Hangzhou Zero2IPO Investment Management Ltd. (“杭州清科投資管理有限公司”)
Ultimately controlled by the majority shareholder of the Company	Beijing Zero2IPO Investment Management Center (Limited Partnership) (“北京清科創業投資管理中心(有限合夥)”)
Ultimately controlled by the majority shareholder of the Company	Zero2IPO International Limited (“清科國際有限公司”)
The majority shareholder of the Company as director	Beijing Sanhao Interactive Education Technology Co., Ltd (“北京三好互動教育科技有限公司”)

31b Transactions with related parties

The transactions with related parties are conducted in the ordinary course of the Group's business on terms comparable to the terms of transactions with other entities that are not related parties. The Group prices its services based on commercial negotiations with reference to rules and regulations stipulated by related authorities of the PRC Government, where applicable. The Group has also established its procurement policies and approval processes for purchases of services, which do not depend on whether the counterparties are related parties or not.

The following transactions occurred with related parties:

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<i>Services provided to related parties</i>					
Zero2IPO Consulting Group Co., Ltd. ("清科管理顧問集團有限公司")	489	642	120	120	–
Hangzhou Zero2IPO Investment Management Ltd. ("杭州清科投資管 理有限公司")	358	17	–	–	–
Beijing Zero2IPO Chuangfu Investment Management Ltd. ("北京 清科創富投資管理有限公司")	81	104	56	56	–
Beijing Zero2IPO Investment Management Ltd. ("北京清科投資管 理有限公司")	74	–	120	–	120
Beijing Sanhao Interactive Education Technology Co., Ltd ("北京三好互動 教育科技有限公司")	–	3,632	–	–	–
Beijing Zero2IPO Investment Management Center (Limited Partnership) ("北京清科創業投資管 理中心(有限合夥)")	–	69	–	–	–
	<u>1,002</u>	<u>4,464</u>	<u>296</u>	<u>176</u>	<u>120</u>
<i>Services obtained from related parties</i>					
Beijing Zero2IPO Investment Management Ltd. ("北京清科投資管 理有限公司")	2,795	699	–	–	–
Beijing Zero2IPO Chuangfu Investment Management Ltd. ("北京 清科創富投資管理有限公司")	1,543	386	–	–	–
Zero2IPO Consulting Group Co., Ltd. ("清科管理顧問集團有限公司")	1,282	798	470	402	–
Shanghai Zero2IPO Investment Management Co., Ltd. ("上海清科創 業投資管理有限公司")	–	–	260	–	313
	<u>5,620</u>	<u>1,883</u>	<u>730</u>	<u>402</u>	<u>313</u>

31c *Outstanding balances with related parties*

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties and certain collection /payment on behalf of the Group:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Accounts receivable from related parties</i>				
Hangzhou Zero2IPO Investment Management Ltd. (“杭州清科投資管理有限公司”)	380	–	–	–
Zero2IPO Consulting Group Co., Ltd. (“清科管理顧問集團有限公司”)	311	–	–	–
Beijing Zero2IPO Investment Management Ltd. (“北京清科投資管理有限公司”)	78	–	–	–
	<u>769</u>	<u>–</u>	<u>–</u>	<u>–</u>
<i>Other receivables from related parties</i>				
Zero2IPO Consulting Group Co., Ltd. (“清科管理顧問集團有限公司”)	2,857	–	–	–
Beijing Zero2IPO Investment Management Ltd. (“北京清科投資管理有限公司”)	1,764	–	–	–
Hangzhou Zero2IPO Zhongyu Investment Management Co., Ltd. (“杭州清科眾予投資管理有限公司”)	99	–	–	–
	<u>4,720</u>	<u>–</u>	<u>–</u>	<u>–</u>
<i>Contract liability to a related party</i>				
Beijing Zero2IPO Chuangfu Investment Management Ltd. (“北京清科創富投資管理有限公司”)	–	60	–	–
<i>Other payables to related parties</i>				
Zero2IPO Consulting Group Co., Ltd. (“清科管理顧問集團有限公司”)	–	–	220	3,800
Shanghai Zero2IPO Investment Management Co., Ltd. (“上海清科創業投資管理有限公司”)	680	101	118	–
Zero2IPO International Limited (“清科國際有限公司”)	–	–	–	78
	<u>680</u>	<u>101</u>	<u>338</u>	<u>3,878</u>

The above outstanding balances with related parties as at June 30, 2020 were non-trade in nature and were settled on October 14, 2020.

31d *Key management personnel remuneration*

	Year ended December 31,			Six months ended June 30,	
	2017	2018	2019	2019	2020
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Salaries, wages and bonus	1,895	2,373	2,348	1,162	1,021
Other social security costs, housing benefits and other employee benefits	224	332	343	166	97
Total employee benefit expense	<u>2,119</u>	<u>2,705</u>	<u>2,691</u>	<u>1,328</u>	<u>1,118</u>

32 Commitments

Capital expenditure contracted for at the end of the year/period but not yet incurred is as follows:

	As at December 31,			As at June 30,
	2017	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Capital investment in investees	–	–	–	3,000

As disclosed in Note 1.2, the Group and other investors newly set up a company in PRC to operate marketing business in June 2020. Based on the investment agreement, the Group would hold 20% equity share and have one director in the Board of Directors. As at June 30, 2020, the Group has invested the first capital injection of RMB1.0 million and recorded it as an investment in an associate. The rest of RMB3.0 million is expected to be injected within five years after set up. As at June 30, 2020, the effective equity interest percentage was 26.7%.

33 Events after the reporting period**(a) Outbreak of Coronavirus Disease 2019**

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in December 2019, a series of precautionary and control measures have been and continued to be implemented across the country. The Group has paid close attention to the development of the COVID-19 outbreak. As substantially all of the Group’s revenue and workforce are concentrated in China, the Group’s business operations and financial condition, results of operations and cash flows for 2020 have been and will likely continue to be adversely affected by the COVID-19 outbreak, including but not limited to negative impact to revenues, primarily due to the postponement of offline training courses and offline events, and slower collection of receivables.

Notwithstanding the short-term impact that the COVID-19 outbreak has brought to the Group for the period ended June 30, 2020, the directors currently expect that the COVID-19 outbreak would not have a material adverse impact to the sustainability of the business in the long foreseeable future.

(b) Subsequently established subsidiaries

The Group established Zhuhai Zero2IPO Aiyue Venture Consulting Co., Ltd. on August 21, 2020, Tianjin Zero2IPO Hudong Investment Co., Ltd. on August 28, 2020, Shenzhen Zero2IPO Benniu Information Management Co., Ltd. on October 27, 2020 and Qihe Zero2IPO Aiqi Enterprise Management Consulting Co., Ltd. on November 10, 2020, details of which were disclosed in Note 1.2.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to June 30, 2020 and up to the date of this report.

Save as disclosed in this report, no other dividend or distribution has been declared or made by the Company or any of the companies now comprising the Group in respect of any period subsequent to June 30, 2020.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following information does not form part of the “Accountant’s Report” from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the Company’s reporting accountant, as set out in Appendix I, and is included for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed “Financial Information” and the “Accountant’s Report” set out in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules is to illustrate the effect of the Global Offering on the consolidated net tangible assets attributable to owners of the Company as of June 30, 2020 as if the Global Offering had taken place on that date.

The unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group had the Global Offering been completed as of June 30, 2020 or at any future dates.

	Unadjusted audited consolidated net tangible assets of the Group attributable to owners of the Company as at June 30, 2020 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at June 30, 2020	Unaudited pro forma adjusted consolidated net tangible assets of the Group to owners of the Company per Share as at June 30, 2020	
	RMB’000	RMB’000	RMB’000	RMB ⁽³⁾	HK\$ ⁽⁴⁾
Based on an Offer					
Price of HK\$9.00 per Share	38,383	302,027	340,410	1.13	1.24
Based on an Offer					
Price of HK\$11.00 per Share	38,383	373,272	411,655	1.37	1.50

Note:

- (1) The unadjusted audited consolidated net tangible assets attributable to owners of the Company as at June 30, 2020 is extracted from the Accountant’s Report of the Company as set out in Appendix I to this prospectus, which is based on the audited net assets of the Group attributable to owners of the Company as at June 30, 2020 of RMB38,537,000 with an adjustment for the intangible assets as at June 30, 2020 of RMB154,000.
- (2) The estimated net proceeds from the Global Offering are based on the indicative Offer Price of HK\$9.00 and HK\$11.00 per Share, respectively, after deduction of the estimated underwriting fees and other related expenses payable by the Company and takes no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 300,000,000 Shares were in issue immediately upon completion of the Capitalization Issue and the Global Offering, which is assumed to be on June 30, 2020 for the purpose of the pro forma financial information, and takes no account of any Shares which may be issued upon exercise of the Over-allotment Option.
- (4) For the purpose of this unaudited pro forma adjusted net tangible assets, the amounts stated in Renminbi are converted into Hong Kong dollars at a rate of RMB1.00 to HK\$1.0948. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.
- (5) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to June 30, 2020.

B. REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.



羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**To the Directors of Zero2IPO Holdings Inc.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Zero2IPO Holdings Inc. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at June 30, 2020, and related notes (the "Unaudited Pro Forma Financial Information") as set out on page II-1 of the Company's prospectus dated December 16, 2020, in connection with the proposed initial public offering of the shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-1 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at June 30, 2020 as if the proposed initial public offering had taken place at June 30, 2020. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the six months ended June 30, 2020, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* ("AG 7"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the *Code of Ethics* for *Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at June 30, 2020 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, December 16, 2020

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND THE CAYMAN ISLANDS COMPANY LAW

SUMMARY OF THE CONSTITUTION OF THE COMPANY

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on December 7, 2020 and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law or any other law of the Cayman Islands.

The Memorandum of Association is available for inspection at the address specified in Appendix V in the section headed “Documents Delivered to the Registrar of Companies and Available for Inspection.”

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on December 7, 2020 and include provisions to the following effect:

2.1 Classes of Shares

The share capital of the Company consists of ordinary shares. The capital of the Company at the date of adoption of the Articles is US\$50,000 divided into 500,000,000 shares of US\$0.0001 each.

2.2 Directors

(a) Power to allot and issue Shares

Subject to the provisions of the Companies Law and the Memorandum and Articles of Association, the unissued shares in the Company (whether forming part of its original or any increased capital) shall be at the disposal of the Directors, who may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration, and upon such terms, as the Directors shall determine.

Subject to the provisions of the Articles of Association and to any direction that may be given by the Company in general meeting and without prejudice to any special rights conferred on the holders of any existing shares or attaching to any class of shares, any share may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise, and to such persons at such times and for such consideration as the Directors may determine. Subject to the Companies Law and to any special rights conferred on any shareholders or attaching to any class of shares, any share may, with the sanction of a special resolution, be issued on terms that it is, or at the option of the Company or the holder thereof, liable to be redeemed.

(b) Power to dispose of the assets of the Company or any subsidiary

The management of the business of the Company shall be vested in the Directors who, in addition to the powers and authorities by the Articles of Association expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done or approved by the Company and are not by the Articles of Association or the Companies Law expressly directed or required to be exercised or done

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by the Company in general meeting, but subject nevertheless to the provisions of the Companies Law and of the Articles of Association and to any regulation from time to time made by the Company in general meeting not being inconsistent with such provisions or the Articles of Association, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

(c) Compensation or payment for loss of office

Payment to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must first be approved by the Company in general meeting.

(d) Loans to Directors

There are provisions in the Articles of Association prohibiting the making of loans to Directors or their respective close associates which are equivalent to the restrictions imposed by the Companies Ordinance.

(e) Financial assistance to purchase Shares

Subject to all applicable laws, the Company may give financial assistance to Directors and employees of the Company, its subsidiaries or any holding company or any subsidiary of such holding company in order that they may buy shares in the Company or any such subsidiary or holding company. Further, subject to all applicable laws, the Company may give financial assistance to a trustee for the acquisition of shares in the Company or shares in any such subsidiary or holding company to be held for the benefit of employees of the Company, its subsidiaries, any holding company of the Company or any subsidiary of any such holding company (including salaried Directors).

(f) Disclosure of interest in contracts with the Company or any of its subsidiaries

No Director or proposed Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person, company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being any member or so interested be liable to account to the Company for any profit so realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship thereby established, provided that such Director shall, if his interest in such contract or arrangement is material, declare the nature of his interest at the earliest meeting of the board of Directors at which it is practicable for him to do so, either specifically or by way of a general notice stating that, by reason of the facts specified in the notice, he is to be regarded as interested in any contracts of a specified description which may be made by the Company.

A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates (or, if required by the Listing Rules, his other associates) has any material interest, and if he shall do so his

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vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or
 - (B) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(g) Remuneration

The Directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Directors, or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided amongst the Directors in such proportions and in such manner as they may agree, or failing agreement, equally, except that in such event any Director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. Such

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remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

The Directors shall also be entitled to be paid all expenses, including travel expenses, reasonably incurred by them in or in connection with the performance of their duties as Directors including their expenses of travelling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or in the discharge of their duties as Directors.

The Directors may grant special remuneration to any Director who shall perform any special or extra services at the request of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by way of salary, commission or participation in profits or otherwise as may be agreed.

The remuneration of an executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Directors and may be by way of salary, commission or participation in profits or otherwise or by all or any of those modes and with such other benefits (including share option and/or pension and/or gratuity and/or other benefits on retirement) and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to such remuneration as the recipient may be entitled to receive as a Director.

(h) Retirement, appointment and removal

The Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next general meeting of the Company and shall then be eligible for re-election at that meeting, but shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation at such meeting.

The Company may by ordinary resolution remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director (but without prejudice to any claim for compensation or damages payable to him in respect of the termination of his appointment as Director or of any other appointment of office as a result of the termination of this appointment as Director). The Company may by ordinary resolution appoint another person in his place. Any Director so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

The Company may also by ordinary resolution elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. No person shall, unless recommended by the Directors, be eligible for election to the office of Director at any general meeting unless, during the period, which shall be at least seven days, commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary of the Company notice in writing by a

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member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated:

- (i) if he resigns his office by notice in writing to the Company at its registered office or its principal office in Hong Kong;
- (ii) if an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Directors resolve that his office be vacated;
- (iii) if, without leave, he is absent from meetings of the Directors (unless an alternate Director appointed by him attends) for 12 consecutive months, and the Directors resolve that his office be vacated;
- (iv) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (v) if he ceases to be or is prohibited from being a Director by law or by virtue of any provision in the Articles of Association;
- (vi) if he is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) for the time being then in office; or
- (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under the Articles of Association.

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof.

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(j) Proceedings of the Board

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit in any part of the world. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

2.3 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

2.4 Variation of rights of existing shares or classes of shares

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Law, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall *mutatis mutandis* apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.5 Alteration of capital

The Company may, from time to time, whether or not all the shares for the time being authorised shall have been issued and whether or not all the shares for the time being issued shall have been fully paid up, by ordinary resolution, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

The Company may from time to time by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchaser thereof and the validity of such transfer shall not be

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questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares ratably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;

- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled subject to the provisions of the Companies Law; and
- (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

The Company may by special resolution reduce its share capital or any capital redemption reserve in any manner authorised and subject to any conditions prescribed by the Companies Law.

2.6 Special resolution – majority required

A “special resolution” is defined in the Articles of Association to have the meaning ascribed thereto in the Companies Law, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an “ordinary resolution” is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.7 Voting rights

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

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Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

2.8 Annual general meetings and extraordinary general meetings

The Company shall hold a general meeting as its annual general meeting each year, within a period of not more than 15 months after the holding of the last preceding annual general meeting (or such longer period as the Stock Exchange may authorise). The annual general meeting shall be specified as such in the notices calling it.

The board of Directors may, whenever it thinks fit, convene an extraordinary general meeting. General meetings shall also be convened on the written requisition of any one or more members holding together, as at the date of deposit of the requisition, shares

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representing not less than one-tenth of the paid up capital of the Company which carry the right of voting at general meetings of the Company. The written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Directors do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to them by the Company.

2.9 Accounts and audit

The Directors shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions and otherwise in accordance with the Companies Law.

The Directors shall from time to time determine whether, and to what extent, and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection by members of the Company (other than officers of the Company) and no such member shall have any right of inspecting any accounts or books or documents of the Company except as conferred by the Companies Law or any other relevant law or regulation or as authorised by the Directors or by the Company in general meeting.

The Directors shall, commencing with the first annual general meeting, cause to be prepared and to be laid before the members of the Company at every annual general meeting a profit and loss account for the period, in the case of the first account, since the incorporation of the Company and, in any other case, since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up and a Director's report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law. Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting, be sent in the manner in which notices may be served by the Company as provided in the Articles of Association to every member of the Company and every holder of debentures of the Company provided that the Company shall not be required to send copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

2.10 Auditors

The Company shall at every annual general meeting appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The removal of an auditor before the expiration of his period of office shall require the approval of an ordinary resolution of the members in general meeting. The remuneration of the auditors shall be fixed

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by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Directors.

2.11 Notice of meetings and business to be conducted thereat

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Directors also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning is in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Directors may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date. Where a general meeting is so postponed, the Company shall endeavour to cause a notice of such postponement to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, but failure to place or publish such notice shall not affect the automatic postponement of such meeting.

Where a general meeting is postponed:

- (a) the Directors shall fix the date, time and place for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting; and such notice shall specify the date, time and place at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the

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original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

- (b) notice of the business to be transacted at the reconvened meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the reconvened meeting is the same as that set out in the notice of the original meeting circulated to the members of the Company.

