An [REDACTED] in our [REDACTED] involves risks. You should carefully consider all of the information in this document, including our consolidated financial statements and related notes before making an [REDACTED] in our [REDACTED].

You should pay particular attention to the fact that our business is located in the PRC and we are governed by a legal and regulatory environment which in some respects may differ from that which prevails in other countries. Our business, financial conditions, results of operations and prospects could be materially and adversely affected by any of these risks. The [REDACTED] [REDACTED] of our [REDACTED] may decline due to any of these risks, and you may lose all or part of your [REDACTED]. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below and elsewhere in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business and future growth are subject to macroeconomic conditions in the PRC, particularly in Tianjin, and changes in market demand for our services and renewal or revision of government policies and regulations in relation to the construction market, which are beyond our control.

Our business and future growth depend on macroeconomic conditions and levels of construction and infrastructure development in the PRC, particularly in Tianjin where our business is focused.

According to Frost & Sullivan, in 2021 and 2022, the implementation of tight policies on real estate financing has resulted in a liquidity crisis for developers in the real estate, and real estate developers were facing difficulties in obtaining the necessary funds for their projects. After the real estate downturn in 2021 and 2022, despite the release of several favorable government policies to promote market stability and instill confidence in the real estate market since late 2022, it will take more time for the real estate market to bounce back. In 2023, real estate development investment was RMB11.1 trillion, representing an annual decrease of 9.6%. Among which, residential investment was RMB8.4 trillion, representing an annual decrease of 9.3%. The construction area of real estate development enterprises was 8.4 billion square meters in 2023, showing a decrease of 7.2% as compared to that of in 2022. Specifically, residential construction area was 0.7 billion square meters, showing a 20.9% decline as compared to that of 2022. According to Frost & Sullivan, the favorable government policies are gradually taking effect but the current real estate market in the PRC is still undergoing a transition period.

The business and financial position of our customers are affected by the macroeconomic conditions, GDP, fixed asset investment or the demand for construction services in the PRC or local area, which could affect the demand for our services. The adverse effect on the business and financial position of our customers in turn could have an adverse effect on our business, financial conditions and results of operations.

Furthermore, our business operations are governed by a wide range of laws, regulations and policies relating to the construction industry set out by the PRC governmental authorities. The underlying requirements in relation to the renewal or grant of qualifications, licenses and permits, approval of construction works and projects, as well as compliance with various industry standards and regulations may be subject to renewal or revision.

For the years ended December 31, 2021, 2022 and 2023, our revenue generated from the construction projects located in Tianjin amounted to RMB255.2 million, RMB279.7 million and RMB276.2 million, representing 92.9%, 97.4% and 86.6% of our total revenue generated from our construction services, respectively. Therefore, we may be susceptible to adverse changes in macroeconomic conditions and local regulatory policies affecting the construction industry in Tianjin where we primarily conduct our business, including the policies that affect local government budgets on public construction works and private sector participation in the related industry. These policies may affect the level of activity in the local construction industry and, in turn, affect the number of construction projects available to us.

According to the Frost & Sullivan Report, infrastructure investment in Tianjin is forecasted to continue to grow at a CAGR of approximately 6.0% from RMB0.4 trillion in 2022 to RMB0.5 trillion in 2027. The market size of municipal public construction in Tianjin is forecasted to continue to grow from approximately RMB45.9 billion in 2022 to approximately RMB71.2 billion in 2027, representing a CAGR of approximately 9.2%. For further details, please refer to the section headed "Industry Overview" in this document. There can be no assurance that the market we operate and/or target to operate in will continue to grow as forecasted in the future.

Construction contractors are required to hold relevant licenses or qualifications to demonstrate they possess the professional skills to undertake the relevant types of construction works. Main contractors are required to obtain the required qualifications which are approved by the MOHURD and local government authorities in order to undertake construction works in the PRC. There can be no assurance that the PRC governmental authorities will not adopt additional industry-related policies in the future, which may have a material and adverse effect on our business, financial conditions and results of operations.

Our business operations, working capital and cash flow position may be adversely affected if our customers delay in processing payment or fail to settle our bills.

Our working capital, future operations and cash flow are largely dependent on the timely settlement of the payments by our customers. It generally takes one month to one year to complete the required construction works for our construction projects, depending on the scale and complexity of the project. Moreover, even after we have completed the work required, the process of settlement audit as well as the internal procedures for our customers to settle their payments to us afterwards may take months to complete, therefore it may take more than one year for us to receive the corresponding payments for our construction works after completion of the relevant projects, which may affect our working capital and cash flow position. If we experience delays in payments from our customers, our trade and bills receivables will increase.

In addition, as our business is project-based and our progress of construction work may vary among projects at different point of time, we may experience significant amount of cash outflow at a specific point of time as we may make payments in advance for procuring construction materials, equipment and labor at the beginning of a project, in particular large scale project (i.e. projects with original contract value (not including VAT) of more than RMB10.0 million), or before achieving certain project milestones, which may lead to a decrease in the amount of our cash and cash equivalents at the relevant point of time. As such, if our customers fail to make timely payments or default on payments, or if there is a lapse in time between the receipt of payments from our customers and the payments we owe to our suppliers, our results of operations would be adversely affected and our working capital would be reduced. In the event that we are unable to generate sufficient cash flow from our operations or are otherwise unable to obtain sufficient funds to bridge the temporary cash flow mismatch, our liquidity and financial condition may be materially and adversely affected. Our cash and cash equivalents as of December 31, 2021, 2022 and 2023 was RMB11.3 million, RMB20.2 million, and RMB6.4 million, respectively. Since most of our construction projects are in Tianjin, we face limitation in our operations during winter. As such, our revenue in the first half of the year is generally smaller than that in the second half of the year. In addition, based on our experiences during the Track Record Period, certain customers tended to settle part of our trade and bills receivables at certain point of time during the year, for example, prior to the Chinese New Year.

We recorded a net cash used in operating activities of RMB33.6 million for the year ended December 31, 2023 mainly due to our completion of certain large scale projects in the second half of 2023 and the certification process of such projects were substantially completed in late 2023, resulting in a significant increase in trade and bills receivables of RMB118.2 million as of December 31, 2023. Such trade and bills receivables were pending settlement of payment by the relevant customers as of December 31, 2023. We cannot assure you that we will not experience negative net operating cash flows in the future. Our ability to generate adequate cash inflows from operating activities may be affected by our future operating performance, prevailing economic conditions, our financial, business and other factors, many of which are beyond our control. We may not have sufficient cash flow to fund our operating costs and constrain our operational flexibility and, in that event, our business, financial condition and results of operations could be adversely affected.

