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Investing in our Shares involves risks. Before deciding to invest in the Shares, you should carefully consider all of the information in this prospectus, including the following risk factors, in light of the circumstances and your own investment objectives. The occurrence of any of the following events could materially adversely affect our business, financial condition and results of operations, in which case the trading price of our Shares could also decline, and you could lose part or all of your investment. You should pay particular attention to the fact that we are an exempted company incorporated in the Cayman Islands and that our principal operations are conducted in the PRC and are governed by a legal and regulatory environment that may differ significantly from that of other jurisdictions.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Failure to monetize our *Medlive* platform may materially and adversely affect our business, financial condition and results of operations.

We cannot guarantee that our monetization strategies or our business initiatives will be successfully implemented or generate sustainable revenues and profit.

Precision marketing and corporate solutions

We derive most of our revenue from precision marketing solutions, which offer digital healthcare marketing services to pharmaceutical and medical device companies. As a result, our business is highly dependent on our ability to retain existing and engage new healthcare customers, especially pharmaceutical companies in the prescription drug market. Our ability to continue to retain and attract healthcare customers depends on our ability to create value for participants in the healthcare industry, particularly our ability to provide cost-efficient precision digital marketing means to achieve the desired results and meet the marketing needs of our healthcare customers. We leverage our large physician user base and data to provide precision marketing and corporate solutions, and our revenue from precision marketing is tied directly to our ability to maintain a large and engaged physician user base. If we are unable to retain our existing users and attract new users, especially physician users in specialties of interest to the healthcare companies we serve, to our platform, healthcare customers will be less interested in collaborating with us, which would have material and adverse effect on our business, results of operations, financial condition and prospects.

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In addition, our ability to maintain and increase revenues generated from existing healthcare customers and new healthcare customers for our precision marketing and corporate solutions also depends on a variety of factors, including but not limited to:

- demand for and market acceptance of our solutions, or digital promotion in general, by healthcare companies;
- factors relating to healthcare company budget cycles and other factors that may affect the timing of promotional campaigns for specific products or demand for our solutions by our healthcare customers;
- changes in healthcare companies' demand as a result of delays or changes in product approvals, changes in marketing strategies, modifications of healthcare customer budgets and similar matters;
- the length of sales cycles and fulfillment periods of our solutions to healthcare companies;
- the timing of new solution introductions and product enhancements by us; and
- the potential emergence of competing digital platforms, the failure of our solutions, service or tools to meet healthcare customers' expectations or to provide desired results.

Any failure to retain existing healthcare customers or engage new healthcare customers as a result of these or other factors may materially and adversely affect our business, results of operations, financial condition and prospects.

Medical knowledge solutions

We adopt a membership model for our medical knowledge solutions and use a freemium model to acquire paying users. Most of our medical knowledge content is free of charge, and users pay annual membership fees or per-download fees to access premium content, such as the latest clinical guides and information about new drugs. Users accessing our platform for free content may stop using the solutions at any time without loss. The paid memberships for some of our products, including *Clinical Guides*, *Clinical Drug Reference*, *Medical Dictionary*, and *Reference Aid for Medicine*, have a subscription term of one year and the members have no obligation to renew their subscriptions when such subscriptions expire. Under certain circumstances, our users may cancel their subscriptions prior to expiration or simply stop using the services before the subscription expires.

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Factors that may affect the retention rate of our existing users and the rate at which we attract new users to our platform include:

- our ability to provide up-to-date, relevant and reliable medical knowledge and other services that meet the needs of healthcare professionals, especially physicians, for continuing medical education and clinical decision support. See “— If we are unable to continue to provide current, relevant and reliable medical knowledge information, our results of operations and financial condition may be materially and adversely affected”;
- our ability to provide reliable applications and to enhance the functionality, availability, performance and features of our existing and future services to meet the evolving requirements and expectations of our existing and future users;
- the availability, price, performance and functionality of competing products and services, including competing mobile, desktop, Web-based and traditional products and services for medical knowledge information; and
- deterioration of our reputation and brand for any reason, including user concerns with our privacy practices or our relationships with the healthcare industry.

In addition, our paid products compete with free products offered by competitors or those available through online resources and searches which can be accessed through most mobile devices. If we are unable to attract or retain users or if our existing business model fails to maintain market acceptance, we may lose paying users, which will cause a loss of subscription revenue for our medical knowledge solutions.

Intelligent patient management solutions

Historically, we monetize our patient education services through charging fees for developing web pages and patient education content for non-profit organizations with medical focus and pharmaceutical companies. We started to generate revenue from commissions on fees paid by patients for online consultation services and prescription services on our Internet hospital in 2021. We have not charged fees for other Internet hospital-based services such as patient management services. Our physician users help us invite targeted patients to join our Internet hospital platform and we provide patient management services on the platform to them. We will continue to develop our Internet hospital and explore new ways to monetize our Internet hospital-based patient management services. For example, as our patient user base grows, we may decide to charge patients fees for using our patient management services. In addition, prescription services of our

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Internet hospital further enhance the value of our platform to pharmaceutical and medical device companies and may offer us additional opportunities to collaborate with such companies in the future. We face the following risks relating to monetizing our Internet hospital-based services:

- our business model may fail to attract enough patients to our Internet hospital;
- we may fail to properly price our Internet hospital-based services, or our pricing may not receive sufficient market acceptance or at all;
- we may fail to develop or implement new monetization strategies with respect to our Internet hospital-based services;
- our Internet hospital-based services may not be able to compete effectively with the competing solutions and services introduced by our competitors; and
- we may fail to satisfy the expectations of the quality or reliability of our Internet hospital-based services.

If any of the events above occurs, we may not be able to maintain or increase our revenue or effectively manage any associated costs.

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

Our customers primarily include pharmaceutical and medical device companies. A limited number of customers have contributed a significant portion of our revenues in the past. In the years ended December 31, 2018, 2019 and 2020, revenues from our top five customers, all of which are multi-national healthcare or pharmaceutical companies, accounted for 41.2%, 39.7% and 39.7% of our total revenues, respectively. Although we continually seek to diversify our customer base, we cannot assure you that the proportion of the revenue contribution from these customers to our total revenues will decrease in the near future.

Dependence on a limited number of major customers will expose us to the risks of substantial losses if any of them reduces or even ceases business collaborations with us. Specifically, any one of the following events, among others, may cause material fluctuations or declines in our revenues and have a material and adverse effect on our business, financial condition, results of operations and prospects:

- an overall decline in the business of one or more of our major industry customers;

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- the decision by one or more of our major customers to switch to our competitors;
- the reduction in the service fees of our solutions agreed by one or more of our major industry customers;
- the failure or inability of any of our major customers to make timely payment for our services;
- non-compliance with laws on the part of any major customers or breach of contract by any major customers vis-à-vis their business partners; or
- unlawful, improper or otherwise inappropriate activities by any major customers that could harm their business, brand and reputation, or subject them to government investigations.

If we fail to maintain relationships with these major customers, and if we are unable to find replacement customers on commercially desirable terms or in a timely manner or at all, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Any damage to the reputation and recognition of our brand names, or failure to maintain or enhance users' trust in our platform, may materially and adversely affect our business operations and prospects.