2.12 Transfer of shares

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favour of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended

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and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

2.13 Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

2.14 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

2.15 Dividends and other methods of distribution

Subject to the Companies Law and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be payable at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same

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class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.16 Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. A proxy need not be a member of the Company.

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Instruments of proxy shall be in common form or in such other form as the Directors may from time to time approve provided that it shall enable a member to instruct his proxy to vote in favour of or against (or in default of instructions or in the event of conflicting instructions, to exercise his discretion in respect of) each resolution to be proposed at the meeting to which the form of proxy relates. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates provided that the meeting was originally held within 12 months from such date.

The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney authorised in writing or if the appointor is a corporation either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

The instrument appointing a proxy and (if required by the Directors) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered at the registered office of the Company (or at such other place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any document sent therewith) not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than 48 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution. Delivery of any instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

2.17 Calls on shares and forfeiture of shares

The Directors may from time to time make calls upon the members of the Company in respect of any monies unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times and each member of the Company shall (subject to the Company serving upon him at least 14 days' notice specifying the time and place of payment and to whom such payment shall be made) pay to the person at the time and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call may be made payable either in one sum or by instalments and shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share or other monies due in respect thereof.

If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 15% per annum, as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

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If any call or instalment of a call remains unpaid on any share after the day appointed for payment thereof, the Directors may at any time during such time as any part thereof remains unpaid serve a notice on the holder of such shares requiring payment of so much of the call or instalment as is unpaid together with any interest which may be accrued and which may still accrue up to the date of actual payment.

The notice shall name a further day (not being less than 14 days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is unpaid will be liable to be forfeited.

If the requirements of such notice are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends and bonuses declared in respect of the forfeited shares and not actually paid before the forfeiture. A forfeited share shall be deemed to be the property of the Company and may be re-allotted, sold or otherwise disposed of.

A person whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with (if the Directors shall in their discretion so require) interest thereon at such rate not exceeding 15% per annum as the Directors may prescribe from the date of forfeiture until payment, and the Directors may enforce payment thereof without being under any obligation to make any allowance for the value of the shares forfeited, at the date of forfeiture.

2.18 Inspection of register of members

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

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2.19 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman which shall not be treated as part of the business of the meeting.

Two members of the Company present in person or by proxy shall be a quorum provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy.

A corporation being a member of the Company shall be deemed for the purpose of the Articles of Association to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation or by power of attorney to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.4 above.

2.20 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.21 Procedure on liquidation

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Law, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Law, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

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2.22 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all cheques or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12 year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers or subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Law is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 1 August 2019 under the Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorised share capital.

3 Share Capital

The Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the “share premium account”. At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account

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may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law);
- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

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4 Dividends and Distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

8 Accounting and Auditing Requirements

The Companies Law requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and

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(c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Companies Law provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorised by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

13 Mergers and Consolidations

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the

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Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing 75% in value of shareholders or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, ratably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

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18 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

19 Taxation

Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company may obtain an undertaking from the Financial Secretary of the Cayman Islands:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2018 Revision).

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

20 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

21 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisers on Cayman Islands law, have sent to the Company a letter of advice summarising aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation**

Our Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on August 1, 2019. Our registered office address is at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. As our Company was incorporated in the Cayman Islands, we are subject to the relevant laws of the Cayman Islands and the Memorandum and Articles of Association. A summary of certain provisions of our Memorandum and Articles of Association and certain relevant aspects of the Cayman Companies Law is set out in Appendix III to this prospectus.

We have established a place of business in Hong Kong at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong, and were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on September 4, 2020, under the same address. Mr. CHENG Ching Kit has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company. The address for service of process is the same as our principal place of business in Hong Kong as set out above.

As at the date of this prospectus, our Company's head office was located at 10 Floor, Air China Century Building, Building No.1, No.40 Xiaoyun Road, Chaoyang District, Beijing, PRC.

2. Changes in share capital of our Company

As of the date of incorporation, the authorized share capital of our Company was US\$50,000 divided into 5,000,000,000 shares with a par value of US\$0.00001 each. The following sets out the changes in our Company's share capital since its incorporation and up to the date of this prospectus:

- (a) On August 1, 2019, immediately after its incorporation, one share with a par value of US\$0.00001 was allotted and issued to its initial subscriber, Mapcal Limited, who on the same day transferred the share to JQ Brothers Ltd.
- (b) On August 14, 2019, 49,999 shares with a par value of US\$0.00001 were allotted and issued to JQ Brothers Ltd.
- (c) On April 14, 2020, our Company consolidate every ten of its issued and unissued shares with a par value of US\$0.00001 each in the authorized share capital of our Company into one Share with a par value of US\$0.0001 each, immediately following which the authorized share capital of our Company was US\$50,000 divided into 500,000,000 Shares with a par value of US\$0.0001 each.
- (d) On April 14, 2020, our Company issued an aggregate of 85,070,250 Shares with a par value of US\$0.0001 each. See the section headed "History, Reorganization and Corporate Structure — Our Reorganization — Step 4: Issuance of our Shares to the shareholders of Zero2IPO Group" for details.
- (e) On May 25, 2020, JQ Brothers Ltd. transferred 875,000 Shares with a par value of US\$0.0001 each to DK Ventures Limited.
- (f) On June 19, 2020, our Company issued 9,454 Shares with a par value of US\$0.0001 each to Shmuel Gal Dymant.

Immediately following the completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), our issued Shares will be 300,000,000 Shares, all fully paid or credited as fully paid, and 200,000,000 Shares will remain unissued.

Immediately following the completion of the Capitalization Issue and the Global Offering (assuming full exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), our issued Shares will be 306,000,000 Shares, all fully paid or credited as fully paid, and 194,000,000 Shares will remain unissued.

Save as disclosed above and in “— 3. Resolutions of the Shareholders of our Company passed on December 7, 2020” in this section, there has been no alteration in the share capital of our Company since its inception.

3. Resolutions of the Shareholders of our Company passed on December 7, 2020

Resolutions of the Shareholders were passed at the extraordinary general meeting of our Company held on December 7, 2020, pursuant to which, among other things:

- (1) conditional upon the satisfaction (or, if applicable waiver) of the conditions set out in “Structure of the Global Offering — Conditions of the Global Offering” and pursuant to the terms set out therein:
 - (a) our Company approved and adopted the Memorandum and the Articles with effect upon the Listing Date;
 - (b) the Listing, the Global Offering and grant of the Over-allotment Option were approved and the Directors (or any duly authorized committee thereof) were authorized to approve to allot and issue the Offer Shares and the Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option on and subject to the terms and conditions stated in this prospectus and in the relevant application forms;
 - (c) conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the Post-IPO RSU Scheme, and (ii) the commencement of dealing in the Shares on the Stock Exchange, the adoption of the Post-IPO RSU Scheme was approved, and the Board (or any duly authorized committee thereof) was authorized to exercise all the powers of the Company to, among others, administer the Post-IPO RSU Scheme in accordance with the respective terms and apply for a listing of such Shares on the Stock Exchange;
 - (d) a specific annual mandate was given to the Directors to allot, issue and deal with Shares that may underlie RSUs to be granted under the Post-IPO RSU Scheme with a nominal value not exceeding 3% of the aggregate nominal value of the share capital of our Company in issue on the Listing Date (assuming no exercise of the Over-allotment Option and without taking into account any Shares reserved and to be issued pursuant to the Share Reservation and any Shares to be issued pursuant to the Post-IPO RSU Scheme);

- (e) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, the Capitalization Issue was approved, and the Directors were authorized to capitalize an amount of US\$17,491.53 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par a total of 174,915,296 Shares for allotment and issue to the Shareholders whose names appear on the register of members of our Company at the close of business on the date immediately preceding the date on which the Global Offering becomes unconditional in proportion (as near as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their then existing respective shareholdings in our Company and such Shares to be allotted and issued shall rank pari passu in all respects with the existing issued Shares, and the Director were authorized to effect the Capitalization Issue and to allot and issue Shares pursuant thereto;
- (f) a general unconditional mandate was given to the Directors authorizing them to exercise all the powers of the Company to allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers whether during or after the end of the Relevant Period (as defined below), provided that the Directors may not issue warrants, options or similar rights to subscribe for any new Shares or any securities convertible into new Shares for cash consideration pursuant to such mandate and the aggregate nominal value of Shares allotted or agreed to be allotted by the Directors other than pursuant to (i) a right issue, (ii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares, (iii) the grant of RSUs pursuant to the Post-IPO RSU Scheme, (iv) the exercise of any subscription or conversion rights attached to any warrants or securities which are convertible into Shares or in issue prior to the date of passing the relevant resolution or (v) a specific authority granted by the Shareholder(s) in general meeting, shall not exceed the aggregate of:
- (i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation); and
 - (ii) the aggregate nominal value of the share capital of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph below;
- (g) a general unconditional mandate (the “**Repurchase Mandate**”) was given to the Directors to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other Stock Exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for the purpose) with a total nominal value of not more than 10% of the aggregate nominal value of our Company’s share capital in issue immediately following the completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation);

- (h) the general unconditional mandate as mentioned in paragraph (f) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (g) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the Shares in issue immediately following completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation); and

Each of the specific mandate and the general mandates referred to in paragraphs 1(d), 1(f), 1(g) and 1(h) above will remain in effect until whichever is the earliest of (the “**Relevant Period**”):

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which our Company is required by any applicable law or the Memorandum and the Articles to hold our next annual general meeting; or
- (iii) the time when such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

4. Changes in share capital of the subsidiaries of our Company and the Consolidated Affiliated Entities

A summary of the corporate information and the particulars of our subsidiaries and the Consolidated Affiliated Entities are set out in Note 1 to the Accountant’s Report set out in Appendix I to this prospectus.