Our trade and bills receivables amounted to RMB90.7 million, RMB124.0 million and RMB232.5 million as of December 31, 2021, 2022 and 2023, representing 29.7%, 28.7% and 41.8% of our total assets, respectively. As of December 31, 2021, 2022 and 2023, the provision for impairment losses on trade and bills receivables amounted to RMB2.3 million, RMB6.3 million and RMB16.0 million, respectively, accounting for 2.5%, 4.8% and 6.4% of our trade and bills receivables, respectively. For the years ended December 31, 2021, 2022 and 2023, our average trade and bills receivables turnover days were 83.3 days, 141.5 days and 216.0 days, respectively. Our trade receivables aged over one year based on invoice dates amounted to RMB18.2 million, RMB23.5 million and RMB68.6 million as of

December 31, 2021, 2022 and 2023, respectively. During the Track Record Period, our Group experienced continued increase in the amount of trade and bills receivables aged below and over one year, primarily due to (i) long settlement procedures involving multiple levels of approval for our government authorities or state-owned enterprises customers; (ii) rigid working capital management of our customers; and (iii) our customers that are main contractors normally would only arrange to settle our bills after they have received payment from their customers. For further details, please refer to the section headed "Financial Information — Description of Selected Items of the Consolidated Statements of Financial Position — Trade and bills receivables" in this document. There can be no assurance that we will be able to collect all or any of our trade and bill receivables, and we may record impairment losses on such receivables in the future, which could have a material and adverse effect on our business, results of operations and financial conditions.

We face intense competition in our industry, which could adversely affect our business.

During the Track Record Period, we focused our operations in Tianjin and may face intense competition in the construction industry. According to the Frost & Sullivan Report, there were 2,547 construction enterprises in Tianjin in 2022, and the Company accounted for a market share of 0.1% in the overall construction market in terms of construction revenue in Tianjin in 2022. On the other hand, the municipal public construction industry is highly fragmented in Tianjin, in 2022, the top five municipal private construction companies accounted for an aggregate market share of approximately 3.0% in terms of municipal public construction revenue among all municipal public construction companies in Tianjin.

We plan to expand our business operations to areas outside Tianjin by setting up branch offices in Xi'an, Nanchang and Guiyang as we saw potential in developing our construction business in Shaanxi province, Jiangxi province and Guizhou province. We may face fierce competition in these areas due to the highly fragmented nature of the construction industry in such areas. There were approximately 1,400 construction enterprises in Xi'an in 2022 and the top five construction companies accounted for an aggregate market share of less than 12% in terms of construction revenue among all private construction companies in Xi'an in 2022. There were approximately 1,300 construction enterprises in Nanchang in 2022 and the top five construction companies accounted for an aggregate market share of less than 15% in terms of construction revenue among all private construction companies in Nanchang in 2022. There were approximately 500 construction enterprises in Guiyang in 2022 and the top five construction companies accounted for an aggregate market share of less than 7% in terms of construction revenue among all private construction companies in Guiyang in 2022.

Accordingly, we face intense competition from a significant number of state-owned and state-controlled construction companies which provide similar services or alternatives. We compete directly with these competitors for labor, raw materials, customers and suppliers. We compete primarily on the basis of qualifications, experience, service quality, price, access to resources, sales and marketing. As our business operation is relatively smaller in scale as compared to other sizable or state-owned and state-controlled construction companies in the PRC, we may not be able to compete with such companies which may have greater capital, financial, technical and marketing resources. In order to capture potential business opportunities and develop relationships with customers, some market participants may adopt more aggressive pricing approaches and may lead to a downward pricing pressure in the market, which we may not be able to offer comparable prices for our construction projects. Any significant increase in competition may result in lower operating margins and loss of market share, which may adversely affect our profitability and operating results. There can be no assurance that we will be able to increase or maintain our existing market share and maintain our market position. Our competitors may be capable of providing better services and responding to market changes faster and more effectively than us. Failure to maintain our competitiveness may lead to loss of business and lower profitability and thus market share, which would adversely and materially affect our business operations and financial conditions.

If we are unable to fully recover our contract assets or if retention fee is not fully released to us after expiry of the warranty period, our liquidity and financial position may be adversely affected.

Contract assets are recognized when our Group recognizes revenue before being unconditionally entitled for billing under the payment terms are set out in the contract (such as upon completion of settlement audit). For details of the accounting treatments of our construction projects, please refer to the section headed "Financial Information — Description of Selected Items of the Consolidated Statements of Financial Position — Contract Assets" in this document. Contract assets are transferred to receivables when the rights to the consideration have become unconditional which usually occurs when we measure the progress and bill our customers. Our Group recorded contract assets of RMB126.6 million, RMB214.7 million and RMB221.3 million as of December 31, 2021, 2022 and 2023, respectively. During the Track Record Period, our Group experienced continued increase in the amount of contract assets aged over one year, primarily due to (i) a majority of our customers were government authorities or state-owned enterprises, which the time required for completing certification for such customers are generally longer; (ii) the prolonged certification and settlement audit process for certain types of projects; and (iii) regional outbreak of COVID-19 in the PRC in 2022. For further details, please refer "Financial Information" — Description of Selected Items of The Consolidated Statements of Financial Position — Contract assets" in this document.

There can be no assurance that the financial position of our customers will remain solvent, or that our customers will settle our progress payment or release the retention fee on time after expiry of the warranty period, or that we will be able to recover our contract assets in full or at all in the future. If we are unable to receive our progress payments and retention fee or recover our contract assets, our liquidity and financial position may be materially and adversely affected.

If we are unable to perform our contracts with customers and fulfill our obligations, our financial position and results of operations may be adversely affected.

Generally, several factors may lead to project delays, including but not limited to: (i) failure to obtain various regulatory approvals, licenses or permits from government agencies as scheduled; (ii) delivery delays caused by shortages of key equipment, materials or labor; (iii) suspension of the construction of certain outdoor projects ordered by authorities during severe air pollution or other extreme weather conditions; (iv) quality problems with equipment; and (v) unanticipated engineering, design, environmental or geological problems. Any failure or delay during the construction of a project could result in a delay or reduction in payment by the project owners to us and could have a material and adverse effect on our reputation, business, financial position and results of operations.