We depend on our reputation and brand names as well users' trust in our platform in many aspects of our business operations. However, we cannot assure you that we will be able to maintain or enhance a positive reputation, brand names, or users' trust for all of our businesses in the future. Our reputation and brand names and users' trust in our platform may be materially and adversely affected by a number of factors, many of which are beyond our control, including:

- adverse associations with the third-party-branded products promoted using our platform, including with respect to their quality, efficacy or side effects;
- lawsuits, regulatory investigations, fines and penalties against us or otherwise relating to the products or services available on our platform;
- adverse publicity and disputes over the content shared on our platform as contributed by our users;

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- improper or illegal conduct by our employees, suppliers, healthcare companies we serve, and other participants on our platform; and
- adverse publicity associated with us, our Directors, officers, employees or business partners, the products or services available on our platform or our industry in general, whether founded or unfounded.

Any damage to our brand names or reputation or failure to maintain or enhance users' trust in our platform as a result of these or other factors may cause our products and services to be perceived unfavorably by our users, healthcare companies we serve, and other participants on our platform, and our business operations and prospects could be materially and adversely affected as a result.

We may be held liable for information displayed on, retrieved from or linked to our platform or created by us, which may adversely affect our business and results of operations.

Under our medical knowledge solutions, we post and allow our users to post articles and other information on our platform to promote healthcare, disease and recovery care knowledge and instigate users' interests in our offerings. In addition, our intelligent patient management solutions allow users to interact with external physicians that collaborate with us to provide online consultation and diagnosis services. China has enacted laws and regulations governing Internet access and the distribution of products, services, news, advertisements, information, audio-video programs and other information through the Internet. Under PRC law, we are required to monitor content, including content posted or distributed by our users or available on our platform, for items deemed to be factually incorrect or defamatory, and promptly take appropriate actions with respect to such content items. Sometimes, it is not apparent as to whether a piece of information is factually incorrect or involved other types of illegality, and it may be difficult to determine the type of content that may expose us to liabilities. Even though we implement measures to review medical knowledge information and sponsored information in light of the relevant laws and regulations as well as our internal guidelines before they are published on our platform, such measures may not be effective and may still subject us to potential liabilities. For the information posted by users, we have implemented the terms of users for our platform through which users agree to take all responsibilities and legal consequences for the information they post on the platform; however, we cannot assure that all users will read through and strictly follow these terms and policies. Our burden to administer the content may be exacerbated as we gradually introduce more features and functions to our platform. If we are found to be liable, we may be subject to fines, have our relevant business operation licenses revoked, or be prevented from operating our websites or mobile interfaces in the PRC.

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In addition, the Internet information providers and Internet publishers are prohibited from posting or displaying over the Internet any information that, among other things, violates PRC laws and regulations, impairs the national dignity of China or the public interest, or is obscene, superstitious, frightening, gruesome, offensive, fraudulent or defamatory. In November 2016, China promulgated the Cyber Security Law, which came into effect on June 1, 2017, to protect cyberspace security and order. The Cyber Security Law tightens control of cyber security and sets forth various security protection obligations for network operators. If any of our Internet information were deemed by the PRC government to violate any restrictions, we would not be able to continue to display such information and could become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licenses, which could materially and adversely affect our business, financial condition and results of operations. We may also be subject to potential liability for any unlawful actions by users of the websites we operate or for information we distribute that is deemed inappropriate. It may be difficult to determine the type of information that may result in liability to us, and if we are found to be liable, we may be prevented from operating our website, mobile applications and social media accounts in China.

Furthermore, our reputation may be harmed and we may be subject to claims brought against us as a result of the information we provide. Healthcare professionals and patients access information, including information regarding particular medical conditions and the use of particular medications, through our clinical decision support tools, such as *Clinical Guides*, *Clinical Drug Reference* and *Disease Knowledge Database*. If such information contains inaccuracies or any use or misuse of such information by healthcare professionals or patients results in any personal injury or death, we may be subject to claims brought against us by users for any damages caused by such inaccuracies or such use or misuse of the information on our platform. We could be required to spend significant amounts of time and money to defend ourselves against any such claims. We have editorial procedures in place to provide quality control of the information that we publish or provide. However, we cannot assure you that our editorial and other quality control procedures will be sufficient to ensure that there are no errors or omissions in particular information. In addition, our business is based on establishing the reputation of our services as trustworthy and reliable sources of medical knowledge information. Allegations of impropriety or inaccuracy, even if unfounded, could therefore harm our reputation and business.

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We may fail to manage external physicians with whom we collaborate to offer Internet hospital services and may become subject to penalties or medical liability claims in connection with our Internet hospital services under our intelligent patient management solutions, which could cause us to incur significant expenses and be liable for significant damages if any claim is not covered by insurance.

The practice of physicians is strictly regulated under PRC laws, rules and regulations. Physicians who practice at medical institutions must hold practicing licenses and may only practice within the scope of their licenses and at the specific medical institutions as stated in their licenses. As advised by our PRC Legal Adviser, under applicable PRC regulations, a physician is required to register the medical institutions at which he or she practices in his or her license. If a physician is found practicing at a medical institution not registered in his or her license, the physician would be subject to regulatory penalties, from warning to suspension of practice and, in the worst-case scenario, revocation of licenses. A physician practicing in multiple institutions must apply to register or file with competent in-charge administrative authorities and can only have the right to prescribe medicine at the registered or filed practicing institution. If the physician issues a prescription in a medical institution not registered in his or her license, the relevant medical institution would also be subject to regulatory penalties, including a fine of up to RMB5,000 and, in the worst-case scenario, revocation of the medical institution's Practicing License for Medical Institutions.

We cannot assure you that external physicians with whom we collaborate will complete the registration and relevant government procedures in a timely manner, or at all, or that such external physicians will not practice outside the permitted scope of their respective licenses or strictly take their individual responsibilities under the applicable laws and regulations in connection with medical services, especially Internet hospital services. Our failure to properly manage or check the registration of such external physicians may subject us to administrative penalties against our medical institution, including fines, or, in the worst-case scenario, revocation of our practicing license for medical institutions, which could materially and adversely affect our business. Meanwhile, if external physicians are found to have deficient registration or found to be practicing beyond the scope permitted by relevant authorities, they may be disciplined and lose their practicing licenses. In the event that the multi-institution practices of such external physicians are in breach of their contractual obligations owed to other institutions, such as non-compete obligations, we may be exposed to indemnity or other legal liabilities if we are deemed to have aided in these breaches, and are therefore susceptible to legal disputes and potential damages. As a result, we may no longer be able to collaborate with them in offering our Internet hospital services, which could materially and adversely affect our business. In addition, there can be no assurance that we could timely find qualified replacements on commercially reasonable terms, or at all.

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There can be no assurance that all of the external physicians who are or will be registered on our Internet hospital will continue to abide by such PRC regulations and that the relevant healthcare administrative authorities would not retrospectively find deficiency in the registration of these physicians and subject the relevant physicians and/or us to penalties, which could materially and adversely affect our business.

We also face risks of medical liability claims against external physicians with whom we collaborate and us in connection with our online healthcare services. In particular, external physicians that we partner with may provide sub-standard services, mishandle sensitive information, engage in other misconduct or commit medical malpractice, which could subject us to medical liability claims. Successful medical liability claims could result in substantial damage awards that may exceed the limits of our insurance coverage. We carry professional liability insurance for our Internet hospital and the external physicians with whom we collaborate in relation to the provision of online hospital services by such external physicians on our platform. See “Business — Insurance.” Professional liability insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to such external physicians or us in the future on commercially acceptable terms, or at all. In addition, medical liability claims may fall outside of the scope of our insurance coverage, such as claims arising from physicians practicing outside of their licensed scopes. Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us and divert the attention of our management and our practicing external physicians from our operations, which could have a material adverse effect on our business, financial condition, results of operations and reputation.