The following sets out changes in share capital of subsidiaries of our Company and the Consolidated Affiliated Entities during the two years immediately preceding the date of this prospectus:

(1) Zero2IPO BVI

On September 2, 2019, Zero2IPO BVI was incorporated under the laws of the BVI. Upon its incorporation, 100 shares of Zero2IPO BVI was allotted and issued to the Company.

(2) Zero2IPO HK

On September 12, 2019, Zero2IPO Ventures Limited was incorporated under the laws of Hong Kong. Upon its incorporation, one share of Zero2IPO HK was allotted and issued to Zero2IPO BVI.

(3) Dymant Investment Hong Kong Inc.

On November 14, 2019, Dymant Investment Hong Kong Inc. was incorporated under the laws of the BVI. Upon its incorporation, one share of Dymant Investment Hong Kong Inc. was allotted and issued to Shmuel Gal Dymant.

On June 19, 2020, Shmuel Gal Dymant transferred his 100% equity interests in Dymant Investment Hong Kong Inc. to the Company.

(4) Dymant Investment Hong Kong Limited

On November 18, 2019, Dymant Investment Hong Kong Limited was incorporated under the laws of Hong Kong. Upon its incorporation, one share of Dymant Investment Hong Kong Limited was allotted and issued to Dymant Investment Hong Kong Inc.

(5) Beijing Huchuang

On June 8, 2020, Beijing Huchuang was established under the laws of the PRC with a registered capital of HK\$50,000,000.

(6) Beijing Zero2IPO

On August 14, 2019, Beijing Zero2IPO was incorporated under the laws of the PRC with a registered capital of RMB1,000,000.

On December 17, 2019, the registered capital of Beijing Zero2IPO was increased from RMB1,000,000 to RMB1,052,632 by way of capital contribution from Dymant Investment Hong Kong Limited of RMB52,632.

On June 10, 2020, Zero2IPO Group transferred its 95% equity interests in Beijing Zero2IPO to Zero2IPO HK.

(7) Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd.

On April 8, 2020, Zero2IPO Group transferred its 100% equity interests in Ningbo Zero2IPO Ningfeng Enterprise Management Consulting Co., Ltd. to Beijing Zero2IPO.

(8) Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd.

On August 21, 2019, Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. was established under the laws of the PRC with a registered capital of RMB5,000,000.

On April 23, 2020, Zero2IPO Ventures transferred its 100% equity interests in Nanjing Zero2IPO Aining Enterprise Management Consulting Co., Ltd. to Beijing Zero2IPO.

(9) Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd.

On March 25, 2019, Nanjing Zero2IPO Aining Investment Management Consulting Co., Ltd. was established under the laws of the PRC with a registered capital of RMB500,000.

(10) Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd.

On November 28, 2019, Qingdao Zero2IPO Aihe Enterprise Management Consulting Service Co., Ltd. was established under the laws of the PRC with a registered capital of RMB5,000,000.

(11) Shanghai Qingyou Enterprise Management Consulting Co., Ltd.

On March 18, 2020, Zero2IPO Ventures transferred its 100% equity interests in Shanghai Qingyou Enterprise Management Consulting Co., Ltd. to Beijing Zero2IPO.

(12) Hangzhou Zero2IPO Sandhill Venture Service Co., Ltd.

On November 19, 2019, Hangzhou Zero2IPO Sandhill Venture Service Co., Ltd. was established under the laws of the PRC with a registered capital of RMB1,000,000.

(13) Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd.

On April 17, 2020, Zero2IPO Ventures transferred its 100% equity interests in Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. to Beijing Zero2IPO.

(14) Hainan Qingyou Venture Information Consulting Co., Ltd.

On March 9, 2020, Zero2IPO Ventures transferred its 100% equity interests in Hainan Qingyou Venture Information Consulting Co., Ltd. to Beijing Zero2IPO.

(15) Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd.

On June 29, 2018, Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. was established under the laws of the PRC with a registered capital of RMB5,000,000.

(16) Zhuhai Zero2IPO Aiyue Venture Consulting Co., Ltd.

On August 21, 2020, Zhuhai Zero2IPO Aiyue Venture Consulting Co., Ltd. was established under the laws of the PRC with a registered capital of RMB5,000,000.

(17) Tianjin Zero2IPO Hudong Investment Co., Ltd.

On August 28, 2020, Tianjin Zero2IPO Hudong Investment Co., Ltd. was established under the laws of the PRC with a registered capital of US\$30,000,000.

(18) Shenzhen Zero2IPO Benniu Information Management Co., Ltd.

On October 27, 2020, Shenzhen Zero2IPO Benniu Information Management Co., Ltd. was established under the laws of the PRC with a registered capital of RMB1,000,000.

(19) Qihe Zero2IPO Aiqi Enterprise Management Consulting Co., Ltd.

On November 10, 2020, Qihe Zero2IPO Aiqi Enterprise Management Consulting Co., Ltd. was established under the laws of the PRC with a registered capital of RMB500,000.

On May 8, 2020, Zero2IPO Ventures transferred its 100% equity interests in Xi'an Zero2IPO Aixi Enterprise Management Consulting Co., Ltd. to Beijing Zero2IPO.

Save as disclosed above, there have been no changes in the share capital of any of the subsidiaries of our Company or the Consolidated Affiliated Entities within two years immediately preceding the date of this prospectus.

5. Repurchase by our Company of our own securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this prospectus concerning the repurchase of our own securities.

(a) Provision of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on December 7, 2020, the Repurchase Mandate was given to our Directors, details of which are set out in “— A. Further Information about our Company — 3. Resolution of the Shareholders of our Company passed on December 7, 2020.”

(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman law, any purchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Law. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Law.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would

result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of the Company resolve to hold the shares purchased by the Company as treasury shares, shares purchased by the Company shall be treated as cancelled and the amount of the Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under the Cayman Companies Law.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and the Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and the Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles and the applicable laws and regulations of the Cayman Islands. Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles and subject to the Cayman Companies Law, out of capital.

However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of 300,000,000 Shares in issue immediately following the completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), could accordingly result in up to approximately 30,000,000 Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company's next annual general meeting is required by the Memorandum and Articles of Association or any other applicable laws to be held; or
- the time when the Repurchase Mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, have any present intention, to sell any Shares to our Company.

No core connected person (as defined in the Listing Rules) has notified us that he/she or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code for the concert parties to make a mandatory offer.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances. Our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

B. FURTHER INFORMATION ABOUT OUR COMPANY'S BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the exclusive business cooperation agreement dated June 24, 2020 entered into between Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) and Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司), pursuant to which Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) agreed to engage Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司) as the exclusive provider for business support, technical and consulting services in return for service fees;
- (b) the exclusive option agreement dated June 24, 2020 entered into among Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司), Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) and Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), pursuant to which Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司) agreed to grant Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司) an exclusive and irrevocable option to purchase all or part of its equity interests in and/or assets of Beijing Zero2IPO Venture

Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) at a minimum price required by the relevant government authorities of PRC laws;