If we fail to fulfill our obligations under our contracts with customers, we may not receive the payments from our customers, and our customers may require us to refund the payments received or seek damages under the contracts, which may adversely affect our cash flow and liquidity position and our ability to meet our working capital requirements, which in turn could affect our financial position and results of operations.

If we are unable to accurately estimate or control our costs for projects, or there are substantial changes to the scope of work we are required to perform, we may incur additional expenses, which could adversely affect our profitability.

We enter into contracts which usually charge construction fee based on fixed unit price or a fixed contract sum for our construction services that take place over a period of time. We are responsible for our own costs and risks of the construction work pursuant to the contracts from time to time. Cost overruns may occur due to the evolving macroeconomic conditions, variations in labor and equipment productivity, price fluctuations of raw materials, cost fluctuations of labor and unforeseen conditions. Our profitability is vulnerable to changes in the cost of projects. Cost overruns may result in lower profit margin or even losses in a project. Total costs incurred in any project may be influenced by a variety of factors, including but not limited to availability of subcontractors, materials and equipment, changes in project scope or conditions, fluctuations in the market prices of materials and performance of subcontractors, many of which may be beyond our control. Increases in costs in any particular project, especially to the extent that such increases were unforeseen at the time when we entered into the contract and that such increases were not factored into the initial pricing and were not otherwise passed to our clients, may lead to lower-than-expected profits or even losses for us, which could materially and adversely affect our business, financial conditions and results of operations.

We may not be able to maintain our current tender success rate.

Due to the nature of our industry, our business is project-based which is not recurring in nature. During the Track Record Period, we obtained a large majority of our projects through tendering, accounting for more than 95% of our total revenue generated from construction projects. For the remaining projects, we obtained them through negotiation with our customers (which involves price inquiry and price comparison by our customers). For each of the three years ended December 31, 2021, 2022 and 2023, we submitted 243, 124 and 110 tenders for construction projects, with tender success rates of approximately 25.1%, 25.0% and 22.7%, respectively. There can be no assurance that we will be invited to participate in tender processes and even if we are invited, our tender success rate is not within our control. Therefore, there can be no assurance that we will succeed in tender processes, and maintain or increase our tender success rate.

Moreover, we may not be awarded with new contracts by our customers upon expiry of the existing contracts. If our Group is not able to maintain the current tender success rate, or if we are unable to secure new projects with a contract sum similar to, or larger than, that of our current projects on a continuous basis, our revenue and operation may be materially and adversely affected. Besides, it takes approximately several months for project identification and contract signing, thus the time and effort spent on the bidding may also adversely affect the business operations of our Group.

There is no guarantee that our existing customers will continue engaging us in future business.

We are awarded construction projects on a project-by-project basis by our customers. Accordingly, our existing customers are not obligated to award projects to us or to place new orders, and there is no guarantee that we will be able to secure new business from our customers despite the long-term relationships we may have established with certain customers. As a result, our revenue and the number of projects we are able to secure may vary from period to period, and it is difficult to accurately predict our future business. Our business is project-based, which is non-recurring in nature. Our top five customers are generally different for each of the years during the Track Record Period, and the business relationship between us and our top five customers during the Track Record Period are generally within three years. In addition, there can be no assurance that we will be able to secure future business from our existing customers, or that we will be able to obtain new customers, in which case our business, results of operations and prospects would be materially and adversely affected.

Failing to maintain or renew our material licenses, qualifications and permits could affect our business operations and results of operations.

Since we are primarily engaged in the construction related business, we are required to maintain and renew a number of licenses, qualifications and permits. As of the Latest Practicable Date, we possessed 25 qualifications related to our construction business, which included two first-grade construction qualifications: (i) first-grade qualification in petrochemical engineering construction general contracting* (石油化工工程施工總承包壹級資質); and (ii) first-grade qualification in foundation construction professional contracting* (地基基礎工程專業承包一級資質). For further details, please refer to section headed "Business — Licenses, qualifications and permits" in this document. To maintain or renew such licenses, qualifications and permits, our Company may be subject to inspections, examinations and inquiries by the relevant government authorities. We cannot guarantee that we will be able to maintain or renew the requisite licenses, qualifications and permits or comply with the new requirements for maintaining those licenses, qualifications and permits if new laws or regulations are promulgated or the existing laws and regulations are amended. Failure in renewing any of the material licenses, qualifications and permits may prevent us from undertaking or carrying out certain types of projects or works or we may be subject to penalties or may incur additional costs. As a result, our business, financial conditions and results of operations may be adversely affected.

We have limited control over the quality, availability and performance of our subcontractors.

We may lack the technical qualifications for certain specific types of construction works in a project, including but not limited to electricity system construction, fire protection and waterproofing works. Thus, from time to time, we engage subcontractors to provide labor services and ancillary construction services in the course of our project execution. During the Track Record Period, we engaged subcontractors to provide (i) labor services; and (ii) ancillary construction services on a project-by-project basis. For the years ended December 31, 2021, 2022 and 2023, the total subcontracting fees we paid to our appointed subcontractors were approximately RMB85.3 million, RMB101.1 million and RMB118.0 million, respectively, representing approximately 42.0%, 46.9% and 49.4% of our total cost of sales for the same years, respectively. Despite the fact that we have policies in place to monitor and check on the performance of our subcontractors from time to time, we may not be able to monitor such subcontractors as closely and effectively as we monitor our own employees. There can be no assurance that each of our subcontractors has the level of skills and competence required by us. If the services rendered by the subcontractors are not timely delivered or their work is of low quality, we may incur extra costs for engaging alternative subcontractors to remediate the work or we may be liable to compensate our customers for the delay in the project schedule, which in turn would affect our results of operations and profitability.

Our operations are subject to inherent operational risks and occupational hazards, which could cause us to incur substantial costs, damage to reputation and loss of future business.

Our construction projects may place our employees or subcontracted workers in potentially hazardous environments in close proximity to heavy construction machinery and equipment, moving motor vehicles, highly volatile materials. Despite the implementation of safety policies and standardized construction methods and techniques, our employees and subcontracted workers are still exposed to risks associated with our construction activities, such as equipment failure, industrial accidents, geological catastrophes, fires and explosions. These hazards may cause personal injury or fatalities, as well as damage or destruction of our properties and equipment. During the years ended December 31, 2021, 2022 and 2023, our Group had nil, two and nil workplace accidents, respectively. The two workplace accidents that occurred in 2022 resulted in a loss of total 30 working days for the two injured employees. For further details of the accidents, please refer to the paragraph headed "Occupational health and safety" under the section headed "Business" in this document. There can be no assurance that workplace accidents will not occur in the future, despite the implementation of safety policies and measures. Even if such accidents are not caused by our fault or negligence, such accidents may result in disciplinary action by the PRC governmental authorities and/or cause us to incur substantial costs and damage to our reputation, which could have a material and adverse effect on our business, financial position and results of operations.