Our clinical research services under our corporate solutions rely on hospitals and their physicians and other supporting staff to update and enrich healthcare data through their diagnosis and research activities. We cannot guarantee the accuracy, quality and timeliness of such data.

Clinical records of hospitals in China customarily are made in natural language in free-form text format. Our clinical research solutions, such as EDC system and CDMS, therefore, begin with translation of a large volume of free-form text into computable data, which involves judgments on, and interpretations of, the meaning of the text. In practice, some of the clinical information is expressed with symbols that are hard to discern for lay people without medical education or related experience. The situation is further complicated by the fact that multiple medical natural language expressions may be used by different physicians in clinical records to convey the same idea. We cannot rule out the possibility of certain text or information being misidentified, mistranslated or inaccurately categorized when we perform the natural language processing. Any

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such mistakes or errors could lead to defect or inaccuracy in our clinical research solutions, which could lead to liabilities against us, deter prospective customers and harm our reputation, business and results of operations.

In addition, collection, retaining and storage of individually identifiable or de-identified healthcare data are highly regulated in China. Therefore, we do not collect healthcare data by ourselves in offering clinical research solutions. We only provide SaaS services to our customers, which can be used by our customers to collect, manage and process clinical data and to conduct statistical analysis. After our hospital customers or the hospitals with whom our customers collaborate collect clinical data, such as patients' medical records, with patients' prior consents, we store such data in our data centers pursuant to the agreements with our customers, and these data are processed and analyzed by our customers using our solutions. Physicians or other staff of our hospital customers or the hospitals with whom our customers collaborate may fail to log the original healthcare data into the hospital's system accurately. In addition, physicians in many hospitals of China were trained to record diagnosis and prescribe treatments in hand-written format in natural language. It may take longer than we expect to reshape physicians' behaviors. We cannot rule out the possibility that some physicians and hospital personnel may still choose to record their clinical data in hand written format, or may fail to log the healthcare data into the database in a timely manner. Any of these occurrences may compromise the quality or timeliness of the data and negatively impact the performance of data analysis results, which may lead to legal liabilities against us, render our products less attractive and harm our reputation. As a result, our business, results of operations and financial condition could be adversely affected.

We may become subject to claims, lawsuits and liabilities in connection with our patient recruitment service under our corporate solutions if any of these patients incur personal injury or other harms from drugs or devices tested on them, which could adversely affect our business and results of operations.

Our involvement as a recruiter in clinical trials, which involve inherent risks of inflicting harm to the health of participating patients, could expose us to potential claims, lawsuits and liabilities. Under the applicable PRC laws and regulations, the sponsors of the clinical trials, such as pharmaceutical and medical device companies, and the CROs are responsible for the personal injury or other harms from the drugs or devices tested on patients in connection with the clinical trials. However, if any of the patients recruited by us incurs personal injury or other harms from the drugs or devices tested on them, we as the recruiter may be brought into legal proceedings claiming for damages, penalties or else due to our involvement. Although unfounded under the applicable PRC laws and regulations, any of these claims and actions could be time-consuming and costly to defend and distracting to our management, and could hurt our reputation, harm our clinical research solutions business and adversely impact our results of operations.

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Our business processes a large amount of data. Data protection, privacy and similar laws in China restrict collection, use and disclosure of personal information, and failure of our business partners or employees to comply with or adapt to changes in these laws could materially and adversely harm our business.

We collect and store user data when providing precision marketing solutions, medical knowledge solutions and patient management solutions. We store clinical data when providing EDC system, CDMS and RWS support services under our corporate solutions. We face risks inherent in handling and protecting a large amount of data that our business generates and processes from user activities on our platform facilitates, and such data include sensitive personal information. In particular, we face a number of challenges relating to data from user activities on our platform, including:

- protecting the data in and hosted on our system, including against attacks on our system by external parties or misbehavior by our employees;
- addressing concerns related to privacy, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, storage, use, transfer, disclosure and security of personal information, including any requests from regulatory and government authorities relating to such data.

In particular, if we fail to secure our users' identity and protect their identity-specific data, such as their addresses and contact information, such data may be misused and our users may be vulnerable to harassments, and their assets may also be put at risk due to data leakages. As a result, we may be held liable for these incidents, and our users may feel insecure and cease to use our services. In addition, any system or technological failure or compromise of our technology system that results in loss of, unauthorized access to or release of any data collected or stored in connection with providing our solutions, such as personal data of our users or proprietary information of our business operations, could significantly harm our reputation and/or result in litigation, regulatory investigations and penalties against us.

We are subject to various data privacy and protections laws and regulations in China, including without limitation, the PRC Cybersecurity Law. Under the Cyber Security Law of China, the owners and administrators of networks and network service providers have various personal information security protection obligations, including restrictions on the collection and use of personal information of users, and they are required to take steps to prevent personal data from being divulged, stolen, or tampered with. Moreover, different regulatory bodies in China, including the MIIT, the Cyberspace Administration of China, or CAC, the Ministry of Public Security and the SAMR, have enforced data privacy and protections laws and regulations with various standards

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and applications. These various standards in enforcing data privacy and protection laws may create difficulties in ensuring full compliance and increase our operating cost, as we need to spend time and resources to deal with various inspections for compliance.

While we have adopted a rigorous and comprehensive policy for the collection, processing, storage and other aspects of data use and privacy and taken necessary measures to comply with all applicable data privacy and protection laws and regulations, we cannot guarantee the effectiveness of these policies and measures undertaken by us on our platform. Despite the absence of any material cybersecurity breach and our continuous efforts to comply with our internal policies as well as applicable laws and regulations, any failure or perceived failure of our business partners to comply with all applicable data privacy and protection laws and regulations, or any failure or perceived failure of our employees to comply with our internal control measures, may result in negative publicity and legal proceedings or regulatory actions against us, and could result in fines, revocation of licenses, suspension of business operations or other penalties or liabilities, which may in turn damage our reputation, discourage current and potential physician users from using our services, and subject us to fines and damages, which could have a material adverse effect on our business and results of operations.

Furthermore, the PRC regulatory and enforcement regime with regard to data security and data protection is still evolving. PRC regulators have been increasingly focused on regulation in the areas of data security and data protection. For example, in October 2020, the SCNPC released a draft personal information protection law, or the Draft PI Protection Law, for public comment. The Draft PI Protection Law provides for various requirements on personal information protection, including legal bases for data collection and processing, requirements on data localization and cross-border data transfer, requirements for consent and requirements on processing of sensitive personal information. As the Draft PI Protection Law remains subject to change, we may be required to make further adjustments to our business practices to comply with the enacted form of the law. Furthermore, we cannot assure you that relevant regulators will not interpret or implement the laws or regulations in ways that negatively affect us. In addition, it is possible that we may become subject to additional or new laws and regulations in this regard, which may result in additional expenses to us and subject us to potential liability and risk of negative publicity. We expect that data security and protection will continue to receive significant public attention and scrutiny from regulators going forward, which could increase our compliance costs and subject us to heightened risks and challenges associated with data security and protection. If we are unable to manage these risks, we could become subject to penalties, fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

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Security breaches and attacks against our system and network, and any potential resultant breach or failure to otherwise protect confidential and proprietary information, could damage our reputation, lead to legal liabilities against us and adversely affect our business, financial condition and results of operations.

We rely heavily on technology, particularly the Internet, to provide all of our high-quality online services. However, our technology operations are vulnerable to disruptions arising from computer viruses, spam attacks, unauthorized access and other similar events. Disruptions to, or instability of, our technology or external technology that supports the offering of our online services and products could materially harm our business and reputation.