- (c) the share pledge agreement dated June 24, 2020 entered into among Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司), Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) and Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), pursuant to which Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司) agreed to pledge all of their equity interests in Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) to Beijing Zero2IPO Huchuang Management Consulting Services Co., Ltd. (北京清科互創管理諮詢服務有限公司);
- (d) the power of attorney agreement dated June 24, 2020 entered into among Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司), Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司) and Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), pursuant to which Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司) irrevocably and unconditionally appointed Beijing Zero2IPO Huchuang Management Consulting Service Co., Ltd. (北京清科互創管理諮詢服務有限公司) as its proxy to exercise all of its rights as shareholder of Beijing Zero2IPO Venture Information Consulting Co., Ltd. (北京清科創業信息諮詢有限公司);
- (e) a deed of non-competition dated December 7, 2020 entered into between the Controlling Shareholders and our Company regarding non-competition undertakings given by the Controlling Shareholders, details of which are set out in the section headed “Relationship with Our Controlling Shareholders — Non-Competition Undertaking — Deed of Non-Competition” in this prospectus;
- (f) a cornerstone investment agreement dated December 11, 2020 entered into among our Company, Fortune Financial Capital Limited, Fortune (HK) Securities Limited, China International Capital Corporation Hong Kong Securities Limited and Zibo ShangRunShengYun Equity Investment Partnership (Limited Partnership) (淄博尚潤聖運股權投資合夥企業(有限合夥)), pursuant to which Zibo ShangRunShengYun Equity Investment Partnership (Limited Partnership) (淄博尚潤聖運股權投資合夥企業(有限合夥)) agreed to subscribe at the Offer Price for such number of Shares that may be purchased with US\$10,000,000 (including the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee) (net investment amount of US\$9,900,235), rounded down to the nearest whole board lot of 400 Shares;
- (g) a cornerstone investment agreement dated December 14, 2020 entered into among our Company, Fortune Financial Capital Limited, Fortune (HK) Securities Limited, China International Capital Corporation Hong Kong Securities Limited, Gaoling Fund, L.P. and YHG Investment, L.P., pursuant to which Gaoling Fund, L.P. and YHG Investment, L.P. agreed to subscribe at the Offer Price for such aggregate number of Shares that may be purchased with US\$10,000,000 (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee), rounded down to the nearest whole board lot of 400 Shares;
- (h) a cornerstone investment agreement dated December 14, 2020 entered into among our Company, Fortune Financial Capital Limited, Fortune (HK) Securities Limited, China International Capital Corporation Hong Kong Securities Limited and Applause Team Limited, pursuant to which Applause Team Limited agreed to subscribe at the Offer

Price for such number of Shares that may be purchased with US\$3,000,000 (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee), rounded down to the nearest whole board lot of 400 Shares;

- (i) a cornerstone investment agreement dated December 14, 2020 entered into among our Company, Fortune Financial Capital Limited, Fortune (HK) Securities Limited, China International Capital Corporation Hong Kong Securities Limited and Sequoia China Equity Partners (Hong Kong) Limited (in its capacity as investment manager for and on behalf of SCEP Master Fund), pursuant to which SCEP Master Fund agreed to subscribe at the Offer Price for such number of Shares that may be purchased with US\$1,500,000 (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee), rounded down to the nearest whole board lot of 400 Shares; and
- (j) the Hong Kong Underwriting Agreement.

2. Intellectual Property Rights

a. Trademarks

As of the Latest Practicable Date, we have registered the following trademarks, which we consider to be material to the business of our Group:

No.	Trademark	Registered Owner	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
1	 私募通 www.pedata.cn	Zero2IPO Ventures	11424358	PRC	38	February 7, 2014	February 6, 2024
2	 私募通 www.pedata.cn	Zero2IPO Ventures	11424413	PRC	42	February 7, 2014	February 6, 2024
3	 私募通 www.pedata.cn	Zero2IPO Ventures	11424295	PRC	35	April 21, 2014	April 20, 2024
4	 私募通 www.pedata.cn	Zero2IPO Ventures	11424326	PRC	9	May 14, 2015	May 13, 2025
5	新芽 NEWSEED	Zero2IPO Ventures	18748010A	PRC	36	May 7, 2017	May 6, 2027
6	新芽	Zero2IPO Ventures	21861149	PRC	36	December 28, 2017	December 27, 2027
7	创投管家 vcmanager	Zero2IPO Ventures	24956463	PRC	38	June 21, 2018	June 20, 2028
8	维新家	Zero2IPO Ventures	27994810	PRC	9,35,36	November 14, 2018	November 13, 2028
9	维新家	Zero2IPO Ventures	28018329	PRC	38,41,42	November 14, 2018	November 13, 2028
10	清科创业	Zero2IPO Ventures	28484903	PRC	38	February 14, 2019	February 13, 2029
11	 ZERO 2 IPO 清科创业	Zero2IPO Ventures	30297970	PRC	38	April 21, 2019	April 20, 2029
12	 ZERO 2 IPO 清科创业	Zero2IPO Ventures	30301037	PRC	38	April 21, 2019	April 20, 2029

No.	Trademark	Registered Owner	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
13		Zero2IPO Ventures	27761310	PRC	38	April 14, 2019	April 13, 2029
14		Zero2IPO Ventures	27738598	PRC	42	June 21, 2019	June 20, 2029
15		Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. (杭州清科沙丘投资管理有限公司)	29809523	PRC	38,41	June 7, 2019	June 6, 2029
16		Zero2IPO Ventures	305297978	Hong Kong	9,35,36,41,42	June 9, 2020	June 8, 2030
17		Zero2IPO Ventures	305297969	Hong Kong	9,35,36,41,42	June 9, 2020	June 8, 2030
18		Zero2IPO Ventures	305307273	Hong Kong	9,35,36,41,42	June 18, 2020	June 17, 2030

As of the Latest Practicable Date, we have applied for the registration of the following trademarks which we consider to be material to the business of our Group:

No.	Trademark	Applicant	Application Number	Place of Application	Class	Application Date
1		Zero2IPO Ventures	27749687	PRC	36	November 28, 2017
2		Zero2IPO Ventures	46115858	PRC	9, 35, 36, 38, 41, 42	May 8, 2020
3		Zero2IPO Ventures	46096333	PRC	38	May 8, 2020
4		Hangzhou Zero2IPO Sandhill Investment Management Co., Ltd. (杭州清科沙丘投资管理有限公司)	47953596	PRC	41	July 9, 2020

b. Copyrights

As of the Latest Practicable Date, we have registered the following copyrights, which we consider to be material to the business of our Group:

No.	Copyrights	Version	Registration Number	Place of Registration	Registered Owner	Registration Date
1	PEdata Database PC terminal Software (私募通PC终端软件)	V1.0	2017SR490572	PRC	Zero2IPO Ventures	September 5, 2017
2	PEdaily.cn Application Software (投资界应用软件, 简称“投资界”)	V1.0	2017SR345887	PRC	Zero2IPO Ventures	July 5, 2017

No.	Copyrights	Version	Registration Number	Place of Registration	Registered Owner	Registration Date
3	NewSeed Application Software (“NewSeed”) (新芽應用軟件，簡稱“新芽”)	V1.0	2017SR345875	PRC	Zero2IPO Ventures	July 5, 2017
4	Private Equity Fund Manager System (“PE Manager”) (私募股權基金管家系統，簡稱“私募管家”)	V2.0	2017SR317590	PRC	Zero2IPO Ventures	June 27, 2017
5	PEdata Database Software (“PEdata Database”) (私募通軟件，簡稱“私募通”)	V4.0	2017SR317582	PRC	Zero2IPO Ventures	June 27, 2017
6	Credit Management System of Industrial Investment Fund (產業投資基金信用管理系統)	V1.0	2018SR342941	PRC	Zero2IPO Ventures	May 16, 2018
7	Xi'an Venture Software (“Xi'an Software”) (西安創業軟件，簡稱“西安創業”)	V1.0	2018SR653408	PRC	Zero2IPO Ventures	August 16, 2018
8	Deal Market Application Software (“Deal Market”) (項目工場應用軟件，簡稱“項目工場”)	V3.0.0	2020SR0086257	PRC	Zero2IPO Ventures	January 16, 2020

c. Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be material to the business of our Group:

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1	pemanager.cn	Zero2IPO Ventures	January 9, 2013	January 9, 2026
2	pedaily.cn	Zero2IPO Ventures	March 9, 2007	March 8, 2025
3	newseed.cn	Zero2IPO Ventures	April 29, 2014	April 29, 2025
4	vcranking.cn	Zero2IPO Ventures	December 22, 2006	December 22, 2025
5	pedata.cn	Zero2IPO Ventures	May 3, 2012	May 3, 2029
6	pelink.cn	Zero2IPO Ventures	June 4, 2012	June 4, 2029
7	ghctc.com.cn	Zero2IPO Ventures	July 6, 2017	July 6, 2025
8	xiandream.com	Zero2IPO Ventures	January 20, 2014	January 20, 2025
9	zero2ipo.cn	Zero2IPO Ventures	February 5, 2004	February 5, 2029
10	pemarket.com.cn	Zero2IPO Ventures	September 2, 2013	September 2, 2025

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

a. *Interests and short positions of the Directors and chief executive in the share capital of our Company and our associated corporations following the Global Offering*

Immediately following completion of the Capitalization Issue and the Global Offering (assuming no exercise of the Over-allotment Option and without taking into account any Shares to be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation), the interests or short positions of the Directors and the chief executive in the Shares, underlying Shares and debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, once the Shares are listed, will be as follows:

(i) *Interests in Shares or Underlying Shares*

Name	Capacity/ Nature of interest	As of the Latest Practicable Date		Upon the Listing	
		Number of Shares ⁽¹⁾	Approximate percentage of Shareholding	Number of Shares ⁽¹⁾	Approximate percentage of shareholding
Mr. NI Zhengdong ⁽²⁾	Interest in controlled corporation	48,145,117 (L)	56.5849%	147,120,808(L)	49.0402%
Ms. ZHANG Yanyan ⁽³⁾	Interest in controlled corporation	484,300 (L)	0.5692%	1,479,913 (L)	0.4933%
Ms. FU Xinghua ⁽⁴⁾	Interest in controlled corporation	411,450 (L)	0.4836%	1,257,300 (L)	0.4191%
Mr. KUNG Hung Ka ⁽⁵⁾	Interest in controlled corporation	3,750,000(L)	4.4074%	11,459,169(L)	3.8197%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Mr. NI Zhengdong is deemed to be interested in the entire interests upon the Listing held by (i) JQ Brothers Ltd., which is wholly-owned by Mr. NI Zhengdong, and (ii) Hangzhou Sanren, a limited partnership established in the PRC and the general partner of which is owned as to 33.33% by Mr. Ni. Hangzhou Sanren was interested in 1,000,000 Shares as of the Latest Practicable Date.
- (3) Ms. ZHANG Yanyan is deemed to be interested in the entire Shares upon the Listing held by MRJ Holdings Limited, which is wholly-owned by Ms. ZHANG Yanyan.
- (4) Ms. FU Xinghua is deemed to be interested in the entire Shares upon the Listing held by HCShanghe Holdings Limited, which is wholly-owned by Ms. FU Xinghua.
- (5) Mr. KUNG Hung Ka is deemed to be interested in the entire Shares upon the Listing held by Wealth Strategy Holding Limited, which is wholly-owned by Mr. KUNG Hung Ka.

(ii) Interest in associated corporations of our Company

<u>Name</u>	<u>Nature of Interest</u>	<u>Name of Associated Corporation</u>	<u>Approximate Percentage of Interest</u>
Mr. NI Zhengdong ⁽¹⁾	Interest in controlled corporation	Zero2IPO Ventures	100%

Note:

- (1) Mr. NI Zhengdong owns approximately 58.08% of the equity interests in Zero2IPO Group, which is the registered shareholder of 100% equity interest in Zero2IPO Ventures.

b. Interests and short positions of the substantial shareholders in the Shares and underlying Shares of our Company

Save as disclosed in “Substantial Shareholders” in this prospectus, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has any interest or short position in the Shares or underlying shares of the Company, which, upon the Listing, would fall to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

2. Directors’ service contracts and letters of appointment

On December 7, 2020, each of the executive Directors has entered into a service contract with our Company, and each of the non-executive Director and independent non-executive Directors have entered into letters of appointment with our Company. The service contracts with each of the executive Directors are for an initial fixed term of three years commencing from the date of such service contract. The letters of appointment with each of the non-executive Directors and independent non-executive Directors are for an initial fixed term of three years commencing from the date of such letter of appointment. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms or by either party giving to the other not less than three-month prior written notice. The appointment of the Directors are subject to the provisions of retirement and rotation of Directors under the Articles.

For the three years ended December 31, 2019 and the six months ended June 30, 2020, the aggregate of the remuneration paid and benefits in kind granted to the Directors by our Group was RMB2.6 million, RMB2.4 million, RMB2.7 million and RMB1.0 million, respectively. Under the arrangements currently in force, our Company estimates that the aggregate remuneration and benefits in kind payable to the Directors by our Company for the year ending December 31, 2020 will be approximately RMB2.2 million.

Except as disclosed above, no other emoluments have been paid or are payable for the three years ended December 31, 2019 and the six months ended June 30, 2020 by our Company to the Directors. Save as disclosed above, none of our Directors has or is proposed to have a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or has been received by, our Directors, former Directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period.

Save as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group. Details of the Company's remuneration policy is described in "Directors and Senior Management — Directors' Remuneration."

3. Disclaimers

- (a) Save as disclosed in the section headed "History, Reorganization and Corporate Structure," none of the Directors nor any of the parties listed in the section headed "— E. Other Information — 10. Consents of experts" of this Appendix is interested directly or indirectly, in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (b) Save in connection with the Underwriting Agreements and as disclosed in the section headed "Connected Transactions," none of the Directors nor any of the parties listed in the section headed "— E. Other Information — 10. Consents of experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our Company's business taken as a whole.
- (c) Save in connection with the Underwriting Agreements, none of the parties listed in the section headed "E. Other Information — 10. Consents of experts" of this Appendix:
 - (i) is interested legally or beneficially in any securities of any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of our Group.
- (d) Save as disclosed in this Appendix, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (e) Save as disclosed in the section headed "Business — Our Customers and Suppliers" in this prospectus, none of the Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of the Directors, owns more than 5% of our Company's issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

D. POST-IPO RSU SCHEME

The following is a summary of the principal terms of the Post-IPO RSU Scheme approved by the resolutions of our Shareholders passed on December 7, 2020. The Post-IPO RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Post-IPO RSU Scheme does not involve the grant of options by our Company to subscribe for new Shares.

(a) Purposes of the Post-IPO RSU Scheme

The purposes of the Post-IPO RSU Scheme are:

- (i) to recognize the contributions by grantees and to give incentives thereto in order to retain them for the continual operation and development of the Group; and

- (ii) to attract suitable personnel for further development of the Group.

(b) Conditions and Present Status of the Post-IPO RSU Scheme

The Post-IPO RSU Scheme shall take effect conditional upon (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the new Shares underlying the Awards (as defined below) which may be granted pursuant to the Post-IPO RSU Scheme; and (ii) the commencement of trading of the Shares on the Stock Exchange.

(c) Awards

An award of RSUs under the Post-IPO RSU Scheme (“**Award**”) gives a selected person (as set out in paragraph (g) below) in the Post-IPO RSU Scheme a conditional right when the granted RSUs vest to obtain Shares as determined by the Board in its absolute discretion.

(d) Post-IPO RSU Mandate Limit

The maximum aggregate number of Shares underlying all grants of RSUs pursuant to the Post-IPO RSU Scheme will not exceed 30,000,000 Shares, representing approximately 10% of the number of Shares in issue on the Listing Date (assuming no exercise of the Over-allotment Option and without taking into account any Shares reserved and to be issued pursuant to the Share Reservation and any Shares to be issued pursuant to the Post-IPO RSU Scheme) (“**Post-IPO RSU Mandate Limit**”). This Post-IPO RSU Mandate Limit may be refreshed from time to time pursuant to paragraph (f).

(e) Annual Mandate

At each annual general meeting of the Company, the Company shall propose and the Shareholders shall consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

- (i) the maximum number of new Shares that may underlie the Awards granted pursuant to the Scheme during the Applicable Period; and
- (ii) that the Board has the power to allot and issue Shares, procure the transfer of Shares and otherwise deal with Shares pursuant to the vesting of any Awards that are granted pursuant to the Post-IPO RSU Scheme as and when the Awards vest.

The mandate shall remain in effect during the period from the passing of the ordinary resolution granting the mandate until the earliest of (the “**Applicable Period**”):

- (i) the conclusion of the next annual general meeting;
- (ii) the expiration of the period within which the Company is required by any applicable laws or by the Articles of the Company to hold the next annual general meeting; and
- (iii) the date on which such mandate is varied or revoked by an ordinary resolution of the Shareholders at a general meeting.

(f) Refresh of the Post-IPO RSU Mandate Limit

The Post-IPO RSU Mandate Limit may be refreshed from time to time subject to prior approval from our Shareholders, but in any event, the total number of Shares that may underlie RSUs granted under the Post-IPO RSU Scheme following the date of approval of the refreshed limit (“**New Approval Date**”) must not exceed 10% of the number of Shares in issue as of the New Approval Date. Shares underlying the Awards granted under the Post-IPO RSU Scheme (including those outstanding, lapsed, cancelled or vested Awards) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares that may underlie the Awards granted following the New Approval Date.

(g) Selected Persons of the Post-IPO RSU Scheme

The Board may select existing employees, Directors or officers of the Group to be granted with RSUs under the Post-IPO RSU Scheme pursuant to the Post-IPO RSU Scheme.

(h) Duration of the Post-IPO RSU Scheme

Subject to the fulfillment of the conditions of the Post-IPO RSU Scheme and the termination clause in paragraph (y), this Post-IPO RSU Scheme shall be valid and effective for a term of ten years commencing on the adoption date (or such earlier date as the Board may decide) (the “**Post-IPO RSU Scheme Period**”), after which period no further Awards shall be granted or accepted, but the provisions of the Post-IPO RSU Scheme shall remain in full force and effect in order to give effect to the vesting and exercise of RSUs granted and accepted prior to the expiration of the Post-IPO RSU Scheme Period.

