You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [REDACTED] *in our H Shares. You should pay particular attention to the fact that we are incorporated in the PRC and that all of our Group's operations are conducted primarily in the PRC, the legal and regulatory environment of which may differ from that prevailing in other countries and regions. If any of the following situations or events occur, our business, financial condition, results of operations or prospect could be affected. In any of these circumstances, the* [REDACTED] *of our H Shares could decrease due to any of these risks, and you may lose all or part of your* [REDACTED]. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

A significant portion of our operation is concentrated in Changsha, Hunan Province, and we are susceptible to unfavorable shifts in government policies or the business environment in this region.

During the Track Record Period, we generated a significant portion of our revenue from operations in Changsha, Hunan Province. For the years ended December 31, 2021, 2022 and 2023, we derived RMB425.5 million, RMB523.3 million and RMB646.5 million from Changsha, respectively, which accounted for 98.6%, 99.0% and 99.2% of our total revenue of the respective year. As of December 31, 2021, 2022 and 2023, in the property management service sector, we managed an aggregate GFA of approximately 10.1 million sq.m., 9.7 million sq.m. and 10.5 million sq.m., respectively, in Changsha, which accounted for approximately 95.1%, 95.0% and 95.3%, respectively, of our total GFA under our management in the property management service sector as of such dates. Changsha will remain to account for a majority portion of our operations in the near future. As a result of this concentration, any changes in provincial government policies or the business environment could negatively impact our business, financial condition, and results of operations, and the above development may be influenced by multiple factors beyond our control, including:

- the economic conditions, the intensity of economic activity and the pace of city development;
- the prospects for future regional development;
- the government regulations and policies regarding the property management, urban services and real estate development industries; and
- the changes in regional real estate and urban service industries.

Additionally, some of our urban service contracts are contracted with local governments in Changsha. Any negative changes in our collaboration with the local governments could significant affect our ability to renew these service contracts or expand our business operations regarding municipal infrastructures and public facilities. The local governments' budgetary plans, satisfaction with our services, and potential changes in laws, regulations, and policies may all impact our collaboration with the local government and their willingness to continue contracting with us for urban services.

A substantial portion of our projects during the Track Record Period was sourced from CSUD Group and its associates, as well as local government and its affiliated entities, public institutions, and other SOEs in Changsha.

During the Track Record Period, a substantial portion of our projects was sourced from CSUD Group and its associates. For the years ended December 31, 2021, 2022 and 2023, our revenue generated from projects sourced from CSUD Group and its associates amounted to RMB303.2 million, RMB348.8 million and RMB419.8 million, respectively, representing 70.2%, 66.0% and 64.4% of our total revenue, respectively. For details, please refer to the section headed "Business – Our Strategic Business Relationship With CSUD Group" in this document.

We do not have control over the business strategies of CSUD Group and its associates, or the macroeconomic or other factors that may affect their business operations. Any adverse development in the operations of CSUD Group and its associates, or their ability to develop new projects may affect our ability to procure new service contracts. We cannot assure you that we will be able to diversify our customer base and procure service contracts from alternative sources to make up for the shortfall promptly or on favorable terms. Additionally, we cannot guarantee that we will be able to renew all of our service contracts with the CSUD Group and its associates, or enter into such agreements in relation to new properties developed by the CSUD Group and its associates. Should any of these events occur, it may have an adverse impact on our business, financial condition, results of operations and development prospects.

During the Track Record Period, a certain portion of our projects was sourced from local government and its affiliated entities, public institutions, and other SOEs in Changsha, and our revenue generated from projects sourced from government, public institutions, and SOEs amounted to RMB60.5 million, RMB56.9 million and RMB60.4 million, respectively, representing 13.7%, 10.7% and 9.2% of our total revenue, respectively. Our prospects are reliant on the relationships we have cultivated with these entities. However, for projects with significant government involvement, such as municipal sanitation service projects, competition tends to be intense. This can result in aggressive bidding and narrow profit margins, posing challenges for companies to obtain projects and maintain profitability. Additionally, given that public institutions and other SOEs operate within the framework of regulations and policies promulgated by government, projects sourced from public institutions and other SOEs are financed by fiscal funds and subject to fierce competition. Therefore, we cannot guarantee a steady flow of projects from government, public institutions, and other SOEs, and failure to secure projects form these entities may pose challenges to our revenue streams and future development.

We may not be able to secure new service contracts or renew our existing service contracts.

We believe that the ability to expand our service contracts portfolio is critical to sustaining our business growth. We obtained new service contracts mainly through tender and direct engagement during the Track Record Period. Customers consider various factors when selecting a service provider, including quality of services, pricing, and track record. Therefore, we cannot guarantee that we will be invited to participate in the tender process. Even if we are invited, we cannot guarantee that we will succeed in the tender process and we may not be able to maintain or increase our tender success rate. Factors beyond our control, such as changes in economic conditions, evolving regulations, and supply and demand dynamics, may hinder our procurement efforts.

During the Track Record Period, for our property management service, the retention rate reached 86.4%, 90.0% and 91.8%, respectively, while the renewal rate reached 52.6%, 75.0% and 71.4%, respectively; for our landscaping and engineering service, we entered into 77, 89 and 129 contracts as of the beginning of each year; for our parking lot operation service, the retention rate reached 95.9%, 98.6% and 96.7%, respectively, while the renewal rate maintained 100.0% during the Track Record Period, except only for a minor dent to 97.8% in 2022; for our lighting system operation service, municipal sanitation service and commercial operation service, the retention rates maintained 100.0%, so as the renewal rates during the Track Record Period. Some of the service contracts we entered into have fixed terms which shall be renewed upon expiry. Most expiring contracts were voluntarily terminated or not renewed under the circumstances including but not limited to (i) project handover from the developer to property owners who decided to choose other service providers; (ii) service termination caused by shift in property conditions, such as property renovations and cessation of operations; (iii) the customer becoming to provide services independently; and (iv) temporary needs for property management service coming to an end. Meanwhile, we may choose not to renew some projects due to their financial performance, and the renewal decision of the relevant contracts also lies with the customers. Competitors that offer lower prices may cause our customers to engage in their services. It is also possible that contracts may be terminated for other unexpected causes. In such cases, our business and results of operations may be adversely affected. In addition, either termination or non-renewal of contracts could potentially be detrimental to our reputation and diminish our competitiveness within the industry.

We may not be able to assist property owners in our commercial operation services in renting out all newly developed properties and renewing existing leases.

For commercial operation services, we may not be able to assist property owners in leasing all of their new properties to an appropriate mix of tenants. In addition, when leases for existing tenants expire, we may not be able to assist property owners in renewing such leases on terms commercially favorable to them, or at all. Even if we manage to assist them to renew the leases, the rent as agreed may decrease due to other factors such as unfavorable market conditions. If we are unable to assist property owners in leasing their properties to tenants at the expected rental rates, or at all, and if the commercial properties under our management fail to achieve the anticipated occupancy rates or maintain acceptable occupancy rates during their life cycle, our revenue may decrease, which could adversely affect our business, financial condition and results of operations.

Even if the leases are successfully renewed, the tenants' abilities to fulfill their lease obligations may change due to factors such as the market environment, which may lead to their rent arrear. Correspondingly, the collection of entrusted operation fees from the property owners may be affected.

We may suffer losses for charging services fees on a lump-sum basis.

We generated a substantial portion of our revenue on a lump-sum basis during the Track Record Period. On a lump-sum basis, we charge property management fees at predetermined fixed lump prices per sq.m. on a periodical basis, representing an "all-inclusive" fee for the property management services we provide. These management fees are fixed and do not fluctuate with the actual amount of costs we incur in the course of providing our services. We recognize as revenue the full amount of property management fees we charge to the property owners or property developers, and recognize as our cost of sales the actual costs we incur in connection with rendering our services. For details, please refer to the sections headed "Business – Property Management Services – Property Management Fees" and "Financial Information – Material Accounting Policy Information, Judgments and Estimates" in this document.

In the event that we fail to accurately anticipate our actual costs prior to negotiating and entering into our property management services contracts, and our fees are insufficient to sustain our profit margins, we would not be entitled to collect additional amounts from our customers to make up for the shortfalls. We also cannot assure you that we will be able to adequately control our costs in the course of providing property management services. As a result, such losses may have a material and adverse effect on our results of operations.

If we are unable to raise property management fee to fully cover the property management costs we incurred, we would seek to adopt certain cost-saving initiatives to reduce the loss. However, our cost-saving efforts may not be successful and may affect the quality of our property management services, thereby reducing the willingness of the property owners to pay management fees. Such losses may have a negative effect on our results of operations.

Our urban services business may not grow as planned.