Our business is concentrated in Tianjin and there is no assurance that our plan to expand to other regions in the PRC will be successful.

To diversify our revenue source and customers base, in addition to business expansion in Tianjin, we plan to explore and develop new business opportunities in other regions in the PRC, where we have little operating experience. These new regions may have different competitive landscape, business and regulatory environments, market conditions and customers' preferences. Potential customers in these regions may not be familiar with us and we may need to build up our reputation in such markets through greater investments in marketing activities and participations into the local projects to increase our visibility. We may also find it more difficult in new regions to hire, train and retain qualified employees who share our business philosophy and culture. Therefore, we could not guarantee that we will be able to replicate our business model in other regions.

In addition, we may need additional capital to fund the expansion and investment plan to set up new offices in other regions in the PRC should our expansion plan materialize. Please refer to the section headed "Future plans and [REDACTED]" in this document for details about our plan to establish local branch offices outside Tianjin and expand our business presence in more cities in the PRC. In the event that we do not have sufficient operating cashflow, we will need to obtain alternative financing. There is no assurance that we will be able to obtain adequate financing on acceptable terms, or at all. As a result, we cannot assure you that our plan to expand to other regions in the PRC will be successful.

We may encounter difficulty in managing our future growth.

Our total revenue increased from RMB274.9 million in 2021 to RMB319.4 million in 2023, with a CAGR of 7.8% from 2021 to 2023. Our ability to continue to grow our business depends on our ability to continuously and successfully implement our business strategies, which primarily depends on our ability to tender for, and compete for, more construction projects, improve our profitability, as well as capture more business opportunities. The success and growth of our business operations depends on effective management of risks in relation to, among other things, the general macroeconomic conditions and the relationships with our customers and suppliers. Despite we are steadily expanding our business, there can be no assurance that our systems, procedures, controls, personnel and expertise will be adequate to support our future growth. Failure to achieve any of the foregoing, or to manage the risks and uncertainties of measures to achieve the foregoing, could materially and adversely affect our business, financial conditions, results of operations and growth prospects.

Failure to attract, retain or secure our senior management and key technical personnel for our operations could hinder our continuous growth and success.

Our success depends, to a significant extent, on the services and efforts of our senior management and key personnel and our ability to attract, retain and motivate them. Our management team is led by our executive Director, Mr. Zhao Kuanghua, who joined our Group in 2018 and possesses over a decade of experience in the construction industry. Our key management members possess over a decade of management skills and/or operational experience in construction industry or their respective areas of expertise, enabling us to develop competitive project solutions and address project challenges and associated market risks, which is instrumental in building our reputation in the market and the success of our business. We may compete with other regional and national construction companies for experienced management and qualified personnel, and the competition may be intense. There can be no assurance that we will be able to continue to attract and retain the qualified personnel essential for our growth. The loss of services of any employees holding important positions or possessing industry expertise or experience, especially specialized key technical personnel, could have an adverse impact on our business operations. If we are unable to timely recruit replacement personnel with the equivalent qualifications, our growth and success could be adversely affected.

We currently have a relatively concentrated customer base. The loss of one or more of our major customers, or a failure to expand our customer base, could negatively affect our results of operations.

Due to the nature of our industry, our business is project-based which is not recurring in nature. During the Track Record Period, we obtained a large majority of our projects through tendering, accounting for more than 95% of our total revenue generated from construction projects. For the remaining projects, we obtained them through negotiation with our customers (which involves price inquiry and price comparison by our customers). For the years ended December 31, 2021, 2022 and 2023, 63.5%, 77.0% and 81.6%, respectively, of our total revenue were derived from services provided to our top five customers. If our business relationships with our major customers are terminated or curtailed, the revenue we derive from providing services to them may significantly decrease.

The decrease in the amount of business we do with these major customers, the deterioration of our relationships with any major customer, or any material negative trend in markets in which these customers operate, could materially disrupt our operations and our revenue and cash flows from operating activities could be significantly reduced. If we are unable to successfully obtain projects other potential customers with similar scopes and scales of demand and commercial terms on a timely basis, or at all, the loss of business from such customers could have a material and adverse effect on our business and results of operations, as well as our ability to attract and retain other customers. If we fail to manage such risk or deterioration in our relationships with our major customers, our brand and reputation could also be materially harmed.

Our operating results may be significantly affected by changes in the prices and availability of raw materials.

As raw materials constitute a substantial portion of our cost of sales, we are vulnerable to changes in market prices and the availability of our raw materials. Our raw materials primarily include steel, concrete and other construction materials. For the years ended December 31, 2021, 2022 and 2023, cost of materials consumed by us accounted for 48.0%, 41.4% and 28.8% of our cost of sales, respectively. Raw materials prices depend on a variety of factors beyond our control, including the global and PRC economy and related regulatory policies, climatic change and industry demand. For instance, according to the Frost & Sullivan Report, in September 2021, due to the sustained increase in the price of global commodities and the implementation of Measures to Improve the Dual Control System on Energy Intensity and Total Consumption (《完善能源消費強度和總量雙控制度方案》) issued by the NDRC, various cities implemented measures to restrict power consumption and production, leading to a significant decline in output and a situation of supply shortage and high demand. As a result, the prices of raw materials showed a surge in 2021. There can be no assurance that the prices of our raw materials will remain at the same level and that there will not be a shortage of our raw materials. If there is shortage of raw materials or fluctuation in price and we are unable to pass on the corresponding price increases to our customers, our profit margins may decrease, our cost of sales may increase, and our results of operations may be adversely affected.

Further, we typically procure our major raw materials from a list of qualified suppliers, all of whom were domestic companies. In the event of an overall increase in market demand for such materials, we cannot guarantee that we will be able to obtain our principal raw materials from our qualified suppliers in necessary amounts and in a timely manner. If our supplies are disrupted, or if one or more of our current suppliers are unable to meet our requirements for any reason, we may incur substantial costs and delays in our operations. Although we believe that alternative suppliers for our raw materials are readily available, any unanticipated supply interruption may have an adverse effect on our business, financial position and results of operations.