(i) Administration of the Post-IPO RSU Scheme

This Post-IPO RSU Scheme shall be subject to the administration of the Board in accordance with the rules of the Post-IPO RSU Scheme. The Board has the power to construe and interpret the rules of the Post-IPO RSU Scheme and the terms of the Awards granted thereunder. The Company may (i) allot and issue Shares to the RSU trustee to be held by the RSU trustee and which will be used to satisfy the Awards upon exercise and/or (ii) direct and procure the RSU trustee to receive existing Shares from any Shareholder or purchase existing Shares (either on-market or off-market) to satisfy the Awards upon exercise. Any decision of the Board made in accordance with the rules of the Post-IPO RSU Scheme shall be final and binding, provided in each case that such decision is made in accordance with the Articles and any applicable laws.

(j) Appointment of Post-IPO RSU Trustee

The Board has the sole and absolute right to appoint any RSU trustee from time to time to administer the granting, vesting and exercise of Awards granted to the grantees pursuant to the Post-IPO RSU Scheme.

(k) Grant of Awards

After the Board has selected the grantees, it will inform the RSU trustee of the name(s) of the person(s) selected, the number of Shares underlying the Awards to be granted to each of them, the vesting schedule and other terms and conditions (if any) that the RSUs are subject to as determined by the Board.

Subject to limitations and conditions of the Post-IPO RSU Scheme, the Board shall grant and deliver to each of the selected persons an offer of grant of Award(s) by way of a letter, which shall attach an acceptance notice, subject to the conditions that the Board thinks fit.

(l) Acceptance of Awards

If the selected person intends to accept the offer of grant of Award(s) as specified in the grant letter, he or she is required to sign the acceptance notice and return it to the Company within the period and in a manner prescribed in the grant letter. Upon the receipt from the selected person of a duly executed acceptance notice, the Award(s) are granted to such person, who becomes a grantee pursuant to the Post-IPO RSU Scheme.

To the extent that the offer of grant of Award(s) is not accepted by any selected person within the time period or in a manner prescribed in the grant letter, it shall be deemed that such offer has been irrevocably declined and thus the RSUs has immediately lapsed.

(m) Restrictions on grants

The Board shall not grant any RSUs to any selected person in any of the following circumstances:

- (1) the requisite approvals for such grant from any applicable regulatory authorities have not been obtained;
- (2) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the grant of Award(s) or in respect of the Post-IPO RSU Scheme, unless the Board determines otherwise;
- (3) the grant would result in a breach by the Group or any of its directors or senior management of any applicable laws, regulations or rules;
- (4) the grant would result in breach of the Post-IPO RSU Mandate Limit or other rules of the Post-IPO RSU Scheme; or
- (5) after inside information (as defined under the SFO) has come to the Company's knowledge until the Company has announced such information. In particular, during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

(n) Grant to Directors

If any Award is proposed to be granted to a Director, it shall not be granted on any day on which the financial results of the Company are published and during the period of:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(o) Grants to Connected Persons

Any grant of an Award to any Director, chief executive or substantial shareholder of the Company, any of their respective associates, or any other connected person, shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of such Awards) and shall otherwise be subject to compliance with the requirements of the Listing Rules including Chapter 14A of the Listing Rules.

(p) Rights attached to Awards

A grantee does not have any contingent interest in any Shares underlying Awards unless and until these Shares are actually transferred to the grantee from the RSU trustee. Furthermore, a grantee may not exercise any voting right in respect of the Shares underlying the Award prior to their vesting and exercise and, unless otherwise specified by the Board in its sole discretion in the grant letter to the grantee, nor do they have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying the Awards.

(q) Rights attached to Shares

Any Shares transferred to a grantee in respect of any RSUs shall be subject to the provisions of the Articles and will rank *pari passu* with the fully paid Shares in issue on the date of the transfer or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, and accordingly will entitle the grantee to participate in all dividends or other distributions paid or made on or after the date of transfer or, if that date falls on a day when the register of members of the Company closed, the first day of the reopening of the register of members.

(r) Awards to be personal to grantees

Awards granted pursuant to this Post-IPO RSU Scheme shall be personal to each grantee and shall not be assignable or transferrable, except assignment or transfer from each grantee to a company wholly-owned by him or between two companies both of which are wholly-owned by him. Notwithstanding the above, the grantees are prohibited from selling, transferring, assigning, charging, mortgaging, encumbering, hedging or creating any interest in favor of any other person over or in relation to any property held by the RSU trustee on trust for the grantees, Awards, Shares underlying any Awards or any interest or benefits therein.

(s) Vesting

- (1) The Board has the sole discretion to determine the vesting schedule and vesting criteria (if any) for any grant of Award(s) to any grantee, which may also be adjusted and re-determined by the Board from time to time. The RSU trustee shall administer the vesting of Awards granted to each grantee pursuant to the vesting period and vesting criteria (if any) determined by the Board.
- (2) Upon fulfillment or waiver of the vesting period and vesting criteria (if any) applicable to each of the grantees, a vesting notice will be sent to the grantee by the Board, or by the RSU trustee under the authorization and instruction by the Board confirming (a) the extent to which the vesting period and vesting criteria have been fulfilled or waived, and (b) the number of Shares (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of these Shares) the grantee will receive, provided that:
 - (a) the Awards shall be vested based on the vesting schedule and vesting criteria (if any) set forth in the grant letter. For avoidance of doubt, if the vesting of any portion of the granted Awards is conditional upon both vesting schedule and performance based vesting criteria (if any), then failure by the grantee to fulfill any of the vesting conditions by their due date will render such portion of the granted Awards unvested and un-exercisable; and
 - (b) subject to the occurrence of the events set out in paragraph (u)(2), any portion of the Awards which has already vested pursuant to its applicable vesting schedule and vesting criteria (if any) shall continue to be vested until it is exercised by the relevant grantee of such Awards pursuant to the terms of the Post-IPO RSU Scheme.
- (3) Awards held by a grantee that are vested as evidenced by the vesting notice may be exercised (in whole or in part) by the grantee (or his or her legal personal representative(s) in the case of death or incapacitation) serving an exercise notice in writing on the RSU trustee and copied to the Company.
- (4) In an exercise notice, the grantee (or his or her legal personal representative(s) in the case of death or incapacitation) shall request the RSU trustee to, and the Board shall direct and procure the RSU trustee to within five (5) business days, transfer the Shares underlying the Awards exercised (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the grantee which the Company has allotted and issued to the RSU trustee as fully paid up Shares or which the RSU trustee has either acquired by purchasing existing Shares or by receiving existing Shares from any Shareholder, subject to the grantee (or his or her legal personal representative(s) in the case of death or incapacitation) paying the exercise price (where applicable) and all tax, stamp duty, levies and charges applicable to such transfer to the RSU trustee or as the RSU trustee directs.
- (5) The grantee shall serve the exercise notice within three (3) months after receiving the vesting notice, provided that in the event that the grantee ceases to be an eligible person (as the case may be) by reason of death or incapacitation (provided that none of the events which would be a ground for termination of his or her

employment under paragraph (u)(2) prior to his or her death or incapacitation), the legal personal representative(s) of this grantee shall be entitled within a period of three (3) months from the date of death or incapacitation (or such longer period as the Board may determine) to exercise the Awards in whole or in part (to the extent which have become vested and exercisable and not already exercised prior to such date of death or incapacitation). The RSU trustee will not hold the Shares underlying the Awards vested for the grantee after this three (3) months period. If the exercise notice is not served during this three (3) months period or the Shares underlying the Awards exercised cannot be transferred to the grantee (or his or her legal personal representative(s) in the case of death or incapacitation) pursuant to paragraph (s)(4) due to the grantee (or his or her legal personal representative(s) in the case of death or incapacitation) not being able to provide sufficient information to effect the transfer, the Awards vested or exercised (as the case may be) shall lapse unless otherwise agreed by the Board at its absolute discretion.

- (6) Notwithstanding anything herein to the contrary, an Award may not be exercised unless such exercise (including, without limitation, the method of payment of exercise price, where applicable, for such Shares) is in compliance with all applicable laws (including, without limitation, the Listing Rules), as they are in effect on the date of exercise. No Shares shall be transferred to the grantee (or his or her legal personal representative(s) in the case of death or incapacitation) pursuant to the exercise of an Award unless such transfer and such exercise comply with all applicable laws (including, without limitation, the Listing Rules).

(t) Acceleration of vesting

The Board has the sole discretion to determine, at any time, to accelerate the vesting of any Award granted to any grantee for various considerations as set out below.

(i) Rights on a takeover

In the event a general offer by way of takeover, merger or otherwise in a like manner (other than by way of scheme of arrangement set out as below) is made to all the shareholders of the Company (or shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and the general offer to acquire the Shares is approved and the offer becomes or is declared unconditional in all respects prior to the vesting, the Award(s) of the grantee will vest immediately to the extent specified in a notice given by the Company.