Our urban services, including landscaping and engineering, lighting system operation, parking lot operation and municipal sanitation services, are an important part of our Group's business, generating revenue of RMB185.4 million, RMB274.7 million and RMB353.3 million for the years ended December 31, 2021, 2022 and 2023, contributing to 42.9%, 52.0% and 54.2% of the total revenue respectively, for the same years. The expansion of our urban service business may be limited due to the following factors:

- The expansion of our landscaping and engineering services, such as municipal maintenance, municipal road greening, as well as the interest concession made to expand new markets may lead to a decrease in the average level of profitability;

- Our parking lot operation service charges are subject to government guidance price and our charges had never gone beyond the upper limits of the local governments' guidance prices during the Track Record Period. However, we cannot guarantee that the adjustments of the government-imposed limits would not negatively affect our charges and revenue. Moreover, certain temporary parking lots and those authorized by the government are affected by land transfer and changes in government policy, which may result in a decrease in the scale and revenue of our parking lot operation;

- Our lighting system operation is subject to the fiscal appraisal of the local governments. The operation fees are typically paid from the fiscal budgets of local governments, which means that the fees may fluctuate according to the government's appraisal of our operational efficiency; and

- Compared to established sanitation companies, our entry into municipal sanitation operation was relatively recent. We are continuously enhancing our service offerings and accumulating experience. This might lead to increased susceptibility to competitive pressures from the broader market during our expansion phase.

We cannot assure you that we can expand our urban service business nationally as successfully as we have expected. If we fail to manage our future expansion, our business, financial condition, results of operations and prospects could be negatively affected.

Delays in receiving payment or failure to collect service fees from customers may result in the risk of impairment losses on our trade receivables and contract assets, and adversely impact our financial condition and liquidity.

We may encounter difficulties in receiving timely payments from customers for the services we have provided to them and in collecting service fees from customers, which is crucial to our profitability and cash flow. This includes challenges in collecting service fees from property owners, residents, developers, property owners and government agencies for property management services, urban services and commercial operation services. Any business relationship termination, scaling back, alteration, or any financial difficulties of these parties may affect our ability to recover outstanding trade receivables and contract assets, impacting our financial condition and liquidity. While we have adopted various collection measures in place to recover overdue service fees, we cannot guarantee the effectiveness of the measures.

As of December 31, 2021, 2022 and 2023, our contract assets amounted to RMB88.1 million, RMB157.3 million and RMB249.7 million, respectively. Contract assets shall be reclassified to trade receivables when we become entitled to collect payments unconditionally from such contracts. However, we cannot guarantee when the settlement period would trigger. The impairment allowance for contract assets amounted to RMB1.5 million, RMB6.8 million and RMB12.8 million as of December 31, 2021, 2022 and 2023, respectively. For details, please refer to the sections headed "Financial Information – Discussion of Certain Selected Items from Our Consolidated Statements of Financial Position – Contract Assets" in this document.

As of December 31, 2021, 2022 and 2023, our gross trade receivables with third parties amounted to RMB49.8 million, RMB66.9 million and RMB51.8 million, respectively, while our gross trade receivables with related parties amounted to RMB54.1 million, RMB72.5 million and RMB54.9 million. In 2021, 2022 and 2023, our trade receivable turnover days were 75 days, 84 days and 69 days, respectively. Particularly, our trade receivable turnover days of third parties were 63 days, 73 days and 60 days, respectively, during the Track Record Period. Our trade receivables turnover days of third parties decreased from 63 days in 2021 to 60 days in 2023, primarily due to our enhanced collection efforts. We have made provisions for loss allowance based on assessments of expected credit losses. Even after we have finished the work required, the settlement audit process and the internal process for our customers settling payments may take one or more years to complete. This is especially true for some government projects, which often require more complex approval processes and multiple negotiation rounds with various parties, thus leading to a longer payment cycle. We cannot control the business strategies of our counterparties or the macroeconomic conditions that may impact their financial situation, which could affect our ability to recover outstanding trade receivables. Failure to recover outstanding trade receivables could impact our liquidity and financial condition. However, we have not faced significant issues during the Track Record Period. Notably, CSUD Group and its associates, as our largest customer, contributing 42.4%, 44.4%, and 44.4% of our revenue in 2021, 2022 and 2023, respectively, represents a substantial portion of our total trade receivables. For details, please refer to the sections headed "Financial Information – Discussion of Certain Selected Items from Our Consolidated Statements of Financial Position – Prepayments, Trade and Other Receivables – Trade Receivables" and "Financial Information – Related Party Transactions" in this document.

As of December 31, 2021, 2022 and 2023, the loss allowance of trade receivables was RMB16.1 million, RMB21.3 million and RMB22.0 million, respectively. Although the estimate and the related assumptions made by our management are in accordance with the information available to us at the time the allowance was determined, such estimation or assumptions may need to be adjusted if new information becomes available. If the actual recoverability of trade receivables and contract assets is lower than anticipated or if our previous allowance for impairment of such receivables and contract assets is insufficient based on new information, we may need to increase our impairment allowance. This could have an adverse impact on our business, financial condition and results of operations.

We recorded negative operating cash flow in 2022.

We recorded net cash used in operating activities of approximately RMB8.1 million for the year ended December 31, 2022, which mainly arose from the income tax paid. For details, please refer to the section headed "Financial Information – Liquidity and Capital Resources – Cash Flow Analysis – Net Cash Generated from/(Used in) Operating Activities" in this document.

We cannot assure you that we will not experience negative operating cash flows in the future. Negative net operating cash flows might require us to acquire enough liquidity to cover our obligations and financial demands. If we are unable to achieve this, we risk falling behind on our payments or shortage of capital expenditures, thereby hindering our planned business development. Our business, financial condition, and results of operations might all be significantly and negatively impacted as a result.

If we are not able to fulfill our obligations under our contracts with customers, our financial condition and results of operations may be adversely affected.

As of December 31, 2021, 2022 and 2023, our contract liabilities amounted to RMB24.5 million, RMB13.6 million and RMB18.5 million, respectively. These liabilities primarily arise from the advance payments made by customers for services not yet provided. For details, please refer to the section headed "Financial Information – Discussion of Certain Selected Items from Our Consolidated Statements of Financial Position – Contract Liabilities" in this document. If we fail to fulfill our contractual obligations, we may not be able to convert the liabilities into revenue, and our customers may demand refunds of service fees we have received, which could adversely affect our cash flow and liquidity condition, our ability to meet our working capital requirements and our operational and financial outcomes. In addition, failure to fulfill our contractual obligations may adversely affect our relationship with such customers, damage our reputation, and thus impact on our future results of operations.

We are exposed to potential risks associated with engaging third-party subcontractors to perform certain property management services, urban services and commercial operation services.

In the course of our business, we delegate certain labor-intensive services such as cleaning and security, as well as professional services such as distribution transformer maintenance, steel structure construction works to third-party subcontractors in the course of our ordinary business. We select our subcontractors based on factors such as market reputation, qualifications, prices and track record. For the years ended December 31, 2021, 2022 and 2023, our subcontracting costs amounted to approximately RMB151.0 million, RMB200.7 million, and RMB216.7 million, representing approximately 46.6%, 49.3% and 43.3% of our total cost of sales, respectively. However, we cannot guarantee that they will always perform in accordance with our expectations and we may not be able to supervise subcontractors like we do our employees. They may act contrary to our or our customers' instructions or requests, or be unable or unwilling to fulfill their obligations or meet our required quality standards. As a result, we may have disputes with our subcontractors, or may receive complaints from our customers, or be held responsible for their actions, either of which could lead to damages to our reputation, additional expenses and business disruptions, and risk of litigation and damage claims. In addition, in the event that these subcontractors run into financial difficulties, fail to maintain a stable team of qualified labor or fail to perform their obligations properly or in a timely manner, their work process may be interrupted, potentially resulting in a breach of the contract that we entered into with our customers. Any of these events could adversely affect our service quality, reputation, as well as our business, financial condition and results of operations.

Damage to the common areas of the properties we manage or operate and the public urban areas where we provide the lighting operation system services could adversely affect our business, financial condition and results of operations.

The common areas of the properties we manage or operate may be subject to damage due to incidents beyond our control, such as natural disasters, accidents or intentional damage. Where the damage is caused by natural disasters such as earthquakes, floods or typhoons, or accidents or intentional harm such as fires, the damage caused may be material and extensive. Although according to the PRC laws, a special fund shall be set up for residential properties to pay for the repair and maintenance costs of common areas; we cannot guarantee that the relevant fund will be sufficient. As the property management service provider, we may be viewed as the responsible party for restoring the common areas. At times, we may need to allocate additional resources to assist the police and other governmental authorities in investigating criminal actions that may have caused damage to the common areas. If the special funds are insufficient to cover all costs, we may need to use our own resources to compensate for the shortfall and repair the damages before we attempt to collect the amount from the property owners, property developers and residents later on. Failure to recover these costs may result in adverse effects on our business, financial condition and results of operations. As we intend to continue to expand our business by managing more properties, the likelihood of any damage to the public areas of the properties we manage may increase in proportion, particularly if we may expand into markets in areas susceptible to natural disasters.