Our backlog, historical financial and operating results may not be accurately indicative of our future performance, and we may not be able to sustain the historical level of revenue and profitability.

We are subject to risks of contracts being modified, canceled or even terminated due to certain circumstances that are beyond our control, including project delays and failure of the customers to settle the contract value. There can be no assurance that the contract backlog amount can accurately reflect our profitability in the future. We also cannot guarantee that our backlog amount will be recognized in a timely manner or in full.

In addition, during the Track Record Period, there was an increasing trend in the revenue of our Group. Our revenue increased from RMB274.9 million for the year ended December 31, 2021 to RMB288.0 million for the year ended December 31, 2022 and further to RMB319.4 million for the year ended December 31, 2023. Such trend of financial information does not have any implication and may not necessarily reflect our future financial performance. Our future financial performance largely depends on our capability to secure new contracts, maintain our relationships with existing customers and keep our costs similar to the current level. There can be no assurance that such growth rate can be sustained and should our Group experience any stagnation or negative growth in the future, our profitability will be adversely affected.

We may not be able to successfully identify, consummate and integrate future acquisitions and our planned expansion in new regions in the PRC may be delayed or challenged.

We intend to expand our construction business into areas such as new energy engineering and new urban infrastructure construction as well as further expand our petrochemical engineering works business. During the Track Record Period, we mainly operated in Tianjin and we did not have significant geographical presence outside of that area. We intend to acquire construction companies that are located in Xi'an, Nanchang or Guiyang, which focus on petrochemical engineering, new energy engineering or new urban infrastructure construction and hold the relevant licenses or qualifications to undertake such works. However, there can be no assurance that we will be able to identify suitable opportunities. Acquisitions involve uncertainties and risks, including, without limitation, potential on-going financial obligations, unforeseen or hidden liabilities, failure to achieve the intended objectives, benefits or revenue-enhancing opportunities, and diversion of resources and management attention. Even if we manage to identify suitable opportunities, we may not be able to complete the acquisitions on terms favorable or acceptable to us, in a timely manner, or at all. The inability to identify suitable acquisition targets or complete acquisitions could materially and adversely affect our competitiveness and growth prospects.

In addition, we have been and may, in the future, be the target of incomplete, inaccurate and false statements in relation to the proposed acquisition. Our reputation could therefore be potentially damaged by these incomplete, inaccurate and false statements which are beyond our control, no matter if such statements are in fact related to us.

We may lack knowledge and experience with the local markets, and our competitors in these new markets may have stronger financial resources, more established presence and better understanding of customer requirements and preferences. Our efforts to expand our operations geographically would likely depend on a number of factors beyond our control, including the macroeconomic conditions and regulatory policies, the level of competition in the construction industry, changes in customer demand, prices of equipment and raw materials, labor supply and transportation cost. As such, we may not be able to manage our expansion effectively and efficiently, which could adversely affect our results of operations.

Failure to comply with relevant laws and regulations could materially affect our business operations.

We are subject to extensive laws and regulations in the PRC at the national and local levels, which govern various aspects of our operations. Despite the implementation of our internal control measures, we cannot assure that our measures are sufficient and effective to prevent our Group from violating laws and regulations in the PRC. Changes in the relevant PRC laws and regulations and their interpretation and enforcement may expose us to the risk of non-compliance with the laws and regulations. We may be subject to administrative or regulatory fines and penalties, including the suspension or revocation of our licenses, if non-compliance is identified and our operations may be hindered or halted, which could have a material and adverse effect on our business and results of operations.

Discontinuation of any of the preferential tax treatments currently available to us can adversely affect our financial conditions and results of operations.

Pursuant to the EIT Law, the EIT rate generally applicable in the PRC has been 25% since January 1, 2008. In November 2019, our Company was certified as a High and New Technology Enterprise* (高新技術企業) and is entitled to enjoy a preferential EIT rate of 15% until 2024, rather than the EIT rate of 25% generally applicable to the PRC tax resident enterprises. There can be no assurance that such preferential EIT rate will remain the same or be renewed in the future. Therefore, there can be no assurance that our Company will continue to enjoy the preferential tax rate in the future. If our Company fails to maintain or renew the High and New Technology Enterprise* (高新技術企業) certification or the PRC governmental authorities change their tax policy of supporting new technology development, the EIT rate applicable to us may increase to 25% or other rates as the PRC governmental authorities may determine. This can have an adverse effect on our cash flow and financial position.

Our business operations are subject to adverse weather conditions, severe air pollution, natural disasters and other seasonality.

Most of our construction projects are conducted outdoors, therefore our projects may be adversely affected by severe weather conditions and air pollution. For instance, we may experience significant project delays or suspension of construction temporarily caused by inclement weather, such as protracted periods of precipitation or extreme temperatures. These situations could result in our inability to meet key milestones set forth in our construction contracts, and cause us to incur additional costs. In addition, natural disasters and other operating hazards, such as earthquakes, floods, typhoons, landslides or fire, may interrupt our construction projects. Substantial damage to our projects caused by any of these events or the resulting disruptions, technical or mechanical difficulties or sourcing difficulties could be costly and time-consuming to repair and may disrupt our operations. Moreover, we could be forced to suspend or abandon our construction projects, which may cause us to incur additional costs and experience delays in the schedule of our construction projects. Any significant delay or interruption could impair our ability to meet our contractual obligations and cause us to be liable for damages or result in cancelation of orders by our customers, any of which could negatively affect our reputation, business and results of operations.

In addition, our construction business is affected by seasonality, primarily due to latent construction activities during the Chinese New Year and climate differences in different regions covered by our construction business. Our construction operations are primarily located in Tianjin, which may face limitations during the winter. Moreover, most of our construction projects may be completely suspended during the Chinese New Year period. Although we may overcome some seasonal impacts to our construction business with the advancement of our technology and improvement of equipment, we may nonetheless incur additional expenses or experience delays in progress when conducting our construction business under inclement conditions.

Our business operations may in the future be affected by health epidemics or outbreaks of contagious diseases.