Although we have employed significant resources to develop security measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of user information, or a denial-of-service or other interruption to our business operations. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us, we may be unable to anticipate, or implement adequate measures to protect against, these attacks. During the Track Record Period, we had not been subject to these types of attacks that had materially and adversely affected our business operations. However, there can be no assurance that we would not in the future be subject to such attacks that may result in material damages or remediation costs. If we are unable to avert these attacks and security breaches, we could be subject to significant legal and financial liability, our reputation would be harmed and we could sustain substantial revenue loss from lost sales and user dissatisfaction.

In addition, we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our users or other participants of our platform, or the information infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. Cybersecurity breaches may harm our reputation and business, and materially and adversely affect our financial condition and results of operations.

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The proprietary technologies that comprise our technology infrastructure may include design or performance defects and may not achieve their intended results, any of which could lead to legal liabilities against us and adversely affect our business, results of operations and financial performance.

We rely on our proprietary AI and big data technologies that comprise our platform to deliver all of our solutions. Our proprietary technologies are relatively new, and they may contain design or performance defects that are not detectable even after extensive internal testing and may become apparent only after widespread commercial use. In addition, the data rules and models for quality control may not be comprehensive, and various anomalies in data such as incompleteness and inaccuracy may decrease the quality of the results delivered by our solutions. Any defect in those technologies as well as their subsequent alterations and improvements could hinder the effectiveness of our platform and the reliability of our solutions and discourage existing or potential customers from utilizing our solutions, which would have a material and adverse effect on our reputation, competitiveness and future prospects. In addition, correction of defects or errors could prove to be impossible or impracticable and the costs incurred in correcting any defects or errors may be substantial and could have a material adverse effect on our business, financial condition and results of operations. Our software products are subject to product liability laws of China and may also be subject to product liability laws of other jurisdictions where we provide solutions and services. If the technologies underlying our solutions are found to have design or performance defects, we may be liable for product liability claims in China or such other jurisdictions.

If we fail to keep up with rapid changes in technologies or adapt our platform to changing user requirements or emerging industry standards, or if our efforts to invest in the development of new technologies are unsuccessful or ineffective, our business may be materially and adversely affected.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our platform. The industries we operate in are characterized by rapid technological evolution, changes in user requirements and preferences, frequent introductions of new products and services embodying new technologies and the emergence of new industry standards and practices, any of which could render our existing technologies and systems obsolete. Our success will depend, in part, on our ability to identify, develop, acquire or license leading technologies useful in our business, and respond to technological advances and emerging industry standards and practices, such as mobile Internet, in a cost-effective and timely way. In recent years, we invested in the development of many new technologies and business initiatives, such as AI and big data analytics. The development of websites, mobile apps and other proprietary technologies entails significant technical and business risks. We cannot assure you that we will be able to successfully develop or effectively use new technologies, recoup the costs of developing

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new technologies or adapt the website and mobile apps that we operate, and our proprietary technologies and systems to meet user requirements or emerging industry standards. If we are unable to develop technologies successfully or adapt in a cost-effective and timely manner in response to changing market conditions or user requirements, whether for technical, legal, financial or other reasons, our business, prospects, financial condition and results of operations may be materially and adversely affected.

If we are unable to continue to provide current, relevant and reliable medical knowledge information, our results of operations and financial condition may be materially and adversely affected.

Our business is in part dependent on our ability to make available current, relevant and reliable medical knowledge information that meets the needs of our users, especially physician users. Our ability to do so depends on our ability to:

- hire and retain qualified physician and pharmacist editors;
- license accurate and relevant information from third parties; and
- monitor and respond to changes in user interest in specific topics.

For several of the professional information included in our products such as *Clinical Guides* and *Reference Aid for Medicine*, we are particularly dependent on third-party sources. We cannot assure you that we will be able to continue to develop or acquire needed information at a reasonable cost, that there will not be errors or omissions in our developed or licensed information, or that our competitors will not obtain exclusive access to or develop information that healthcare professionals consider superior to ours. If any of these risks materialize for any reason, the value of the information and services that we offer would diminish. As a result, we may be unable to attract new users and retain existing users and our results of operations and financial condition may be materially and adversely affected.

If we are unable to compete effectively, our business, results of operations and financial condition may be materially and adversely affected.

We face intense competition in the markets that we operate in. The markets for our solutions are highly competitive. These markets are characterized by frequent technological advances and product upgrades that have contributed to the digitalization of healthcare services. We face competition from other healthcare platforms that develop and commercialize digital healthcare marketing services, clinical research services, medical content services and/or patient management

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services. We compete with other healthcare platforms for physician users and healthcare customers and we strive to keep our solution offerings competitive so we can maintain and grow the number and engagement of physician users and healthcare customers.

Our competitors may operate different business models, have different cost structures or participate selectively in different industry segments. They may ultimately prove to be more successful or more adaptable to customer demand and new regulatory, technological and other developments. Some of our competitors may have longer operating histories, more project experience, more established brand names, larger user base and greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining customers. Furthermore, large technology companies with substantial resources, technical expertise and greater brand power could enter or further expand in the markets where we operate to compete with us. Further, if one or more of our competitors and potential competitors were to merge or partner with another of our competitors, or if a new entrant emerged with substantial resources, the change in the competitive landscape could adversely affect our ability to compete effectively. In response to competition, we may have to lower and/or adjust the various fees that we charge to our customers and users or increase our operating expenses and capital expenditures to attract more users, which could materially and adversely affect our business, profit margins and results of operations. If we are not able to compete effectively, our ability to attract and retain users may be adversely affected and the attractiveness of our platform to customers may decrease, which could materially and adversely affect our business, financial condition, results of operations and prospects, as well as our reputation and brands.

Our historical financial and operating performance may not be indicative of our future prospects and results of operations due to limited operating history of some of our business lines, evolving business model and changing market.

We have limited experience in certain key aspects of our business operations, such as providing intelligent patient management solutions and clinical research solutions, as well as developing and maintaining long-term relationships with a wide range of platform participants. It is difficult to predict our future revenues and appropriately budget for our costs and expenses, and the evaluation of our business and prediction about our future performance may not be as accurate as they would be if we had a longer operating history with respect to these key aspects. As our business develops or in response to competition, we may continue to introduce new solutions and services, make adjustments to our existing solutions and services, our business model or our operations in general. Furthermore, the healthcare market in China is undergoing constant change. The laws and regulations governing the healthcare market in China may also be subject to further changes and interpretation. As the market, the regulatory environment or other conditions evolve, our existing solutions and services may not continue to deliver the expected business results.

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Our revenue increased from RMB83.5 million in 2018 to RMB121.6 million in 2019 and further to RMB213.5 million in 2020. Our revenue growth in recent periods may not be indicative of our future performance. We believe the growth of our revenue depends on a number of factors, including our ability to:

- continue to attract and retain more users, especially physician users;
- innovate and adapt our services and solutions to meet evolving needs of current and potential customers;
- create and productize new solutions;
- continuously improve on the algorithms underlying our solutions;
- the reliability, security and functionality of our platform and solutions;
- adopt new technologies or adapt our information infrastructure to changing customer requirements or emerging industry standards;
- adapt to a changing regulatory landscape governing privacy matters;
- attract and retain talents; and
- increase brand awareness among existing and potential customers through various marketing and promotional activities.

We cannot assure you that we will be able to accomplish any of these objectives. Our failure to accomplish any of these objectives may adversely affect our results of operations, financial condition and growth prospects.

We cannot guarantee that our monetization strategies or our new business initiatives will be successfully implemented or generate sustainable revenue or profit.