In addition, the landscape and functional lighting we operate are situated in public urban areas and are susceptible to both intentional and unintentional vandalism, including incidents such as vehicle collisions and deliberate damage. As a provider of urban services, we are contractually obliged to repair and maintain some of these lampposts and cables, which may result in additional operational costs for our Group. Although we did not experience any material adverse effects on our assets, business, results of operations and financial condition due to the incidents outlined above during the Track Record Period and up to the Latest Practicable Date, we remain to be exposed to such risks and failure to manage such risks may have an adverse effect on our business, financial condition and results of operations.

Increase in labor costs may adversely affect our business and reduce our profitability.

For the years ended December 31, 2021, 2022 and 2023, our labor costs amounted to approximately RMB185.2 million, RMB232.8 million, and RMB262.9 million, which accounted for approximately 57.1%, 57.2% and 52.6% of our total cost of sales, respectively. For the years ended December 31, 2021, 2022 and 2023, our subcontracting costs amounted to approximately RMB151.0 million, RMB200.7 million and RMB216.7 million, representing approximately 46.6%, 49.3% and 43.3% of our total cost of sales, respectively. Since our business model is labor-intensive, we believe that economizing our labor costs is essential to maintaining and improving our profit margins.

We face pressure from rising subcontracting costs due to various contributing factors, including, but not limited to, the following:

- *Potential labor shortage* – Affected by economic fluctuations, we have observed an overall tightening labor market, and the labor shortage problem is prominent. It may raise our labor costs, and we may also face seasonal labor shortages which even affect our daily operations.

- *Increases in minimum wages* – The minimum wages in regions we operate have increased substantially in recent years, directly affecting the fees we pay to our subcontractors.

We cannot assure you that we will be able to control our costs or improve our efficiency. If we fail to do so, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to complete the landscaping and engineering project or deliver the work on time.

Most of our landscaping and engineering projects are conducted outdoors, and certain outdoor projects may be suspended owing to (i) unexpected adverse weather conditions such as inclement weather, prolonged precipitation and extreme temperature; and (ii) unexpected natural disasters and other operating hazards such as earthquakes, floods, typhoons, landslides or fire, which may lead to project delays. Given the risk that these projects may not be completed as per the pre-set schedule, we may have to compensate our customers for losses or damage caused by the delay. For the projects undertaken by us, the landscaping and engineering contracts might contain a penalty clause for late delivery of work, which is generally calculated based on contract value. Any claim for the damages as a result of the delay in the completion of the projects will affect our profitability if no extension of time is granted by our customers.

Project delays in landscaping and engineering are not uncommon. While RMB10,000 was reduced from the payment by a customer due to project delays affecting our settlement in 2022, during the Track Record Period, we did not have any material dispute in relation to landscaping and engineering project delay. However, we can not assure you that we can complete every landscaping and engineering project on time in the future or receive an extension of time granted by our customers. Any failure on our part to complete a project promptly could harm our reputation in the industry and hinder our ability to win future contracts, which could materially and adversely affect our business, financial condition and results of operations.

In the event of a disagreement over the value of the works performed by us, we may not be able to charge the contracted price or recover the performance retention monies in full.

Disagreement may arise between us and our customers as to the value of work performed and the progress payments that we are entitled to in the relevant period. Generally, the value of our work done is ascertained regarding the scope of work and fees specified in the contracts or determined by the mechanism specified in the contracts. However, our opinions on the value of the work completed may differ from those of our customers. Any dispute regarding the value of the work performed may prolong our payment application, which may affect our liquidity and financial position.

There can be no assurance that progress payments or retention monies in respect of our projects will be paid on time and in full due to disagreement on the payment sum. If our customers fail to make such payments on time and in full, our future liquidity position and results of operation may be adversely affected.

We may fail to protect the personal information of our customers and comply with laws and regulations related to cybersecurity, privacy, data protection, and information security.

In the course of our daily operations, it is inevitable that we collect, process, and store the personal data of our customers, business partners, and employees. Although we have taken measures to protect the confidential information we obtain, we may not be able to identify the techniques used to damage or gain unauthorized access to our platforms, or adequately prevent employees' misconduct and malpractice, system errors, fraudulent inducement, defects, or similar events. Any intentional or accidental security vulnerabilities or unauthorized access to our platforms may result in confidential information leakage and unlawful use. We may be exposed to significant litigations, enforcement actions, legal sanctions (including but not limited to fines, suspension of our operations, and restrictions on our business activities), reputation damage, diversion of management's attention, and potential corporate criminal liabilities correspondingly.

Although we strive to comply with applicable laws, regulations, and policies related to cybersecurity, privacy, data protection, and information security, we cannot guarantee that our practices, products, services, or platforms will meet all the requirements imposed on us by such laws, regulations, or policies. Any non-compliance or perceived non-compliance with applicable laws, regulations, or policies may result in inquiries or other proceedings being instituted against, litigation, administrative decisions, or sanctions by government authorities, consumers, or other parties, including warnings, fines, directions for rectifications, suspension of relevant businesses, and termination of our applications, as well as in negative publicity on us and damage to our reputation, all of which could have a material adverse impact on our business, financial condition and results of operations.

Our historical performance may not be indicative of our future prospects, our future growth may not materialize as planned and failure to manage any future growth effectively may have a material adverse effect on our business, financial condition and results of operations.

Our profitability is partially dependent on the scale, complexity and specifications of the projects, our ability to control costs and operating expenses, the competitive conditions at the contract negotiation stage and the general market conditions, which may increase as our business expands. Our gross profit margin for the years ended December 31, 2021, 2022 and 2023 was approximately 24.9%, 23.0% and 23.3%, respectively. For details, please refer to the section headed "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income – Gross Profit and Gross Profit Margin" in this document.

However, as a company with limited operating history, we cannot guarantee that we will sustain our historical growth in the future. Our estimates and plans for future business growth are based on our predictions of market prospects, which may not always be accurate. Our expansion plans could be affected by factors beyond our control, including changes in the economic condition of the PRC in general, per capita annual disposable income of residents in the PRC, changes in the PRC real estate market and the property management market, changes in the PRC urban services and commercial operation services market, changes in government regulations, changes in supply and demand for our services, as well as the availability of suitable and proficient property managers and third-party service providers for our expansion efforts. Historical changes in these factors may not be indicative of their future developments, and therefore their historical impacts on our business operations may not serve as reliable indicators of our future business expansion and operations.

Besides, there is no guarantee that we will continue to increase the number of our property management service contracts or total GFA under management as we did during the Track Record Period, nor will we be able to succeed in our future business development efforts. We also face challenges related to rising subcontracting costs, as well as intense competition for employees and business opportunities. Factors beyond our control, such as changing regulations, economic conditions, or other developments, may also have a material adverse impact on our financial performance and business operations. And, if we expand beyond our current regions of operation, we may not be able to enjoy economies of scale from our future geographical expansion.

Our historical results of operation may not be indicative of our future prospects and results of operations. We cannot assure you that our future growth will materialize or that we will be able to manage our future growth effectively.

Our future acquisitions or investments in other companies may not achieve the desired benefits and we may face difficulties in integrating acquired operations with our existing operations.

We intend to continually evaluate the potential acquisitions, investments, and strategic alliances that could complement our existing business and be integrated into our operations. However, we can not guarantee that we will identify suitable opportunities, especially given the fierce competition we may face from other market players, including our peers listed on the Stock Exchange, who are also pursuing quality acquisition or investment targets to achieve their expansion goals. Furthermore, even if we are successful to identify appropriate opportunities, such acquisitions, investments and strategic alliances involve inherent uncertainties and risks, including the possibility of failing to achieve the intended objectives, diverting resources and management's attention, incurring ongoing financial obligations, encountering unforeseeable or hidden liabilities, facing challenges in enforcing performance guarantees (if any), non-compliance incidents, and legal disputes. In addition, we may encounter difficulties in integrating acquired operations with our existing business, which could disrupt our ongoing business, distract our management and employees or increase our expenses, any of which may materially and adversely impact our business, financial condition and results of operations and prospects.

Our expansion into new geographical markets presents certain risks and uncertainties.

In order to achieve sustainable growth, we may consider expanding our operations into regions in the PRC where we had no operations during the Track Record Period. Our expansion plan includes broadening our geographic coverage in Changsha and expanding into the other major cities in the PRC. For details, please refer to the section headed "Business – Business Strategies – Consolidate our position in Hunan Province and continue to expand our business scale through multiple channels" in this document. However, we acknowledge that our expansion plans may face intense competition from established market players with similar expansion plans, particularly in regions with sufficient growth potential. Due to a lack of local knowledge and experience, we may encounter challenges that we have not previously encountered. Accordingly, we may fail to recognize or properly assess risks or take full advantage of opportunities.

Moreover, our experience in existing markets and our business model may not be readily transferable to and replicated in new geographic regions. The markets in new geographic regions may differ from those in which we currently operate, in terms of the level of local economic and industrial development, local government policies and support, market demand and development cycles. As a result, we may lack familiarity with local governments, business practices, regulations and customer preferences as other local and more experienced service providers in such cities, which may put us in a disadvantageous position. We may also have limited ability to leverage our established reputation in new markets in the way we have done in our existing markets. Furthermore, the administrative, regulatory and tax environments in our target regions may be different and we may face additional tax and regulatory expenses in complying with new procedures there. We may also have to engage new local subcontractors and suppliers for our operations, the quality and credibility of which we are not familiar. We cannot guarantee that we will not experience issues such as capital constraints, construction delays and operational difficulties in new business locations. We may also experience difficulties in expanding our existing business and operations and training an increasing number of personnel to manage and operate the expanded business.