The outbreak of COVID-19 in China in the first quarter of 2020 and resurgence of COVID-19 cases in certain major cities across China throughout 2022 have led to the imposition of various pandemic mitigation measures, including lockdowns, suspension of construction work, travel bans and strict social distancing and quarantine measures. These measures have caused temporary disruption to our operations and we encountered minor delays in our construction progress in some of our projects during the Track Record Period. Due to the COVID-19 prevention and control measures in Tianjin in late 2022, the certification progress of some of our projects were delayed from the fourth quarter of 2022 to the second half of 2023, leading to a delay in the conversion of contract assets to trade receivables in the amount of RMB87.2 million as of December 31, 2022. We incurred administrative expenses in relation to purchasing COVID-19 preventive supplies in a total amount of approximately RMB0.1 million during the Track Record Period.

Thus, any future occurrence of outbreaks of COVID-19 or other epidemics and contagious diseases in China or globally, including avian influenza, severe acute respiratory syndrome, swine influenza caused by the H1N1 virus, or H1N1 influenza or the Ebola virus, or the governmental measures in response to such contagious diseases, may materially and adversely affect our business, financial condition and results of operations.

We may be involved in claims and litigations in our ordinary course of business.

We may be involved in claims and litigations in the ordinary course of our business for, among other things, defective or allegedly defective services, personal injuries, damage to or destruction of property, payment disputes, breaches of contract, and project delays. If found liable on such claims, we may face significant monetary damages, as well as find ourselves subject to sanctions from relevant governmental authorities, including fines and the loss of operational licenses, approvals and permits. We may be subject to lengthy and expensive legal proceedings if the dispute is not resolved through negotiations. Furthermore, we might suffer from negative publicity resulting from such claims. There can be no assurance that we will not be subject to future liability claims or that if any such claims were successful, our business prospects, results of operations and reputation would not be materially and adversely affected.

We may be unable to prevent or detect bribery or other misconducts committed by our employees or third parties.

We may be exposed to bribery and other misconducts including, among other things, acceptance of kickbacks, bribes or other illegal benefits or gains by our employees or third parties. Our risk management and internal control systems are designed to monitor our operations and ensure overall compliance, however, its effectiveness depends on the implementation and adherence by our employees. There can be no assurance that all of our employees will adhere to such policies and procedures, and the implementation of such policies and procedures may involve human errors. Although we have implemented measures to detect and prevent the misconduct of employees and third parties, there can be no assurance that our internal control systems will be effective in preventing corruption, bribery or other illegal activities. Moreover, our growth and expansion may affect our ability to implement stringent risk management and internal control policies and procedures. If we fail to timely adopt, implement and modify, as applicable, our risk management and internal control policies and procedures, our business, financial conditions and results of operations could be materially and adversely affected.

Our insurance policies may not be adequate to cover all risks of loss associated with our business operations.

We maintain insurance policies in accordance with the needs of our business and the requirements set forth in relevant laws and regulations. However, there can be no assurance that the insurance policies will provide adequate coverage for all of the risks associated with our business operations. If we are to incur substantial liabilities that are not covered by our insurance policies or if we suffer extended periods of disruption or interruption in our business operations, we could incur significant costs and losses that could materially and adversely affect our results of operations. In addition, the occurrence of certain incidents, including earthquakes, fires, adverse weather conditions, war, floods, power outages, equipment failures, construction accidents and the consequences, damages and disruptions resulting from any of the foregoing incidents, may not be covered adequately, or at all, by our insurance policies. Any uninsured losses or liabilities may cause us to incur substantial costs and the diversion of resources, which could have an adverse effect on our business operations.

We may be exposed to intellectual property disputes and infringement claims, which may harm our reputation and profitability.

We rely upon a combination of patents, trademarks, software copyrights and domain names to protect us against infringement. As of the Latest Practicable Date, we had registered 85 intellectual property rights. We may have to resort to litigation to enforce our intellectual property rights and protect our proprietary information. Any legal proceeding, litigation or claim, brought by us or against us, can incur additional costs, divert our management's attention and resources, and hence may undermine our profitability. In addition, there can be no assurance that our employees will not breach the employee confidentiality agreements and therefore we cannot ensure that there will not be any misappropriation of proprietary information. Any case of such misappropriation may result in a decrease in our revenue and a decline in our competitiveness.

Our R&D expenses may not enhance our operations and improve our services in the short run.

We believe that R&D is of great importance to our business owing to the constantly evolving construction industry. As of the Latest Practicable Date, our R&D team consisted of 42 employees including personnel with qualifications of mid-level and senior engineer, construction engineer or cost engineer, who possess extensive experience and in-depth understanding of our business requirements to provide technical guidance to our R&D activities and enhance the overall research capability of our Group to keep up with market trends. We have dedicated a significant amount of efforts into developing our construction project management system and construction technologies. Through R&D, we endeavor to enhance the efficiency and effectiveness of our construction solutions and to develop more innovative construction solutions so as to maintain or even enhance our competitiveness in the construction industry. However, the achievements of our R&D may not be realized within the timeline as expected by us and there may also be discrepancy between the expected and actual returns resulting from applying the outcome of the R&D. As a result, if the profits generated from our R&D are not able to cover its costs in the short run, our revenue, results of operations and business will be adversely affected in the short run accordingly.

We may experience failures in our information technology systems including our construction project management system.

We rely, to a large extent, on our IT systems including our construction project management system for our daily operations and project management. Our IT systems are critical to our operations and also support our key operational processes. Our operating efficiency and risk management practices have been enhanced by such IT systems. However, our IT systems may be subject to risks such as computer viruses, hardware and software failures, telecommunications failures, power outages, fires, natural disasters and other similar events. IT system redundancy (i.e. duplication of systems as a backup) and other IT service measures to protect our systems in cases of breakdown in the above circumstances may be inadequate. Such failures or disruptions could adversely impact our business by, among other things, preventing access to our office online system, interfering with customer transactions or impeding the measurement or monitoring of our raw materials, labor and equipment in the project. These events could materially and adversely affect our reputation, financial conditions and operating results, or result in adverse claims or other legal proceedings against us. Although we have not experienced any major IT system breakdown during the Track Record Period, there can be no assurance that our IT systems will always operate without interruption in the future.

We may fail to upgrade as well as adapt and respond timely and effectively to rapidly changing technologies and new trends in IT systems.

We have used our Jiexiao System for project management in various phases of construction projects, which contributes to the cost control and effective management of our projects.

We believe that, in light of the technological advancements and new trends in the industry, our ability to continue to utilize technologies in our construction services is crucial to our future success.