We continue to execute a number of growth initiatives, strategies and operating plans designed to diversify our business and explore monetization opportunities leveraging our data insights and large user network. For example, we plan to further enhance our intelligent patient management solutions by leveraging our technologies and physician network and to build a comprehensive intelligent contract research platform. These business initiatives are new and evolving, some of which are still at the inception or early stages and may prove unsuccessful. In addition, we may not have sufficient experience in executing these new business initiatives

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effectively. Further, we may incur increasing research and development spending, sales and marketing expenditures, personnel expenses and compliance costs as more efforts on product development, brand and service promotion, general administration and legal compliance are required for our newly launched businesses, and no guarantee on the effectiveness of our efforts can be given. As a result, we cannot assure you that any of these business initiatives will achieve wide market acceptance, increase the penetration of our addressable market or generate revenues or profit. If our new business initiatives are not well received by the market, we may not be able to maintain or increase our revenues or recover any associated costs, and our business and results of operations may be materially and adversely impacted. In addition, we are at an early stage of monetizing our solutions, such as intelligent patient management solutions and clinical research solutions, and our monetization model is evolving. We cannot assure you that we will be able to successfully monetize our solutions or generate results that meet our expectations, or at all.

In addition, to maintain growth, we must continually identify the industry pain points faced by our users and customers and develop, produce and market new solutions to respond to unmet market demands in an effective manner. We may not identify addressable market demands despite substantial investments of time and resources, and even if a niche market is identified, we may not have enough resources, as compared with some of our competitors, to develop solutions fast enough to acquire an advantageous market position. In addition, each new solution launch involves risks, as well as the possibility of unexpected consequences. For example, the acceptance of our new solutions and sales to our targeted market may not be as high as we anticipate, due to lack of acceptance of the solutions themselves or their price, or limited effectiveness of our marketing strategies. Further, we may also experience a decrease in sales of certain existing solutions as a result of newly-launched solutions. Any of these occurrences could delay or impede our ability to achieve our business objectives, which could have a material adverse effect on our business, results of operations and financial condition.

Changes in the healthcare industry could negatively affect our business.

Most of our revenue is derived from the healthcare industry and could be reduced by changes affecting healthcare spending. General reductions in expenditures by healthcare companies could result from, among other things:

- government regulation or private initiatives that affect the manner in which healthcare providers interact with patients, pharmaceutical companies, or other healthcare industry participants, including changes in pricing or means of delivery of healthcare products and services;
- consolidation of healthcare companies;

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- reductions in governmental funding for healthcare; and
- adverse changes in business or economic conditions affecting healthcare providers, the pharmaceutical industry or other healthcare companies.

We are particularly dependent upon pharmaceutical companies. Our business will be harmed if business or economic conditions or government regulations result in the reduction of purchases by such customers, the non-renewal of our agreements with such customers, or the need to materially revise our offerings. Even if general expenditures by healthcare companies remain the same or increase, developments in the healthcare industry may result in reduced spending in some or all of the specific segments of the market we serve or are planning to serve. For example, purchase of our services could be affected by:

- a decrease in the number of new drugs coming to market;
- decreases in marketing expenditures by pharmaceutical and medical device companies as a result of governmental regulation or private initiatives that discourage or reduce the incentives of advertising or sponsorship activities by pharmaceutical and medical device companies, such as volume-based procurement, which has dramatically reduced unit sales prices of relevant drugs and medical devices and, as a result, marketing budgets of pharmaceutical and medical device companies; and
- changes in coverage of health insurance plans.

In addition, our customers' expectations regarding pending or potential industry developments may also affect their budgeting processes and spending plans with respect to services of the types we provide. The healthcare industry has changed significantly in recent years and we expect that significant changes will continue to occur. However, the timing and impact of developments in the healthcare industry are difficult to predict. We cannot assure you that the markets for our solutions will continue to exist at current levels or that we will have adequate technical, financial and marketing resources to react to changes in those markets.

We are subject to extensive and evolving regulatory requirements. We may be adversely affected by the complexity, uncertainties and changes in PRC regulations of healthcare, digital healthcare and Internet-related business and companies, including limitations on our ability to own key assets.

We are operating a multifaceted business spanning healthcare and Internet industries, which the PRC government extensively regulates. Foreign ownership of and the licensing and permit requirements pertaining to companies in such industries and the access and usage of healthcare

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data are among such areas that are subject to government scrutiny. These laws and regulations related to healthcare, digital healthcare and Internet industries are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations. Issues, risks and uncertainties relating to PRC laws and regulations of such industries include, but are not limited to, the following:

- We operate our business and hold licenses through our Consolidated Affiliated Entities due to restrictions on foreign investment in businesses providing value-added telecommunication services.
- Uncertainties relating to the laws and regulations of the medical big data business, Internet hospital business and other Internet business in general in China, including evolving licensing practices, give rise to the risk that some of our permits, licenses or operations may be subject to challenge, which may be disruptive to our business, subject us to sanctions or require us to increase capital, compromise the enforceability of relevant contractual arrangements, or have other adverse effects on us. The restrictions on access to healthcare data, user data, information distributed online, and liabilities as a platform provider for contracted external physicians in China, which are complicated and sometimes vague, may subject us to potential liability, temporary blockage of our platform or complete shut-down of our platform or business.
- We have not received notice of violation or faced administrative actions in connection with our operation of business via our Consolidated Affiliated Entities. We cannot assure you, however, that the PRC government will not find such practice non-compliant with PRC laws and regulations or the interpretation thereof, in which case we could be subject to severe penalties or be forced to relinquish our interests in those operations.

In particular, it is uncertain whether existing laws governing issues such as privacy, property ownership, medical malpractice and other forms of torts, liability theories based on contracts, and sales and other taxes, etc. could apply to healthcare data processing, digital healthcare offering and other online services, and such uncertainty may take years to resolve. In addition, due to the increased popularity of the digital healthcare solutions and the significant impact of any safety and security breach in the digital health solutions on the society generally, it is possible that a number of laws and regulations may be adopted with respect to health, digital healthcare and Internet industries. The adoption of additional laws or regulations, the application to our business of laws and regulations from jurisdictions whose laws do not currently apply to our business, or the application to our business of existing laws and regulations that are traditionally not applicable to

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digital forms of services, may heighten requirements on medical big data services and other digital healthcare offerings, which could, in turn, increase our cost of doing business, disrupt our operations and impede the development or growth of the digital healthcare industry generally.

We cannot assure you that subsequent laws and regulations or interpretations of existing ones would not render our operations non-compliant or that we would always be in full compliance with applicable laws and regulations. In the event that we must remedy any violations, we may be required to modify our business models as well as solution and service offerings in a manner that undermines our solutions' and services' attractiveness. We may also become subject to fines or other penalties and, if we determine that the requirements to operate in compliance are overly burdensome, we may elect to terminate the non-compliant operations. In each case, our business, financial condition and results of operations may be materially and adversely affected.

Changes in laws, government regulations or in practices relating to the pharmaceutical, biotechnology and medical devices industries, including healthcare reform in China, could decrease demand for the patient recruitment service we provide.