Our Group has a relatively short operating history.

Although some of the subsidiaries in our Group have a comparatively long operating history, our Company was established in 2015 and we may encounter, including, among others, risks and difficulties regarding our ability to:

- effectively develop and maintain internal personnel, systems, controls and procedures during the process of our integration of internal resources;
- retain customers;
- maintain effective control of our development as well as operating costs and expenses; and
- improve qualifications and performance to respond to competitive market conditions in the relevant industries.

Our failure to achieve any of the above may jeopardize our ability to provide our services in the manner we contemplate, which in turn may have an adverse effect on our business, financial condition, results of operations and prospects.

We are subject to the regulatory environment and measures affecting the property management and real estate industries, which may affect our business growth.

Our operations are subject to regulations and measures affecting the property management industry where we conduct business. In particular, the fees charged by property management companies for property management services are subject to regulation and supervision by relevant regulatory authorities. For example, the relevant price administration department and construction administration department of the State Council are jointly responsible for the supervision over and administration of fees charged in relation to property management services for preliminary property management service contracts and such fees may need to follow the PRC Government guidance prices. Pursuant to the Circular of the National Development and Reform Commission on Relaxing Price Controls in Certain Services (《國家發展改革委關於放開部分服務價格意見的通知》) (Fa Gai Jia Ge [2014] No. 2755) (發改價格[2014]2755號), which became effective on December 17, 2014, the property management fees we charge, such as those for preliminary property management service contracts, may still need to follow guidance prices imposed by local governments in different regions in the PRC. In addition, if the property management fees we charge are not ratified by the relevant PRC authorities or otherwise not in compliance with the relevant requirements for government guidance prices, we may be subject to applicable administrative penalties and our property management fees in excess of the guidance price may be confiscated by the relevant PRC authorities. For details, please refer to the section headed "Business – Property Management Services – Our Pricing Policy" in this document. Government-imposed limits and other regulatory requirements on property management fees could have a negative impact on our earnings. In addition, the government from time to time publishes notices to regulate the market orders and address the recent issues in the real estate and property management industries such as failure to deliver agreed-on and quality property management services and illegal use of common areas. For example, in July 2021, the MOHURD, along with other governmental agencies, jointly published the Notice on the Continuous Rectification and Regulation of the Real Estate Market (《住房和城鄉建設部等8部門關於持續整治規範房地產市場秩序的通知》). We cannot guarantee that the government regulations on property management fees and other matters concerning the property management industry will not have an effect on our business, financial condition, results of operations and prospects.

As we continue to expand our business operations into new geographic regions and broaden the range of services we offer, we are subject to a number of provincial and local rules and regulations standardizing various aspects of our business operations. Moreover, as the size and scope of our operations increased during the Track Record Period, the increasing difficulty of regulatory compliance may lead to additional costs resulting from non-compliance. Failure to comply with the related local regulations, especially in respect of new markets that we may be less familiar with, may result in penalties by the competent authorities. The laws and regulations applicable to our business, whether national, provincial, or local, may also change in ways that increase our costs of compliance to some extent, and restrict our ability to pass on such costs to our end customers. Any failure of compliance could result in significant financial penalties, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Moreover, we may also be affected by the regulations on the real estate industry. The PRC Government has previously introduced measures to regulate speculation in the real estate market and has exerted direct and indirect influence on the development of the PRC real estate industry through industry policies and other economic measures, such as regulation of the supply of land for property development, management policy of the foreign exchange, real estate financing and taxation. These policies and measures may affect the expansion of property development activities, impose limitations on the ability of commercial banks to make loans to property purchasers, levy additional taxes and levies on property sales and affect the delivery schedule and occupancy rates of the properties we service. Any such governmental regulations and measures may affect the real estate industry, thus affecting our business growth and resulting in a material adverse effect on our business, financial condition and results of operations and prospects. In particular, the local authorities may introduce other initiatives or implement more stringent measures in the future, such as setting caps on certain debt ratios, to control the increase of debt levels in the real estate sector. Such potential initiatives or measures, once in place, may further limit property developers' access to capital and slow down the overall growth of the real estate sector and expansion of property developers, which may in turn negatively impact the growth of the property management industry and the supply of new properties for management by property management companies like us, especially with respect to the expansion of new contracts from Independent Third Party developers who may be more sensitive to the potential changes at least in the short term. As such, our business, financial condition and results of operations and prospects could be materially and adversely affected.

According to the symposium jointly held by the MOHURD and the PBOC in August 2020, the MOHURD and the PBOC formulated the "Three Red Lines" policy to limit the growth of real estate companies' interest-bearing debt and financing activities. The policy imposed restrictions on the gearing ratio (excluding receipts in advance), net gearing ratio and cash over short-term interest-bearing loans ratio applicable to property developers. For more details, please see "Business – Recent Regulatory Development" in this document. The policy may slow down the growth of the whole real estate sector, affecting the expansion of property developers and in turn imposing an adverse impact on our growth. As such, in the event that we or other property developer customers are unable to obtain sufficient financing to support their expansion of business which results in a delay in the delivery of new properties to be managed by us, the growth of our GFA under management, our business and financial condition may be materially and adversely affected.

We may experience intense competition and fail to compete effectively.

The property management services, urban services and commercial operation services markets in the PRC and Hunan Province are intensely competitive and highly fragmented. For details, please refer to the section headed "Industry Overview – Competition" in this document. Our major competitors include property management services, urban services and commercial operation services providers operating on national, regional and local scales. Competition may intensify as our competitors expand their service offerings or as new competitors enter our existing or new markets. We compete with our competitors on various factors, including operation scale, service quality and price, customer base, technical capabilities, brand recognition and financial resources. Our competitors may have better track records, longer operating histories and greater financial, technical, price, marketing and other resources, as well as greater brand recognition and larger customer bases. Consequently, these competitors may be able to dedicate more resources to the development, promotion, sale, and support of their services. Some of our competitors are also part of corporate group developers and, therefore, enjoy similar advantages in tendering for projects developed by their affiliates and limiting our ability to compete for such opportunities.

In addition to competition from established competitors, we may also face competition from emerging companies that may enter the property management industry in our existing or new markets offering terms that may be disruptive to the market. These emerging companies may have stronger capital resources and greater financial and technological resources compared to us. There can be no assurance that we will be able to continue to compete effectively or maintain or improve our market position, and such failure could have a material adverse effect on our business, financial condition and results of operations and prospects.

We are exposed to liability and reputational risks in relation to work safety and the occurrence of accidents.

Our business involves construction, repair and maintenance projects which carry inherent dangers and may place our employees and others in close proximity to construction equipment, electrical equipment, machinery, and moving motor vehicles. Despite our implementation of safety policies and standardized safety procedures, we cannot preclude hazards associated with equipment defects, accidents and geological catastrophes. Such hazards may result in personal injuries or casualties, and cause the destruction of property, equipment and machinery. During the Track Record Period and up to the Latest Practicable Date, we did not experience or involve any material strikes, work safety accidents, material labor disputes with our employees, or involvement in any material work safety accidents, nor did we receive any major complaints, notices or orders from relevant government authorities or third parties. Nevertheless, accidents outlined above are still possible to occur in the ordinary course of our business, exposing us to risks in relation to work safety, including but not limited to claims for injuries, fatalities or other damages sustained by our employees or subcontractors. Such accidents may also damage our reputation within the property management services, urban services and commercial operation services market. We may also experience business disruptions and be required to implement additional safety measures or modify our business model due to governmental or other investigations. To the extent that we incur additional costs, we may suffer material adverse effects on our business, financial condition, results of operations and brand value. In addition, we are exposed to claims that may arise due to employees' or third-party subcontractors' negligence or recklessness when performing repair and maintenance services. We may be held liable for the injuries or deaths of employees, subcontractors, residents or others. We may also experience interruptions to our business and may be required to change the manner in which we operate because of governmental investigations or the implementation of safety measures upon the occurrence of accidents. Any of these events could adversely affect our reputation, business, financial condition and results of operations.

We are exposed to interruptions and security risks in relation to our IT systems, failure to upgrade our management systems, and risks related to the use of third-party online payment platforms.

We use various platforms and systems in our business operations. For example, we rely on an intelligent management platform to control all lighting terminals in our night scenery illumination control projects. Moreover, we cannot guarantee that damages, delays or interruptions caused by power outages, computer viruses, hardware and software failures, telecommunication failures, fires, natural disasters, security breaches and other similar occurrences relating to our information technology systems will not occur going forward. We may incur significant costs in restoring any damaged information technology systems. If we fail to detect any system error or malfunction, continue to upgrade our information technology systems and network infrastructure, or take other measures to improve the efficiency of our information technology systems, system interruptions or delays could occur, which could adversely affect our operating results.