Preferences on services may change rapidly in the future as a result of development and progress of technologies. Our existing IT systems applied in our services may become obsolete or less relevant if we fail to accurately predict future development trends, and such changes may tamper our strengths. We may incur significant costs in developing new IT systems and building up such resources and expertise, in order to make use of the latest IT in our operation. Our existing IT systems may become less efficient if their functionalities fail to keep up with industrial standards or trends, following which our customers may become less willing to conduct business with us without effective assistance from our Jiexiao System. We may not be able to identify and respond to these new trends in a timely manner, or at all. Further, substantial time and costs may be required to adjust our IT systems in response to such rapid changes.

We cannot assure that we may keep ourselves abreast with the development of latest technology in the industry in which we operate. In the event that we are unable to accurately predict market trends or adapt to evolving market demand, our ability to innovate and meet stakeholders' needs will suffer and our revenue and profitability, as well as our reputation, may be materially and adversely affected. If we fail to address these developments, there may also be a material and adverse impact on our competitiveness and our ability to meet our growth targets.

Renewal of and changes in the PRC laws and regulations could adversely affect us.

As our businesses are conducted in the PRC, our operations are principally governed by PRC laws and regulations.

Interpretation and enforcement of the PRC laws and regulations regulating the PRC construction industry and foreign investments may be subject to changes in policies and economic and social environment. Our Company has to meet the policies requirements issued by relevant regulatory authorities from time to time, and obtain approvals and complete filings in accordance with the relevant regulatory authorities' interpretation and enforcement of such policies. If there are any future changes in applicable laws, regulations, administrative interpretations or regulatory documents, more stringent requirements could be imposed on the industries we are currently engaged in. Compliance with such new requirements could impose additional costs or otherwise have an adverse effect on the PRC construction industry. In addition, if we fail to meet such new rules and requirements relating to, among others, approval, construction, environmental or safety compliance of our operations, we may be ordered by the relevant PRC regulatory authorities to change, suspend construction of or closure of the relevant production facilities. Alternatively, these changes may also relax some requirements, which could be beneficial to our competitors or could lower market entry barriers and increase competition. As a result, our business, financial conditions and results of operations could be adversely affected. For details of some of the relevant PRC laws and regulations to which our Group is currently subject to, please refer to the section headed "Regulatory Overview" in this document.

We are subject to environmental, social and governance requirements and responsibilities.

Our operations are subject to various environmental, health and safety laws and regulations relating to water, air and noise pollution, the management of materials and waste, workplace conditions and other social and ethical responsibilities. Our Group has set the quality, environment and safety targets, including: passing rate of 98% or more in one self-inspection of the project; customer satisfaction rate of 90% or more; 100% compliance with noise emission standards; and achieving a record of zero casualties and zero fire accidents. Despite we have taken measures to align our operations with industry best practices, we cannot assure you that we will remain in full compliance with the relevant laws and regulations at all times. Evolving environmental regulations may require significant expenditure for obtaining permits and regulatory compliance and can create the risk of expensive delays or material impairment of project value.

The adoption of new environmental, health and safety laws, policies or regulations, or changes in the interpretation or application of existing environmental, health and safety laws, policies and regulations that modify the present regulatory environment could require compliance procedures that increase our costs and have a material adverse effect on our ability to operate our projects. If we fail to meet such changes in such laws and regulations, we may not be able to renew our licenses, maintain our qualifications or obtain new qualifications in the construction business. Furthermore, if we are deemed to be non-compliant with environmental, health and safety laws and regulations in the future, we may be subject to administrative, civil and criminal proceedings initiated by governmental authorities, environmental groups, other entities or individuals, which could result in substantial fines and penalties against us, as well as court or administrative orders that could limit or halt our operations.

Any of these factors, if not properly addressed, may have a material adverse effect on our business, financial condition, results of operations and prospects.

You may have limited resources in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and all of our business, assets and operations are located in the PRC. In addition, the majority of our Directors, supervisors and senior management reside in China. As a result, it may not be possible for [REDACTED] to effect services of process upon us, or our Directors, supervisors or senior management who reside in China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of some other jurisdictions.

As between the PRC and Hong Kong, the new arrangement entered into between the Supreme People's Court of the PRC and the government of Hong Kong on January 18, 2019 has lifted the requirements for a choice of court agreement in writing in a civil or commercial case under the previous regime on bilateral recognition and enforcement. However, the new arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court of the PRC and the completion of the relevant legislative procedures in Hong Kong, and before such new arrangement becomes officially effective, it may be difficult or impossible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in the dispute do not agree to enter into a choice of court agreement in writing. As a result, [REDACTED] may have limited resources when they seek recognition and enforcement of foreign judgments in the PRC.

You may be subject to PRC taxation.

Under applicable PRC tax laws, dividends paid by us to non-PRC resident individual holders of H Shares and gains realized by non-PRC resident individual holders of H Shares upon sale or other disposition of H Shares are both subject to PRC individual income tax. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax following the Repeal of Guo Shui Fa [1993] No. 045*(《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) dated June 28, 2011 issued by the State Administration of Taxation, the rate for tax on dividends is between 5% and 20% depending on the applicable tax treaties or arrangements between the PRC and the specific jurisdiction in which the non-PRC resident individual holder of H Shares resides or 20% if there is no such treaty or arrangement. However, pursuant to the Circular Declaring That Individual Income Tax Continues to Be Exempted over Income of Individuals from Transfer of Shares* (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the PRC Ministry of Finance and the State Administration of Taxation on March 30, 1998, gains of individuals derived from the transfer of listed shares in enterprises may be exempt from individual income tax. We understand that in practice to date the PRC tax authorities have not sought to collect from non-PRC resident individuals either the tax on gains realized upon sale or other dispositions of H Shares, or any excess of the tax on dividends paid by a PRC company over the amount that was withheld at source.

In accordance with the Notice of the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to Shareholders which are Overseas Non-resident Enterprises* (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation of the PRC and effective from November 6, 2008, dividends paid to, and gains realized by, non-PRC resident enterprise holders of H Shares are both subject to PRC enterprise income tax at a rate of 10%. There are uncertainties as to the interpretation and application of applicable tax laws relating to collection of dividends and stock transfer by holders of H Shares due to several factors, including the relatively short history of certain of such laws. These uncertainties include, whether non-PRC resident individual holders of H Shares will be subject to PRC individual income tax at a flat rate of 20% even where payments are made through an organization such as [REDACTED] (and if so, whether and how the excess of PRC individual income tax on the dividends paid by us to non-PRC resident individual holders of H Shares over any amount withheld by us will be collected by the PRC tax authorities in the future), and whether and how income tax on gains realized by non-PRC resident persons upon the sale or other dispositions of H Shares will be collected by the PRC tax authorities in the future. If there is any change to the applicable PRC tax laws and interpretations or applications in respect of such laws, holders of H Shares may be required to pay PRC income tax (in the case of individuals, at a rate of up to 20%) on the dividends paid by us and gains realized upon sale or other dispositions of H Shares which have not historically been collected by the PRC tax authorities in practice.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares. An active [REDACTED] for our H Shares may not develop or be sustained and the liquidity of our H Shares may be limited.