(ii) Rights on a scheme of arrangement

In the event a general offer for Shares by way of scheme of arrangement is made by any person to all the shareholders of the Company and has been approved by the necessary number of shareholders at the requisite meetings prior to the vesting, the Awards of the grantee will vest immediately to the extent specified in a notice given by the Company.

(iii) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and its shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement prior to the vesting, the Awards of the grantee will vest immediately to the extent specified in a notice given by the Company.

(iv) Rights on a voluntary winding-up

In the event that an effective resolution is passed during the Post-IPO RSU Scheme Period for voluntarily winding-up of the Company (other than for the purposes of a reconstruction, amalgamation or scheme of arrangement as set out above), prior to the vesting, the Awards of the grantee will vest immediately to the extent specified in a notice given by the Company provided that all unexercised Awards must be exercised and effected by no later than one business day before the day of the proposed general meeting to be convened for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company (or to pass written resolutions of the shareholders to the same effect).

(u) Lapse of Awards

- (1) If at any time, a grantee:
 - (i) ceases to be an eligible person (as the case may be) by reason of death or incapacitation;
 - (ii) ceases to be an Eligible Person by reason of (1) non-renewal of his or her employment contract (including post-retirement employment) upon expiry, (2) voluntary resignation, (3) retirement without post-retirement employment, (4) layoff, or (5) discontinuance of relevant business segment or other internal reorganization;
 - (iii) ceases to be a Director upon rotation; or
 - (iv) makes any attempt or takes any action to sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favour of any other person over or in relation to any Awards or any interests or benefits pursuant to the Awards,

then any unvested Award will automatically lapse immediately, PROVIDED THAT none of the events set out under paragraph (u)(2) below.

- (2) If at any time, a grantee (i) has been guilty of serious misconduct or has found to have seriously breached the terms of employment or services during his or her employment or services (regardless of whether such employment contract or services has already been terminated), including without limitation, violation of the Company's rules and policies, or (ii) has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or (iii) has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at law

or pursuant to any applicable laws or under the grantee's service contract with the Group, or (iv) has breached any non-compete and/or non-solicitation obligations, or has committed other misconducts which seriously damage the interests, image or reputation of the Company, or (v) has breached any confidentiality agreement or invention assignment agreement between such grantee and the Company (or any affiliate of the Company) or unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other party to whom such grantee owes an obligation of nondisclosure as a result of his or her relationship with the Company; then all unvested Awards and vested but unexercised Awards shall automatically lapse and such grantee shall have no claim whatsoever in respect of the Awards or the underlying Shares.

(v) Cancellation of RSUs

The Board may at its sole discretion cancel any RSU that has not vested or lapsed, provided that:

- (i) the Company or its appointees pay to the grantee an amount equal to the fair value of the Shares underlying the Awards at the date of the cancellation as determined by the Board, after consultation with its auditors or an independent financial adviser appointed by the Board;
- (ii) the Company or its appointees provides to the grantee a replacement RSU of equivalent value to the RSU to be cancelled; or
- (iii) the Board makes any arrangement as the grantee may agree in order to compensate him for the cancellation of the RSU.

(w) Reorganization of Capital Structure

In the event of any alteration in the capital structure of the Company, such as capitalization issue, rights issue, consolidation, sub-division and reduction of the share capital of the Company, the Board may make equitable adjustments that it considers appropriate, at its sole discretion, to the number of Shares underlying the outstanding Awards or to the amount of equivalent value.

(x) Alteration or Amendment of the Post-IPO RSU Scheme

The terms of the Post-IPO RSU Scheme may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any grantee thereunder. Any alternation, amendment or waiver to the Post-IPO RSU Scheme of a material nature shall be approved by the shareholders of the Company. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material and such determination shall be conclusive.

(y) Termination of the Post-IPO RSU Scheme

The Post-IPO RSU Scheme may be terminated at any time prior to the expiry of the Post-IPO RSU Scheme Period by the Board provided that such termination shall not affect any subsisting rights of any grantee thereunder. For the avoidance of doubt, no further Awards shall be granted after the Post-IPO RSU Scheme is terminated but in all other respects the provisions of the Post-IPO RSU Scheme shall remain in full force and effect. No further RSUs shall be granted after such termination; however, all Awards granted prior to such termination and not vested on the date of termination shall remain valid. In such event,

the Board shall notify the RSU trustee and all grantees of such termination and how the Shares held by the RSU trustee on trust and other interests or benefits in relation to the outstanding RSUs shall be dealt with.

E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group.

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our results of operations or financial condition.

3. Preliminary Expenses

Our Company's estimated preliminary expenses are approximately US\$5,000 and has been paid by our Company.

4. Promoter

There are no promoters of our Company.

5. Sole Sponsor

The Sole Sponsor has made an application on our Company's behalf to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Capitalization Issue and the Global Offering (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option) and the Shares that may be issued pursuant to the Post-IPO RSU Scheme and the Share Reservation. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Sole Sponsor is independent from our Company pursuant to Rule 3A.07 of the Listing Rules.

The Sole Sponsor will be paid by our Company a fee of approximately HK\$5.3 million to act as a sponsor to the company in connection with the Listing.

6. No Material Adverse Change

The Directors confirm that there has been no material adverse change in their financial or trading position or prospects since June 30, 2020, and there has been no event since June 30, 2020 which would materially affect the information presented in our consolidated financial statements included in the Accountant's Report in Appendix I to this prospectus.

7. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

8. Miscellaneous

- (a) Within the two years immediately preceding the date of this prospectus, save as disclosed in the section headed “History, Reorganization and Corporate Structure” in this prospectus, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash.
- (b) No share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) Neither our Company nor any of our subsidiaries has issued or agreed to issue any founder shares, management shares or deferred shares.
- (d) Save as in connection with the Underwriting Agreements, within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group.
- (e) Within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any Shares in or debentures of our Company or any of our subsidiaries.
- (f) None of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought.
- (g) Our Company has no outstanding convertible debt securities.
- (h) Save as disclosed in this prospectus, there has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

9. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualification
Fortune Financial Capital Limited	A corporation licensed to conduct Type 6 (advising on corporate finance) regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap.50) Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap.588)
Beijing Dentons Law Offices, LLP	PRC legal advisors to our Company
Maples and Calder (Hong Kong) LLP	Cayman Islands attorneys-at-law
China Insights Industry Consultancy Limited	Industry consultants

10. Consents of experts

Each of the experts as referred to in “— E. Other Information — 9. Qualifications of experts” above in this prospectus has given and has not withdrawn their respective consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

As of the Latest Practicable Date, save as in connection with the Underwriting Agreements, none of the experts named above had any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries or the Consolidated Affiliated Entities.

11. Bilingual prospectus

Pursuant to Rule 11.14 of the Listing Rules and section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), the English language and Chinese language versions of this prospectus are being published separately but are available to the public at the same time.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR INSPECTION

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were, among others:

- (a) a copy of each of the **WHITE, YELLOW** and **GREEN** Application Forms;
- (b) a copy of each of the material contracts referred to the section headed “Statutory and General Information — B. Further Information about Our Company’s Business — 1. Summary of Material Contracts” in Appendix IV to this prospectus; and
- (c) the written consents referred to in the section headed “Statutory and General Information — E. Other Information — 10. Consents of Experts” in Appendix IV to this prospectus.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Wilson Sonsini Goodrich & Rosati at Suite 1509, 15/F, Jardine House, 1 Connaught Place, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) our Memorandum and Articles of Association;
- (b) the Accountant’s Report for the three years ended December 31, 2019 and the six months ended June 30, 2020 from PricewaterhouseCoopers, and the report on the unaudited pro forma financial information from PricewaterhouseCoopers, the texts of which are set out in Appendix I and Appendix II to this prospectus, respectively;
- (c) the audited consolidated financial statements of our Company for the three years ended December 31, 2019 and the six months ended June 30, 2020;
- (d) the legal opinions issued by Beijing Dentons Law Offices, LLP, our PRC legal advisor, in respect of certain aspects of our Group and the property interests of our Group;
- (e) the letter of advice issued by Maples and Calder (Hong Kong) LLP, our Cayman legal advisor, in respect of certain aspects of the Cayman Islands company law referred to in Appendix III to this prospectus;
- (f) the Cayman Companies Law;
- (g) the material contracts referred to the section headed “Statutory and General Information — B. Further Information about Our Company’s Business — 1. Summary of Material Contracts” in Appendix IV to this prospectus;
- (h) the written consents referred to in the section headed “Statutory and General Information — E. Other Information — 10. Consents of Experts” in Appendix IV to this prospectus;
- (i) service contracts and letters of appointment entered into between the Company and each of the Directors;
- (j) the rules of the Post-IPO RSU Scheme; and
- (k) the CIC Report.



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