We accept payments via various methods, including, but not limited to, online payments through third-party platforms, such as WeChat Pay and Alipay. Transactions conducted through these platforms involve the transmission of confidential information, such as credit card numbers, personal information and billing addresses over public networks. While the use of third-party platforms in the PRC has grown significantly in recent years, we do not have control over the security measures taken by providers of these platforms. In the event that the security and integrity of these third-party platforms are compromised, we may experience material adverse effects on our ability to process property management fees. We may also be perceived as partially responsible for failures to secure personal information and be subjected to claims alleging possible liability brought by our customers. Such legal proceedings could damage our reputation and materially and adversely affect our business, financial condition and results of operations. In addition, the PRC Government may promulgate new laws and policies to regulate the use of third-party online payment platforms, which may increase our compliance and operational costs, for example, by requiring us to pay higher transaction fees.

There are uncertainties about the recoverability of our deferred tax assets, which could adversely affect our results of operations.

As of December 31, 2021, 2022 and 2023, we recorded deferred tax assets of approximately RMB5.2 million, RMB7.3 million and RMB10.2 million, respectively. Under our accounting policies, we periodically assess the probability of the realization of deferred tax assets, which involves significant judgments and estimates regarding historical operating results, expectations of future earnings, tax planning strategies and other related factors. We recognize deferred tax assets relating to certain temporary differences and tax losses when our management considers it is probable that future taxable profit will be available, and as a result, the temporary differences or tax losses can be utilized. However, there is no assurance that our judgments or estimates based on the expectation of future earnings will be accurate, as factors beyond our control, such as general economic conditions and negative development of the regulatory environment, may affect our ability to recover our deferred tax assets and thereby could have an adverse effect on our financial condition in the future.

We recorded losses from our associate and joint ventures during the Track Record Period because of initial cultivation challenges and market competition which may adversely affect our financial condition and results of operations.

We have been investing in an associate and joint ventures and will continue such arrangements with third parties, whose performance may affect our financial condition and the results of operations. As of December 31, 2021, 2022 and 2023, the carrying amount of our investments in an associate and joint ventures amounted to approximately RMB22.8 million, RMB22.3 million and RMB24.1 million, respectively. For the years ended December 31, 2021, 2022 and 2023, the share of profits less losses of an associate and joint ventures were RMB4.6 million, RMB3.1 million and RMB2.2 million, respectively. Given that our joint ventures are newly established in Changsha and Huaihua, the development and expansion process of whose businesses involves initial cultivation challenges and intense market competition. In 2021, we recorded share of losses from Changsha Wangcheng District New Hope Pilot Property Management Co., Ltd. (長沙市望城區新希望先導物業管理有限責任公司) ("**Wangcheng Property Management**") and Huaihua Hecheng Urban Investment Property Management Co., Ltd. (懷化市鶴城區城投物業管理有限公司) ("**Huaihua Property Management**") of RMB0.7 million, and we recorded share of losses from Huaihua Property Management of RMB0.4 million and RMB0.5 million in 2022 and 2023, respectively. For details, please refer to the section headed "Financial Information – Discussion of Certain Selected Items from Our Consolidated Statements of Financial Position – Investment in an Associate" and "Financial Information – Discussion of Certain Selected Items from Our Consolidated Statements of Financial Position – Investment in Joint Ventures" in this document. With the development and continuous operations of our business now and in the future, our losses have been gradually decreasing while our profitability is gradually being reflected.

A lot of variables, some of which are outside of our control, affect how successful associates and joint ventures would be. It is possible that we may not be able to compel our partners to fully fulfill their promises to us under our cooperation agreements. Hence we might not be able to get the anticipated economic and other advantages from our associate and joint ventures or even suffer losses. Additionally, our investment agreement, the articles of association of our associate and joint ventures and other certain matters require the mutual assent of all parties to the associate and joint ventures as per the PRC laws. The risks associated with such investment arrangements include (i) if a disagreement between us and our partners exists, we may not be able to pass important board resolutions that call for the unanimous approval of all of the directors of our associate and joint ventures; or (ii) our partners may have interests, objectives, or philosophies inconsistent with ours.

Due to the fact that our investments in an associate and joint ventures are less liquid than other investment products, they are also vulnerable to liquidity risks. Our capacity to sell our investment in an associate and joint ventures in response to unfavorable changes in economic, financial, and investing conditions may be considerably limited by the illiquidity of our investment in an associate and joint ventures. We are unable to foresee whether we will be able to dispose of our interests in an associate and joint ventures for a profit. Furthermore, we are unable to anticipate how long it will take to find a buyer and finish the pertinent transaction.

We cannot assure you that our invested associate and joint ventures will declare and/or pay any dividends even if we record the share of profits using the equity method because the declaration, payment, and amount of dividends are at the discretion of the directors of the invested associate and joint ventures and depend on a variety of factors, including their operations, earnings, cash flows, and financial condition, as well as constitutional documents and applicable laws. Therefore we cannot assure you investments in an associate and joint ventures are as liquid as other investment products. If the share of profits of these associate and joint ventures were to fluctuate, our results of operations may be adversely affected.

We cannot assure that there have been, or will be in strict compliance with all applicable laws and regulations due to lack of full control over our associate and joint ventures. We cannot assure you that we will not come across matters with respect to our associate and joint ventures or our associate and joint ventures will not violate the laws and regulations, which may adversely affect our business, financial condition and results of operations.

We may be subject to fines for failure to sufficiently contribute to social insurance and housing provident funds in according with the relevant PRC laws and regulations in relation.

In accordance with the applicable PRC laws and regulations, we are obliged to contribute to social insurance and housing provident funds for our employees. However, the social insurance fund and housing provident funds have covered all employees, but we failed to make full contributions to social insurance and housing provident funds for certain employees during the Track Record Period. As of the Latest Practicable Date, we had not received any notice from the local government authorities regarding any claim for the inadequate contribution of our current and former employees.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), if we do not pay the full amount of social insurance contributions as required, the relevant authorities may demand us to pay the outstanding social insurance contributions within the deadline stipulated by them and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay. We may be liable to a fine from one to three times the amount of the outstanding contributions if we fail to make such payments. According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), in respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within the time period stipulated by relevant authorities. If payment is not made within such a stipulated time period, relevant authorities may apply to the PRC courts for compulsory enforcement. If the relevant government authorities exercise their enforcement options described above due to our failure to make a full contribution to social insurance and housing provident funds on behalf of our employees, our business, financial condition and results of operations may be materially and adversely affected. For details, please refer to the section headed "Business – Legal Proceedings and Compliance – Non-compliance – Social Insurance and Housing Provident Fund Contribution" in this document.

Some of our lease agreements have not been filed with the relevant PRC authorities and, as a result, we might be subject to administrative fines.

As of the Latest Practicable Date, we failed to file nine lease agreements for the properties we leased with the local housing administration authorities as required under the PRC laws and regulations. According to the applicable PRC regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant governmental authorities within 30 days after the execution of the lease agreement. In the event that the lessor and the lessee fail to file, relevant governmental authorities shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a fine of more than RMB1,000 but less than RMB10,000 shall be imposed. According to the applicable PRC regulations, lessors of the related leases need to provide certain documents (such as their business licenses or identification information) in order to complete the administrative filing process. There can be no assurance that the lessors of our leased properties will cooperate in providing the necessary documents or completing the administrative filing. Failure to complete the administrative filings within the period required by the relevant governmental authorities may result in fines.

Some of our leased and operated properties have defective titles, and we may be required to cease occupation and use of such leased and operated properties if there is a valid claim for them.

As of the Latest Practicable Date, with respect to one leased property, we had not received valid property ownership certificates or relevant authorization documents from the lessors. The absence of these documents limits our ability to verify whether the lessors have the right to lease the properties to us. If our landlords are not rightful owners or not authorized by the real owners to lease the properties to us, we may need to seek alternative properties and incur additional costs relating to such relocation. Any dispute or claim in relation to the rights to use or lease the properties occupied by us, including any litigation involving allegations of illegal or unauthorized use of these properties, may require us to relocate our business premises. If any of our leases were terminated as a result of any challenge by third parties or any failures of our landlords to renew the leases or obtain their legal titles or the requisite government approval or consent to lease the relevant properties, we may need to seek alternative premises and incur additional costs for relocation.

In addition, as of the Latest Practicable Date, we had not received some valid property ownership certificates for some properties (including parking lots) entrusted to us to manage or operate which may have an adverse impact on our operation. However, for the above entrusted properties in issue, the entrusting parties have produced the commitment letters confirming the entrustment of their rights to manage or operate to us, undertaking to indemnify for our losses (if any) resulting from the legal defects in such property ownerships. According to our PRC Legal Advisors, the risk of losses resulting from the property ownership defects in issue is remote.

We failed to promptly process or update the operation and fee registrations of some parking lots.