Prior to the [REDACTED], there has been no [REDACTED] for our H Shares. The initial [REDACTED] range of our H Shares will be the result of negotiations between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us.

In addition, while we have applied to have our [REDACTED] on the Hong Kong Stock Exchange, there can be no guarantee that a [REDACTED] for our H Shares with adequate liquidity and [REDACTED] volume will develop and be sustained following the completion of [REDACTED].

Furthermore, all our Controlling Shareholders are subject to a 12-month lock-up period commencing from the [REDACTED], and the H Shares to be issued to our cornerstone investors, if any, will be subject to a 6-month lock-up period from the [REDACTED], during which they will not, *inter alia*, directly or indirectly dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any Shares.

Accordingly, [REDACTED] H Shares, representing approximately [REDACTED] of our total share capital, will be free to [REDACTED] immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). As a result, a [REDACTED] on the Hong Kong Stock Exchange does not guarantee that an active and liquid [REDACTED] for our H Shares will develop, especially during the period when a significant portion of our H Shares are subject to lock-up undertakings, or if it does develop, that it will be sustained following the [REDACTED], or that the market price of the H Shares will rise following the [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be volatile which could result in substantial losses for [REDACTED] purchasing our [REDACTED] in the [REDACTED].

The [REDACTED] and [REDACTED] of our [REDACTED] may be highly volatile. Several factors, some of which are beyond our control, including variation in our operating results, changes in our pricing policy, changes in securities analysts' estimates of our financial performance, announcements made by us or our competitors, regulatory developments or market changes in the PRC affecting us or our industry, strategic alliances, joint venture or acquisitions, any business interruptions resulting from nature disasters or accidents, addition or departure of our key personnel, release or expiration of lock-up or other transfer restrictions on our Shares, and involvement in litigation, could cause large and sudden changes to the [REDACTED] and [REDACTED] at which our [REDACTED] will [REDACTED].

Furthermore, the business, results of operations, financial conditions and the market price of shares of other companies engaging in similar business may affect the [REDACTED] and [REDACTED] of our shares. In addition, Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility that is not related to the operating performance of any particular company, so it is also possible that our [REDACTED] may be subject to changes in price not directly related to our performance.

Sales or expected sales of large amounts of our [REDACTED] or other securities relating to our [REDACTED] in the [REDACTED] could adversely affect the market price of our [REDACTED].

Future sales or perceived sales by our Shareholders of our [REDACTED] after the [REDACTED] could result in a significant decrease in the prevailing market price of our [REDACTED]. Only a limited number of the [REDACTED] currently outstanding will be available for sale or issuance immediately after the [REDACTED] due to contractual and regulatory restrictions on disposal and new issuance. For further details, please refer to the section headed "Information about this document and the [REDACTED] — Restrictions on [REDACTED]" in this document for a more detailed discussion of the restrictions that may apply to future sales of our [REDACTED]. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our [REDACTED] in the [REDACTED] or the perception that these sales may occur could significantly decrease the prevailing [REDACTED] of our [REDACTED] and our ability to raise equity capital in the future.

[REDACTED] of our [REDACTED] in the [REDACTED] will experience immediate dilution and may experience further dilution if we [REDACTED] additional [REDACTED] in the future.

If we [REDACTED] additional [REDACTED] in the future, our H Share [REDACTED] in the [REDACTED] may experience further dilution in their ownership percentage. We may need to raise additional funds in the future for finance expansion or new developments relating to our existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of such Shareholders in our Company may be reduced or such new securities may confer rights and privileges that take priority over those conferred by our [REDACTED].

We may need additional capital, and the sale or issue of additional [REDACTED] or other equity securities could result in additional dilution to our Shareholders.

Notwithstanding our current cash and cash equivalents and the [REDACTED] from the [REDACTED], we may require additional cash resources to finance our continued growth or other future developments. We cannot assure you that financing will be available in the amounts or on terms acceptable to us, if at all. If we fail to raise additional funds, we may need to sell additional equity securities, which could result in additional dilution to our Shareholders.

There can be no assurance as to whether we will pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. We do not have a formal dividend policy or a fixed dividend distribution ratio. There is no assurance as to whether we will pay dividends in the future. Declaration and distribution of dividends shall be proposed and formulated by our Board at their discretion and will be subject to shareholders' approval. A decision to declare or pay any dividends and the amount of any dividends will depend on various factors, including but not limited to, our results of operations, cash flows, financial conditions, our Articles of Association, statutory and regulatory restrictions, operating and capital expenditure requirements, distributable profits, future prospects and other important factors that our Board may determine. Accordingly, our dividend distribution, if any, is not indicative of any future dividend distribution policy and [REDACTED] should be aware that the amount of dividends paid, if any, should not be used as a reference or basis upon which future dividends are determined.

Certain statistics contained in this document are derived from a third-party report and publicly available official sources.

This document, particularly the section headed "Industry Overview" in this document, contains information and statistics, including but not limited to information and statistics relating to the PRC and construction industries. Such information and statistics have been derived from various official government sources, publicly available sources, and a third-party report prepared by Frost & Sullivan commissioned by us. We believe that the sources of such information are appropriate sources 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 fact has been omitted that would render such information false or misleading. However, there can be no assurance 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. You should read the entire prospectus carefully and we strongly advise you to not rely on any information contained in press articles or other media regarding us and the [REDACTED].

There may be coverage in the media regarding the [REDACTED] and our operations which are beyond our control. We do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements and make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, [REDACTED] should not rely on any of the information in press articles or other media coverage.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate", "believe", "could", "potential", "going forward", "intend", "plan", "project", "seek", "expect", "may", "ought to", "should", "would", or "will" and similar expressions. We have based these forward-looking statements largely on our expectations and projections about future events. You are strongly cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document are not a guarantee by us that our plans and objectives will be achieved. Forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to publicly update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.