Changes in laws, government regulations or in practices relating to the pharmaceutical, biotechnology and medical devices industries, such as a relaxation in regulatory requirements, or the introduction of simplified new drug approval procedures which will lower the entry barrier for potential competitors, or an increase in regulatory requirements which may increase the difficulty for us to satisfy such requirements or may make our services less competitive, could eliminate or substantially reduce the demand for our services. By engaging CROs in China, foreign pharmaceutical or biotechnology companies will be able to reduce the time and cost required to introduce new drugs to the China market. If China ever streamlines, expedites or simplifies such regulatory procedures, foreign pharmaceutical or biotechnology companies' demand for CROs' services may decrease, which would have a material adverse effect on our business. For example, on September 28, 2018, the NMPA issued the newly revised List of Medical Devices Exempted from Clinical Trials (《免於進行臨床試驗醫療器械目錄》), under which 855 medical devices are exempted from clinical trials. As a result of this exemption, the demand for CROs' clinical trials services for medical devices may reduce. Furthermore, additional exemptions may be introduced in the future, which could further reduce the demand for such CRO services. As a result, demand for our patient recruitment service could decrease, which in turn will have a material and adverse impact on our business, financial condition, results of operations and prospects.

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If we fail to obtain and maintain the requisite licenses, permits and approvals applicable to our business as a result of the complexity and uncertainties of laws and regulations, or fail to obtain additional licenses that become necessary as a result of new enactment or promulgation of laws and regulations or the expansion of our business, our business and results of operations may be materially and adversely affected.

Healthcare, Internet and digital healthcare industries in China are highly regulated, which require multiple licenses, permits, filings and approvals to conduct and develop business. As of the Latest Practical Date, we have obtained all licenses material to our business through our subsidiaries or Consolidated Affiliated Entities. Some of the licenses we hold are subject to periodic renewal. If we fail to maintain or renew one or more of our licenses and certificates when their current term expires, or obtain such renewals on a timely manner, our operations could be disrupted. In addition, under relevant PRC laws and regulations, our subsidiaries and Consolidated Affiliated Entities as license holders are required to update certain licenses if any change to their respective name, registered capital or legal representative during the validity period of such license. If we fail to properly renew and maintain all such requisite licenses on time, we may face penalties and in extreme circumstances, order to suspend or terminate our business. Due to uncertainties of interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses we held may be deemed insufficient by PRC governments, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions. Furthermore, as we develop and expand our business scope, we may need to obtain additional permits and licenses and we cannot assure that we will be able to obtain such permits on time or at all.

We may not be able to conduct our marketing activities effectively, properly or at reasonable costs, which may have a negative impact on our business operations.

We invest resources from time to time in a variety of marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our products and services. However, our brand promotion and marketing activities may not be well received and may not result in the levels of sales that we anticipate. Meanwhile, marketing approaches and tools in the PRC Internet healthcare market are continually evolving, which may further require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and user preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share and materially and adversely affect our financial condition, results of operations and profitability. In addition, we are subject to certain limitations in promoting services and products. The external physicians and other relevant parties with whom we collaborate in the provision of our intelligent patient management solutions have to comply with rules and regulations that restrict the promotion or dissemination of information about the professional healthcare services and practice provided by

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licensed physicians, and the publication or marketing efforts for the predominant purpose of promoting the products or services of physicians to consumers. Such restrictions may affect our ability to further enhance our brand recognition or secure new business opportunities in the future.

Under PRC laws and regulations, all advertisements published online containing drug names, applicable symptoms treated by such drugs (major functions) or other drug-related information, and advertisements published online containing medical device names and the applicable scope, performance, structure and composition, function and other information relevant to medical devices are subject to examination by relevant government authorities. We are prohibited from publishing advertisements of prescription drugs on the website or social medial accounts that we operate and must ensure that any advertisement of medical treatment, drugs or medical devices does not include any assertion or guarantee as to the function and safety or any statement of curative rate and effectiveness of such medical treatment, drugs or medical devices. Any violation of advertisement-related laws and regulations may subject us to fine, or even suspension of our business or revocation of our business license. We cannot assure you that all information on our website and social medial accounts meets the requirements under PRC advertising-related laws and regulations at all times. There can also be no assurance that our existing practices of monitoring our information dissemination process and publication would continue to be effective and would fully comply with relevant laws and regulations. Should there be any change in the relevant rules and regulations, or change of interpretation thereof, we may be regarded as breaching the relevant rules and regulations and may be subject to regulatory penalties or disciplinary actions, which may materially and adversely affect our business and reputation.

Our profitability could be negatively affected if content development cost outgrows our revenue.

Content related costs accounted for a large portion of our cost of sales during the Track Record Period. Our historical content related costs were primarily related to the development cost for outsourced content and salaries and benefits for our in-house content team, which were largely attributable to labor cost. As the average wage in China continues to rise, labor cost for content development, including both outsourced content and in-house developed content, has been slightly increasing over the past few years and are expected to be increasing at a relatively steady pace in the coming years. In addition, we collaborate with KOLs who are our content contributors in developing our content and pay expert consultation fees to them. Such fees increased both as an absolute amount and as a percentage of our revenue during the Track Record Period, as we increasingly collaborated with KOLs on streaming programs. Fees for streaming programs are typically more expensive than other types of collaboration, such as interviews and commentaries. As streaming and video programs become more prevalent, our expert consultation fees may increase further in the future. As a result of competitive pressures and customer expectations, we may be unable to pass any such incremental cost to our customers, which could result in us

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absorbing all or a portion of such cost increase in the future. Such event would increase our cost of sales and reduce our profit margins, which would in turn adversely affect our business, results of operations and financial condition.

We are subject to risks associated with other parties with which we collaborate. If we cannot effectively cooperate with such other parties, or if such other parties fail to perform their obligations, or provide reliable or satisfactory services, in each case in compliance with applicable laws and regulations, our business, financial condition and results of operations may be materially and adversely affected.

We collaborate with certain other parties in providing products and services to our users. For example, we enhance the effectiveness of pharmaceutical companies' marketing campaigns by collaborating with KOLs of the medical community to make the sponsored information more persuasive. In addition, we may work with hospitals, pharmaceutical and healthcare product suppliers and distributors in offering our solutions. These parties may not be able to properly perform their duties under their agreements with us. Any failure by these parties to continue with good business operations, comply with applicable laws and regulations or any negative publicity on these parties could damage our reputation, expose us to significant penalties and decrease our total revenues and profitability. Also, if we fail to retain existing or attract new parties to collaborate with us, our business operations may be affected, and our users may lose confidence in our products and services. If these other parties engage in activities that are negligent, illegal or otherwise harmful to the trustworthiness and security of our system, including the leak or negligent use of data, or if our users or customers are otherwise dissatisfied with their service quality, we could suffer reputational harm, even if these activities are not related to, attributable to or caused by us.

If we are unable to maintain credibility of our medical knowledge information, our business and results of operations could suffer.

The credibility of our medical knowledge information is dependent in large part on the medical community's continued perception of us as independent from our healthcare industry customers, particularly pharmaceutical companies. If healthcare professionals believe that we are too closely associated with such customers as a result of the revenue we receive from their use of our precision marketing solutions, the credibility of our medical knowledge information will diminish. Although we take precautions to remain independent from our healthcare industry customers, including clearly labeling the source and responsibility of sponsored information, programs and activities and implementing information standards to screen biased information, we cannot assure you that the medical community will view our information as sufficiently unbiased. If the credibility of our medical knowledge information is damaged, it will be difficult, expensive

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and time-consuming to restore the credibility and quality of our brand with healthcare professionals and we may lose users, which in turn could adversely affect our business and results of operations.

We may be subject to intellectual property infringement claims or other allegations, which could result in payment of substantial damages, penalties and fines and removal of data or technology from our system.

Our internal procedures and licensing practices may not be effective in completely preventing the unauthorized use of copyrighted materials or the infringement by us of other rights of third parties. The validity, enforceability and scope of protection of intellectual property rights in Internet-related industries, particularly in China, is uncertain and still evolving. As we face increasing competition and as litigation becomes a more common way to resolve disputes in China, we face a higher risk of being the subject of intellectual property infringement claims.