During the Track Record Period, some of the parking lots actually operated by us have not been updated or filed for operation and fee registrations. According to the relevant PRC laws and regulations, parking lot operators or managers should register for operation within 15 days after the completion and inspection of the parking lot, and report and update the registration to the appropriate authorities ten days in advance when there are changes in operation and fee records. Violation of operation registration will result in a correction order by the Public Security Traffic Police Department, and a possible fine of RMB1,000. Operators or managers should also charge within the range of government-guided parking fees set by relevant departments, and file for charging with the competent authority.

As of the Latest Practicable Date, Parking Company operated a total of 141 parking lots, among which the registration for operating as public parking was completed for 126 lots, and the construction of four parking lots were uncompleted and thus not required to be registered. Confirmed by the traffic police department of Wangcheng District, Changsha, five parking lots located in this district are not required to be registered. As of the Latest Practicable Date, six parking lots were in the process of registration, and the reason for delay is the lack of cooperation from the owners of these parking lots in filing the registration. Currently, we are in communication with these owners. We believe that the number of parking lots awaiting registration is relatively small, and we will actively contact these owners for filing registration. According to our PRC Legal Advisors, the aforementioned situation will not have a material adverse impact on our operation.

Our success depends on the retention of our senior management, as well as our ability to attract and retain qualified and experienced employees.

Our business success is reliant on the services and efforts of our senior management team and other key employees. As they possess key connections and industry expertise, the loss of their services may have a material adverse effect on our business. If any or all members of our senior management team join or form a competing business using their expertise, connections and full knowledge of our business operations, we may not be able to estimate the extent of and compensate for such damage. Our potential inability to promptly hire and integrate a qualified replacement, in the event of any of our key employees leaving, may materially and adversely affect our business, financial condition and results of operations. In addition, the future growth of our business will depend, in part, on our ability to attract and retain qualified personnel in all aspects of our business, including corporate management and property management personnel. Our potential inability to attract and retain qualified personnel may limit our growth and materially and adversely affect our business, financial condition and operating results.

We are exposed to risks associated with failing to detect and prevent fraud, corruption, negligence or other misconduct (accidental or otherwise) committed by our employees, subcontractors or third parties.

We are exposed to fraud, negligence or other misconduct committed by our employees, subcontractors or other third parties that could subject us to financial losses and penalties imposed by governmental authorities as well as harm to our reputation. Such misconduct include criminal activities such as theft, vandalism, embezzlement and bribery. We have addressed past incidents of employee misconduct, including but not limited to misappropriation of dormitory rental fees, lax employee discipline and misappropriation of parking fees by the employees of our subcontractor. For example, a former executive director and authorized representative of our subsidiaries was sentenced in November 2022 for accepting bribes. For details, please refer to the section headed "Business – Employees – Employee Misconduct Incidents" in this document. We believe that, such misconduct did not materially and adversely impact our business operations and financial conditions, there has been no new misconduct to date, and there can be no assurance that we will not experience any new incidents in the future.

We have established risk management and internal control systems consisting of policies and procedures that are designed to identify, assess and manage risks arising from our operations and monitor our overall compliance. Details on risk categories identified by our management, internal and external reporting mechanisms, remedial measures and contingency management have been codified in our policies. Our risk control department is responsible for supervising compliance with our internal control and risk management policies and will timely conduct routine inspections and report for any non-compliance to ensure our compliance with relevant laws and regulations.

However, we cannot assure you that our risk management and internal control systems will always enable us to identify non-compliance and/or suspicious transactions in a timely manner, or at all, or that they will always enable us to detect, prevent and take remedial measures about fraud, negligence or other misconduct (accidental or otherwise) committed by our employees, subcontractors or other third parties in a timely manner. Moreover, although we may have limited control over the behavior of these parties, we may be deemed partially responsible for their conduct on contractual or tortious grounds or be targeted for litigations or proceedings for strategic reasons. We may become, or be joined as, a defendant in litigation or other administrative or investigative proceedings and be held accountable for injuries or damages sustained by our customers or other parties. To the extent that we cannot recover related costs from the employees, subcontractors or other third parties involved, we may experience material adverse effects on our business, financial condition and results of operations. We may also attract negative publicity, damaging our reputation and brand value or placing us in a position where we may be required to compensate the injured parties even in the absence of a legal requirement to do so.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control.

Our operations may be under the threat of floods, earthquakes, sandstorms, snowstorms, fire or drought, power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or may be susceptible to potential wars or terrorist attacks. Serious natural disasters may result in loss of lives, injury, destruction of assets and disruption of our business and operations. Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of these factors and other factors beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial conditions and results of operations.

Our business could be adversely affected by the effects of epidemics, including COVID-19, avian influenza, severe acute respiratory syndrome (SARS), influenza A (H1N1), Ebola or another epidemic. Any such occurrences could cause severe disruption to our daily operations For example, the COVID-19 pandemic and its recurrence have in the past caused temporary disruption to our certain aspects of our operations, which had a negative impact on our operations during the Track Record Period.

Negative publicity about us, our Shareholders and affiliates, our brand and management as well as services provided by us may have an adverse effect on our reputation, business, financial condition and results of operations.

Negative publicity related to us, our Shareholders and affiliates, the properties we manage, our brand, management and other aspects of our business operations may arise from time to time. They may appear, among other things, in the form of comments on internet postings and other media sources. We cannot assure you that other types of negative publicity will not arise in the future. For example, if our services fail to meet our customers' needs or expectations in any way, our customers may disseminate negative comments about our services on social media platforms, even if they may be frivolous or vexatious. Our subcontractors may also become the subject of negative publicity for various reasons, such as customer complaints about the quality of their services. In addition, third-party merchants we cooperate with in connection with the value-added services we provide may also be subject to negative publicity as a result of customers' complaints about the quality of their products and services. Any public relation incidents with respect to such business partners may adversely affect the provision of products or services for our value-added services and indirectly affect our reputation. Moreover, negative publicity about other service platforms for property management services or urban services in the PRC may arise from time to time and cause customers to lose confidence in the operations of our service platforms. Such occurrences, regardless of veracity, may damage our reputation and we may lose customer confidence. In the long term, this would affect our future ability to attract and retain new customers and employees. Negative publicity could result in material adverse effects on our business and brand, which could, in turn, reduce the trading price of our Shares and diminish our competitive position.

Discontinuation of any of the preferential tax treatments or government grants or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.

In 2019, certain PRC governmental authorities jointly issued the Public Announcement on Strengthening the VAT Reform Policies, pursuant to which, during the period from April 1, 2019 to December 31, 2022, a general VAT taxpayer engaging in the provision of living services, postal services, telecommunications services or modern services with sales revenue from the provision of such services accounting for more than 50% of its total sales revenue is allowed to deduct an extra 10% of the deductible input VAT for the above period from the VAT payable ("**super deduction of VAT**"). On January 19, 2023, the MOF and the STA jointly issued the Public Announcement on Clarification on VAT deduction and VAT exemption for Small-scale Tax Payers and Other Policies, pursuant to which the super deduction of VAT has been adjusted to 5% for the period from January 1, 2023 to December 31, 2023. In 2021, 2022 and 2023, our super deduction of VAT amounted to RMB1.4 million, RMB3.1 million, and RMB1.9 million, respectively.

Our government grants comprise subsidies and benefits received from local governments in China. There are no unfulfilled conditions or contingencies relating to these grants. In 2021, 2022 and 2023, our government grants amounted to RMB0.2 million, RMB0.4 million, and RMB0.4 million, respectively. We cannot assure you that we will continue to be eligible to receive such government grants or that the amount of such grants will not be reduced in the future. Our ability to continue to enjoy government grants is subject to changes in national or local policies, and may be affected by the termination of, or amendments to, such policies for any number of reasons, including those beyond our control. Any decrease in or termination of such government grants in the future may have an adverse effect on our financial condition, results of operations and prospects.

Certain entities of our Group have been filed as Small Low-profit Enterprises. The entitled subsidiaries were subject to two-tiered preferential effective tax rates from 2.5% to 10% for the years ended December 31, 2021, 2022 and 2023. Except for the preferential treatments available to certain subsidiaries, other subsidiaries established in China are subject to the PRC income tax of 25% during the Track Record Period.

Preferential tax treatments and incentives granted to us by PRC Governmental authorities are subject to review and renewal and may be adjusted or revoked at any time in the future. We cannot guarantee you that the preferential tax treatments and incentives to which our PRC subsidiaries are currently entitled would be kept valid or successfully renewed. There can be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments, potentially with retrospective effect. The discontinuation of any of our current tax treatments and imposition of any additional taxes and surcharges could increase our tax obligations and adversely impact our net income.

We may be involved in legal and other disputes and claims or subject to administrative actions from time to time arising from our operations.

From time to time, we may be involved in disputes with and subject to claims by various parties, such as property developers, property owners, or residents to whom we provide services. Disputes may also arise if they are dissatisfied with the quality of our services or perceive our services as inconsistent with the service standards prescribed in the service contracts. In addition, we may be involved in disputes with and subject to claims by other parties involved, including our employees and third-party subcontractors who sustain injuries or damages, in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any litigation, arbitration proceeding, or administrative proceeding against us that may have a material adverse impact on our business, financial condition, or results of operations. However, we cannot guarantee that any disputes or claims will not lead to legal or other proceedings or cause negative publicity against us, damage to our reputation, substantial costs, diversion of resources and management's attention from our business activities. Any such dispute, claim, or proceeding may have a material adverse effect on our business, financial condition and results of operations.