Much of our business relies on technology and information developed or licensed by third parties. We cannot be certain that our operations, the information posted on our platform or any other aspect of our business do not or will not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties. We may from time to time in the future be subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there could also be existing intellectual property of which we are not aware that our operations and business may inadvertently infringe. We cannot assure you that we will not become subject to intellectual property laws in other jurisdictions. If a claim of infringement brought against us in another jurisdiction is successful, we may be required to pay substantial penalties or other damages and fines or to enter into license agreements which may not be available on commercially reasonable terms or at all, or we may be subject to injunctions or court orders. Even if allegations or claims lack merit, defending against them could be both costly and time-consuming and could significantly divert the efforts and resources of our management and other personnel.

Competitors and other third parties may claim as well that our officers or employees have infringed, misappropriated or otherwise violated their software, confidential information, trade secrets or other proprietary technology in the course of their employment with us. Although we take steps to prevent the unauthorized use or disclosure of such third-party information, intellectual property or technology by our officers and employees, we cannot guarantee that any policies or contractual provisions that we have implemented or may implement will be effective. If a claim of infringement, misappropriation or violation is brought against us or one of our officers or employees, we may suffer reputational harm and may be required to pay substantial damages,

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subject to injunction or court orders or be required to remove the data and redesign our technology, any of which could adversely affect our business, financial condition and results of operations.

In particular, third parties may assert claims against us or one of our officers or employees alleging infringement of copyrights for information available on our platform. Although we have adopted internal procedures to screen, monitor and remove the information displayed on our platform to comply with third-party intellectual property rights and PRC laws and regulations, we may not be able to identify and remove all potentially infringing information in a timely manner due to the large amount of information on our platform. Accordingly, we may, from time to time, be exposed to copyrights infringement or misappropriation claims by third parties, including competing online medical information platforms, relating to the medical knowledge information posted on our platform. Defending against any of these current or future claims could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. An adverse determination in any such litigation or proceedings to which we or one of our officers or employees may become a party could subject us to significant liability to third parties, require us to seek licenses from third parties, pay ongoing royalties, or subject us to injunctions prohibiting the distribution of the relevant medical knowledge information. To the extent that licenses are not available to us on commercially reasonable terms or at all, we may be required to expend considerable time and resources sourcing alternative information. In addition, we may be subject to administrative actions brought by the National Copyright Administration of the PRC or its local counterparts for alleged copyright infringement. As a result of such claims, litigations and administrative actions, our business, brand image and reputation could be materially and adversely affected.

The online healthcare services market is dynamic and evolving and may not develop as we expect. Developments in the market, such as levels of demand or patient acceptance, may adversely affect our business, financial condition or results of operations.

The online healthcare services market is dynamic and evolving, and it is uncertain whether it will achieve and sustain high levels of demand, patient acceptance and market adoption. The success of our intelligent patient management solutions will depend to a substantial extent on the willingness of patients to use, and to increase the frequency and extent of their utilization of, our services, as well as on our ability to demonstrate the value of our services to patients, hospitals, physicians and healthcare companies. If patients or healthcare service providers do not perceive the benefits of our services, or if our services do not drive patient engagement, then the market for our services may not develop at all, or it may develop more slowly than we expect. Similarly, patients' concerns regarding patient confidentiality and privacy in the context of online healthcare

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services in general could limit market acceptance of our services. If any of these events occurs, it could have a material adverse effect on the growth of our business, financial condition or results of operations.

We may fail to attract or retain sufficient patients or physicians for our intelligent patient management solutions.

Our ability to acquire and retain sufficient patients for our intelligent patient management solutions is critical to the development of such services, which in turn primarily depends on the overall experience we provide to patients as well as the actual or perceived effectiveness of our services. In order to attract and retain patients, we must continue to build our brand and reputation as an effective online healthcare platform, as well as effectively market and precisely target our services to prospective patients. To retain and engage our patient base, we must provide personalized, superior user experience, offer quality services covering a wide range of patients' demands and cultivate patients' stickiness to our platform. However, we cannot assure you that patients will consider their experience satisfactory or our services effective. For example, patients who do not achieve satisfactory treatment results following our patient education programs may attribute such failure to the ineffectiveness of our services. In addition, some patients may encounter trouble in navigating our platform or experience technical difficulties.

On the other hand, we also need to attract and retain sufficient physicians to our platform for our online healthcare services. We collaborate with external physicians to provide online healthcare services. We believe our platform and intelligent patient management solutions provide compelling value propositions to physicians by offering them an access to Internet traffic and an innovative healthcare venue. However, we cannot assure you that physicians would be attracted to or stay at our platform. For example, as external physicians with whom we collaborate have responsibilities at their hospitals, they may not be willing to set aside additional hours from their schedule to participate in our online healthcare services. Additionally, they may not share our vision about online healthcare services and may still stick to their traditional practices. If we fail to attract or retain sufficient number of medical professionals, our online healthcare services may not develop and we may not be able to provide satisfactory services or patient experience.

If we fail to address, among other things, any of the foregoing challenges, patients may become frustrated by or dissatisfied with our intelligent patient management solutions, and may leave our platform without using our service. As a result, the attractiveness of our solutions to healthcare companies would decrease, and our business, results of operations and financial condition could be materially and adversely affected.

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The efficiency of our delivery of clinical research solutions to our customers may be compromised if we fail to secure requisite authorization from hospitals to use the data underlying our solutions in a timely manner.

For our clinical research solutions, we leverage our physician network, software technology and real-world healthcare data to help the healthcare companies, including pharmaceutical companies, biotech companies, medical device manufacturers and CROs, to reduce the duration and costs and increase the success rate of clinical development. We must enter into cooperation agreements with and obtain authorization from hospitals for using healthcare data that are necessary to the development of our solutions before delivering our solutions pursuant to our service agreements with our customers. Negotiating and entering into cooperation agreements with and obtaining authorization from hospitals are usually time-consuming, which have negatively affected and may continue to negatively affect the efficiency of our delivery of our clinical research solutions. We plan to devote more resources and staff to facilitate the negotiation and authorization process of hospitals. However, we cannot guarantee the effectiveness of these efforts, especially given the complex internal approval procedures implemented by public hospitals in China. If we fail to reduce the time required for securing data usage authorization, the efficiency of our delivery of clinical research solutions to our customers could be compromised. If such inefficiency prevents us from delivering our solutions within the timeframe required by the service agreements, we may face legal liabilities for breach of contract and lose the anticipated revenues under the relevant service agreements, which could harm our business, reputation, result of operations and financial conditions.

If we are unable to attract suitable patients for clinical trials, our clinical research solutions business may suffer.

We provide patient recruitment service as part of our clinical research solutions. Our physician network and software technology have enabled us to shorten the time required for locating adequate patient candidates. However, our patient recruitment service for clinical trials may nevertheless be affected by a number of factors, some of which are beyond our control. Failure to locate sufficient patients within the timeframe as required by our service agreements could hurt our business, results of operations and financial position. Factors that could impact our patient enrollment performance include but not limited to the following:

- severity of the disease under investigation;
- total size and nature of the relevant patient population;
- design and eligibility criteria for the clinical trial in question;

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- perceived risks and benefits of the drug candidates under study;
- patient referral practices of physicians and hospitals;
- availability of competing therapies also undergoing clinical trials;
- our customers' efforts to screen and recruit eligible patients;
- proximity and availability of clinical trial sites for prospective patients; and
- occurrence of any health epidemic or other public events, such as the COVID-19 outbreak, that could deter patients from participating in clinical activities.