We may be subject to administrative penalties if we fail to comply with applicable regulations and requirements such as on fire and safety systems at our managed properties. Any future failure of regulatory compliance may lead to administrative fines or other penalties which may have an adverse effect on our business and results of operations.

Our insurance may not sufficiently cover, or may not cover at all, losses and liabilities we may encounter.

We may be exposed to liabilities that exceed our available insurance coverage or arise from claims outside the scope of our insurance coverage. Certain types of losses and liabilities, such as losses resulting from business interruptions, earthquakes, typhoons, or civil disorder, may not be covered by commercially practicable insurance policies in the PRC. Due to the potential insufficiency or unavailability of insurance, we may be unable to be indemnified and thereby liable for such damages or losses, which could materially and adversely affect our financial condition.

We may fail to protect our intellectual property rights, which could have a negative impact on our business and competitive position.

As of the Latest Practicable Date, we have registered three patents, seven trademarks, seven domain names, 31 software copyrights and one copyright of the work in the Mainland and registered three trademarks in Hong Kong. We consider these intellectual properties to be our crucial business assets and key to our business success and customer loyalty. The success of our business depends substantially upon our continued ability to use our software and trademarks to increase brand recognition and to further develop our brand. Unauthorized reproduction of our software or trademarks could diminish the value of our brand, our competitive advantages, and our market reputation. For details, please refer to the section headed "Business – Intellectual Property" in this document. We have formulated internal intellectual property management rules and will require employees to sign confidentiality agreements to protect intellectual property rights. However, our measures may provide limited protection, and policing the unauthorized use of proprietary information can be difficult and costly. Any potential failure to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights could lead to a material adverse effect on our business, results of operations and financial condition.

We are currently developing the urban operation service platform whose source code is our property. Failure to successfully develop the platform may materially and adversely affect our business, financial condition, and results of operations.

Third parties may assert or claim that we have infringed their intellectual property rights, which may disrupt and affect our business.

We may be subject to claims from competitors or third parties alleging intellectual property infringement in our ordinary course of business from time to time. While we have not had any litigation or disputes over intellectual property right as of the Latest Practicable Date, we cannot guarantee that such incidents will not happen in the future. Any claims or legal proceedings brought against us in relation to such issues, with or without merit, could result in substantial costs and divert capital resources and management attention. In the event of an adverse determination, we may be compelled to pay substantial damages or seek licenses from third parties which may impose unfavorable terms requiring us to pay ongoing royalties. In addition, regardless of whether we prevail, intellectual property disputes may damage our brand value and reputation in the eyes of current and potential customers and within our industry. As a result, our business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO THE LOCATION WHERE WE CONDUCT BUSINESS

Changes in the economic, political and social conditions in China could affect our business and prospects.

During the Track Record Period, almost all of our operations are managed by our headquarters in Hunan Province. Consequently, our financial condition, results of operations, and prospects may be greatly influenced by the economic, political, social, and legal conditions in the PRC. Government engagement, economic development, investment regulation, resource allocation and foreign exchange management of the PRC economy may have an effect on our business.

While the economy of the PRC has experienced significant growth in recent years, this growth has been geographically different. Some of the measures could be beneficial to the general economy of China, but they may negatively impact our business, financial condition, and results of operations.

We may be affected by currency exchange regimes and exchange rate fluctuation.

While our revenue, liabilities, and assets are substantially all denominated in Renminbi, the PRC Government regulates the convertibility of the Renminbi into foreign currencies. For details, please refer to the section headed "Regulatory Overview – Laws and Regulations Relating to Foreign Exchange Control" in this document. The foreign exchange management policies could affect us in receiving sufficient foreign currency to meet our financial needs. Foreign currency shortages may limit our ability to pay dividends or other payments to our Shareholders or otherwise satisfy our foreign currency-denominated commitments.

In accordance with the present PRC foreign exchange laws, certain recurring expenses may be paid for in foreign currency without prior approval from the local branch of SAFE provided that certain procedural conditions are met. However, government approval is necessary when Renminbi is to be converted into foreign currency and transmitted outside China to pay capital expenses such as the repayment of foreign currency-denominated debt. The restrictions on foreign exchange transactions imposed by capital accounts could also affect our ability to access foreign currency through debt or equity financing, such as loans or capital contributions from us. Moreover, such foreign exchange control measures may change in the future, should such change relates to the foreign currency control over our trading account, we may not be able to pay dividends in foreign currencies to Shareholders.

Fluctuations in the value of the Renminbi may have an effect on our business.

The value of the Renminbi against the Hong Kong dollar, the U.S. dollar, and other currencies is subject to fluctuations and changes that result from various factors, including economic and political developments of the domestic and international societies, and supply and demand in the local market. With an increased floating range of the Renminbi's value against foreign currencies and a more market-oriented mechanism for determining the mid-point exchange rates, the Renminbi may further appreciate or depreciate gradually in value against the Hong Kong dollar, the U.S. dollar, or other foreign currencies in the long-term, depending on the fluctuation of the basket of currencies against which it is currently anchored. The Renminbi may also be allowed to be exchanged freely with U.S. dollar and/or other foreign currencies, which may also result in a significant appreciation or depreciation against the U.S. dollar or other foreign currencies. We cannot assure you that the Renminbi will not experience significant appreciation or depreciation against the U.S. dollar or other foreign currencies in the future.

Our revenues, liabilities, and assets are all denominated in Renminbi, whereas the [**REDACTED**] from our [**REDACTED**] will be denominated in Hong Kong dollars. As a result, material variations in the Renminbi-Hong Kong dollar exchange rate may have a negative impact on the value and amount of any dividends payable on our Shares. For instance, a considerable appreciation of the Renminbi versus the Hong Kong dollar could limit the amount of Renminbi received from converting the [**REDACTED**] of the [**REDACTED**] or future fundraising efforts into Renminbi to fund our operations. In contrast, a major depreciation of the Renminbi may increase the cost of translating our Renminbi-denominated cash flow into Hong Kong dollars, thereby decreasing our ability to pay dividends on our Shares or conduct other business operations. All of these factors could materially affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

There may be changes regarding the interpretation and enforcement of laws, rules and regulations where we conduct business.

Our operations are in the PRC and are subject to the PRC laws and regulations. The Chinese legal system is a civil law system based on written statutes. Unlike the common law legal system, prior court decisions in a civil law system can only be used as a reference. Since the PRC Government started economic reforms, the PRC has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organization and governance, commercial transactions, taxation and trade. These laws and regulations are subject to changes in application and interpretation.

It may be difficult to effect service of process on our Directors or executive officers who reside in the PRC or to enforce against us or them in the PRC any judgments obtained from non-Mainland courts.

Substantially all of our assets and all of our Directors are located in the PRC. It may not be possible for [**REDACTED**] to serve those individuals or us in the PRC with legal documents. On July 14, 2006, the Supreme People's Court of the PRC and Hong Kong Special Administrative Region Government entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice 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》) (the "**Arrangement**"), which was taken into effect on August 1, 2008. Pursuant to which a party with an enforceable final court judgment rendered by any designated Mainland court or any designated Hong Kong Special Administrative Region court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the relevant Mainland court or Hong Kong Special Administrative Region court. Similarly, a party with an enforceable final judgment rendered by a Mainland court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong Special Administrative Region court or a Mainland court is expressly identified as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a Hong Kong Special Administrative Region court's verdict in the PRC if the parties to the dispute did not agree to a written choice of court agreement. On January 18, 2019, the Supreme People's Court of the PRC and Hong Kong Department of Justice 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案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a bilateral legal mechanism that provides clarity and certainty for the recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and mainland China, based on criteria other than a written choice of court agreement. The Arrangement was superseded upon the effectiveness of the New Arrangement on January 29, 2024 but remained applicable to a "written choice of court agreement" entered into before the Arrangement taking effect. However, we cannot assure you that all final judgments will be recognized and effectively enforced by the relevant PRC court.

Holders of our H Shares are subject to the PRC income tax.

Under applicable PRC tax laws, regulations and rules, non-PRC resident individuals and non-PRC resident enterprises who are holders of our H Shares are subject to different tax obligations.

According to the Individual Income Tax Law of the PRC (2018 Revision) (《中華人民共和國個人所得稅法(2018修訂)》) and its implementation regulations, non-PRC resident individuals are required to pay a 20% PRC individual income tax on dividends received from us and any gains realized upon the sale or other disposition of the H Shares held by them. We're required to withhold this tax from dividend payments, unless there are applicable tax treaties between China and the jurisdictions in which the foreign individuals reside that reduce or exempt the relevant tax obligations. Generally, a tax rate of 10% applies to the dividends paid by domestic non-foreign-invested enterprises issuing shares in Hong Kong to overseas resident individuals, as per the Circular of the State Administration of Taxation on Individual Income Tax Collection Issues upon Abolishment of Document Guoshuifa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》). If the tax rate is not 10%, the withholding company should: (i) return the excessive tax amount if the applicable tax rate is below 10%; (ii) withhold the income tax payable by the foreign individual at the applicable tax rate if it is between 10% and 20%; and (iii) withhold the foreign individual income tax at a rate of 20% if no double tax treaty applies.

Under the EIT Law (《中華人民共和國企業所得稅法》), non-resident enterprises in China, which are established in accordance with the laws of overseas countries (regions), whose actual management institutions are located outside China, but have establishments or places in China, or have income derived from China without establishments or places therein, are required to pay Chinese corporate income tax at a rate of 20% on dividends paid by the Company and gains realized from the sale or other transactions of H shares. According to the Implementation Regulations of the Corporate Income Tax Law (《中華人民共和國企業所得稅法實施條例》) and the Notice on Issues Concerning the Withholding and Withholding of Corporate Income Tax for the Distribution of Dividends to Overseas H Share Non-resident Enterprise Shareholders (《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, the tax rate has been reduced to 10%, and further reductions may be obtained according to the applicable agreement or special arrangement between China and the jurisdiction where the relevant non-resident enterprise resides. On August 21, 2006, China and Hong Kong signed the Arrangement between the Mainland 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稅收和防止偷漏稅的安排》). According to this, non-resident enterprises registered in Hong Kong and directly holding at least 25% of the shares of our company, under certain conditions, such as approval by the relevant Chinese tax authorities, are required to pay corporate income tax at a rate of 5% on the dividends we declare and distribute.

In addition, the PRC government makes amendments to its policies on VAT, EIT and other taxes, including whether the aforementioned reductions, exemptions and other beneficial tax treatments will be revoked in the future, requiring all non-resident individual holders of H shares to pay Chinese individual income tax at a unified rate of 20%. Any differences or changes related to applicable Chinese tax laws, regulations and rules, as well as the interpretation and enforcement of such tax laws, regulations and rules, could have a material adverse impact on your [**REDACTED**] value in our H shares.

Payment of dividends is subject to conditions under the PRC law.

According to the PRC law, dividends may only be paid from distributable profits. Distributable profits are our profits after taxes, minus any recoveries of accumulated losses and allocations to statutory and discretionary common reserve. Consequently, we may not have sufficient distributable profits, if any, to enable our firm to pay dividends to its shareholders in the future, including during years in which our financial statements indicate profitable operations. Any distributable profits that are not distributed in a particular year are maintained and made available for distribution in succeeding years.

RISKS RELATING TO THE [REDACTED]

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

The [**REDACTED**] of our H Shares is expected to be higher than the net tangible book value per Share immediately prior to the [**REDACTED**]. Therefore, [**REDACTED**] of our H Shares in the [**REDACTED**] will experience an immediate dilution in net tangible asset value per Share. In addition, in order to expand our business, we may consider [**REDACTED**] and issuing additional Shares in the future. Purchasers of our H Shares in the [**REDACTED**] may experience further dilution in their shareholding percentage.

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

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

The liquidity and [REDACTED] of our H Shares may be volatile, which may result in substantial losses for [REDACTED] for or [REDACTED] our H Shares pursuant to the [REDACTED].

The price and [**REDACTED**] volume of our H Shares may be volatile. The [**REDACTED**] of our Shares may fluctuate materially and rapidly as a result of the following factors, among others, some of which are beyond our control:

- variations in our financial condition and/or results of operations;
- unexpected business interruptions resulting from, including but not limited to, natural disasters or power shortages;
- our inability to compete effectively in the market;
- major changes in our key personnel or senior management;
- loss of visibility in the markets due to lack of regular coverage of our business;
- strategic alliances or acquisitions;
- changes in laws and regulations in China;
- changes in securities analysts' estimates of our financial condition and/or results of operations, regardless of the accuracy of the information on which their estimates are based;
- changings in [**REDACTED**] perception of us and the investment environment generally;
- our inability to maintain regulatory approval for the operations of our business;
- fluctuations in stock market price and volume;
- announcement made by our competitors or us;
- changes in pricing adopted by our competitors;
- general economic, political and stock market conditions in Hong Kong, China and elsewhere in the world; and
- involvement in material litigation.

In addition, the securities markets have from time to time experienced material price and volume fluctuations that are not related or disproportionate to the operating performance of particular companies. These developments include a general global economic downturn, substantial volatility in equity securities markets, and volatility and tightening of liquidity in credit markets. While it is difficult to predict how long these conditions will last, they could continue to present risks for an extended period, in interest expense on our bank borrowings, or reduction of the number of banking facilities currently available to us. If we experience such fluctuations, the results of operations and financial condition could be materially and adversely affected. Moreover, market fluctuations may also materially and adversely affect the market price of our H Shares.

Future issues, [REDACTED] of our H Shares may adversely affect the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The [**REDACTED**] of our H Shares could decline as a result of substantial future [**REDACTED**] our H Shares or other securities relating to Shares in the [**REDACTED**]. Such a decline could also occur with the issuance of new H Shares or other securities relating to our H Shares, or the perception that such sales or issuances may occur. Moreover, future sales or perceived sales of a substantial amount of our H Shares or other securities relating to our H Shares in the [**REDACTED**] may cause a decrease in the market price of our H Shares, or adversely affect our ability to raise capital in the future at a time and at a price which we deem appropriate. Our Shareholders would experience a dilution in their holdings upon the issuance or sale of additional securities for any purpose.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the number of our H Shares in the market and negatively impact the [REDACTED] of our H Shares.

We may apply to the CSRC for the conversion of a portion of our Unlisted Shares into H Shares. Pursuant to Article 18 of the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, which came into effect on March 31, 2023, for a domestic enterprise seeking direct overseas listing, shareholders holding such enterprise's domestic unlisted shares who apply for the conversion of its domestic unlisted shares into overseas listed shares shall comply with the relevant provisions of the CSRC and entrust such domestic enterprise to file with the CSRC. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Our Unlisted Shares may be converted into H Shares from time to time in the future, and such converted shares may be [**REDACTED**] on an overseas stock exchange. Such future conversions could increase the number of our H Shares available in the market from time to time and may negatively impact the [**REDACTED**] of our H Shares.

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

Prior to and immediately following the completion of the [**REDACTED**], our Controlling Shareholders will remain to have substantial control over their interests in the share capital of our Company. Subject to the Articles of Association, the PRC Company Law, the Listing Rules and other applicable laws and regulations, our Controlling Shareholders by virtue of their controlling beneficial ownership of the share capital of our Company, will be able to exercise substantial control and exert substantial influence over our business or otherwise on matters of significance to other Shareholders and us by voting at the general meeting of the Shareholders. The interests of our Controlling Shareholders may differ from the interests of other Shareholders and the Shareholders are free to exercise their votes according to their interests. To the extent that the interests of our Controlling Shareholders conflict with the interests of other Shareholders, the interests of other Shareholders can be disadvantaged and harmed by the actions of our Controlling Shareholders.

We may not declare dividends on our H Shares in the future.

During the Track Record Period, we declared dividends of RMB20,000, nil, and nil, respectively. The payment and amount of dividends (if any) will depend upon our earnings and financial condition, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. For details, please refer to the section headed "Financial Information – Dividends" in this document. There can be no assurance that dividends of any amount will be declared or distributed in any year in the future. Our historical dividend policy should not be taken as indicative of our dividend policy in the future.

Certain facts, forecast and statistics contained in this document are derived from publicly available official government sources and they may not be reliable.

Certain facts, forecasts and statistics in this document relating to the PRC, the PRC economy and industries relevant to us have been derived from various official government publications, the CIA and publicly available sources. We have taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this document. However, the information from official government sources has not been prepared or independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts, forecast and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced with respect to other economies. Further, there is 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. In all cases, [**REDACTED**] should give consideration as to how much weight or importance they should attach to or place on such facts, forecast and statistics.

Our management has substantial discretion regarding how to use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may use the [**REDACTED**] from the [**REDACTED**] in ways that you may not agree with or that do not yield a favorable return to our Shareholders. By [**REDACTED**] in our H Shares, you are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the [**REDACTED**] from this [**REDACTED**]. For details, please refer to the section headed "Future Plans and [**REDACTED**]" in this document.

[REDACTED] should read this document carefully and should not consider any particular statements in published media reports without carefully considering the risks and other information contained in this document.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to or subsequent to the publication of this document, there has been or may be press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document or is inaccurate. We have not authorized the publication of any such information contained in the unauthorized press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the contents of this document, we expressly disclaim it. Accordingly, [**REDACTED**] should only rely on the information included in this document and not on any of the information in press articles or other media coverage in deciding whether or not to purchase the [**REDACTED**].

Forward-looking information is subject to risks and uncertainties.

This document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors described in this document. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Hong Kong Stock Exchange, 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. [**REDACTED**] should not place undue reliance on such forward-looking statements and information.