Any failure to satisfactorily perform our patient recruitment service as a result of these or other factors may materially and adversely affect our business, results of operations, financial condition and prospects.

Any failure to comply with existing regulations and industry standards by our CRO customers or any adverse actions by the drug approval authorities against our CRO customers or us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

China imposes high standards on the efficacy of prescription drugs, as well as strict rules, regulations and industry standards on how pharmaceutical companies develop and manufacture prescription drugs before granting approval for marketing. Regulatory authorities may also conduct scheduled or unscheduled periodic inspections of our CRO customers' facilities to monitor their regulatory compliance. We cannot assure you that our CRO customers will be able to pass these inspections at all times. Any failure to comply with existing regulations and industry standards could result in fines or other punitive actions against our CRO customers, the termination of ongoing projects and the disqualification of data for submission to regulatory authorities, each of which could have a material adverse impact on their cooperation with us and may negatively impact our reputation and our business, financial condition, results of operations and prospects.

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Any service interruption or failure in the systems that we use to provide online services or any failure to timely and effectively scale and adapt our existing technologies and infrastructure could harm our business and results of operations.

We have experienced, and may experience in the future, service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and hardware failure. While we have disaster recovery plans in place, they might not adequately protect us in the event of a system failure.

In particular, as the number of our users increases and our solutions and services become more complex, it may become increasingly difficult to maintain and improve the performance of our solutions. Our platform infrastructure is currently built on our in-house data center facilities, whose capacity may need to be expanded as our user base continues to grow and our users' demand for services, solution upgrade and operational monitoring continues to increase. We cannot assure you that we will be able to expand the data center facilities to meet the increased infrastructure capacity demand in a timely manner, or on favorable economic terms. Further, we do not have sufficient control over the operation of the data center facilities. Data center facilities leased by us are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, break-ins, sabotage, acts of terrorism, intentional acts of vandalism, operator errors and other similar events or misconducts. Despite precautions taken at these facilities and the disaster recovery plans we maintain, the occurrence of a natural disaster, an act of terrorism or other act of malfeasance, a decision to close the facilities without adequate notice, or other unanticipated problems at these facilities could result in lengthy interruptions in our service and solutions and the loss of data and our business, in which case we may not be able to switch to new data centers or move data from one data center to another on a timely basis, or at all.

Any disruption or failure in our system or the technology infrastructure could hinder our ability to deliver solutions and services, and the day-to-day management of our business, and could result in corruption, loss or unauthorized disclosure of proprietary, confidential or other data, which in turn may harm our reputation and business, entail claims and liabilities and deter prospective customers.

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Failure to comply with anti-corruption laws and regulations, or effectively manage our employees, affiliates and business partners such as healthcare customers and external physicians with whom we collaborate, could severely damage our reputation, and materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks in relation to actions taken by us, our employees, affiliates, healthcare customers, external physicians with whom we collaborate or other business partners that constitute violations of the anti-corruption laws and regulations. There have been past instances of corrupt practices in the healthcare industry, including, among other things, receipt of kickbacks, bribes or other illegal gains or benefits by hospitals and physicians from manufacturers, distributors and retail pharmacies in connection with the prescription of healthcare products. If we, our employees, affiliates, healthcare customers, external physicians with whom we collaborate or other business partners violate these laws, rules or regulations, we could be subject to fines and/or other penalties. Actions by PRC regulatory authorities or the courts to provide an interpretation of PRC laws and regulations that differs from our interpretation or to adopt additional anti-bribery or anti-corruption related regulations could also require us to make changes to our operations. Our reputation, corporate image, and business operations may be materially and adversely affected if we fail to comply with these measures or become the target of any negative publicity as a result of actions taken by us, our employees, affiliates, healthcare customers, external physicians with whom we collaborate or other business partners, which may in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to potential liability in connection with pending or threatened legal proceedings, which could adversely affect our business or financial results.

From time to time, we have become and may in the future become a party to various legal or administrative proceedings arising in the ordinary course of our business, including breach of contract claims and other matters. Such proceedings are inherently uncertain and their results cannot be predicted with certainty. Regardless of the outcome and merit of such proceedings, any such legal action could have an adverse impact on our business because of defense costs, negative publicity, diversion of management's attention and other factors. In addition, it is possible that an unfavorable resolution, including any judgment or settlement subjecting us to liability, of one or more legal or administrative proceedings, whether in the PRC or in another jurisdiction, could materially and adversely affect our business, financial position, results of operations or cash flows in a particular period or damage our reputation.

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

We rely on a combination of copyright, trademark, patent and other intellectual property laws, trade secret protection and confidentiality and invention assignment agreements with our employees and third parties and other measures to protect our intellectual property rights. We have been enriching our intellectual property portfolio. However, there can be no assurance that any of our pending patents, trademarks, software copyrights or other intellectual property applications will issue or be registered. Any intellectual property rights we have obtained or may obtain in the future may not be sufficient to provide us with a competitive advantage, and could be challenged, invalidated, circumvented, infringed or misappropriated.

Despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or otherwise obtain and use our copyrighted information and other intellectual property. Monitoring for infringement or other unauthorized use of our intellectual property rights is difficult and costly, and such monitoring may not be effective. From time to time, we may have to resort to courts or administrative proceedings to enforce our intellectual property rights, which may result in substantial cost and diversion of resources. The PRC has historically afforded less protection to a company's intellectual property than other developed regions such as the United States and, therefore, companies such as ours operating in the PRC face an increased risk of intellectual property piracy.

From time to time we may evaluate and potentially consummate strategic investments or acquisitions, which could require significant management attention, disrupt our business and adversely affect our financial results.

We may evaluate and consider strategic investments, combinations, acquisitions or alliances to enhance our competitive position. These transactions could be material to our financial condition and results of operations if consummated. If we are able to identify an appropriate business opportunity, we may not be able to successfully consummate the transaction and, even if we do consummate such a transaction, we may be unable to obtain the benefits or avoid the difficulties and risks of such transaction, which may result in investment losses.

Strategic investments or acquisitions will involve risks commonly encountered in business relationships, including:

- difficulties in assimilating and integrating the operations, personnel, systems, data, technologies, products and services of the acquired business;

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- inability of the acquired technologies, products or businesses to achieve expected levels of revenue, profitability, productivity or other benefits including the failure to successfully further develop the acquired technology;
- difficulties in retaining, training, motivating and integrating key personnel;
- diversion of management's time and resources from our normal daily operations and potential disruptions to our ongoing businesses;
- strain on our liquidity and capital resources;
- difficulties in executing intended business plans and achieving synergies from such strategic investments or acquisitions;
- difficulties in maintaining uniform standards, controls, procedures and policies within the overall organization;
- difficulties in retaining relationships with existing suppliers and other partners of the acquired business;
- risks of entering markets in which we have limited or no prior experience;
- regulatory risks, including remaining in good standing with existing regulatory bodies or receiving any necessary pre-closing or post-closing approvals, as well as being subject to new regulators with oversight over an acquired business;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights or increase our risk for liability;
- liability for activities of the acquired business before the acquisition, including intellectual property infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and
- unexpected costs and unknown risks and liabilities associated with strategic investments or acquisitions.

Any future investments or acquisitions may not be successful, may not benefit our business strategy, may not generate sufficient revenues to offset the associated acquisition costs or may not otherwise result in the intended benefits.

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The continued and collaborative efforts of our senior management and other highly specialized personnel are crucial to our success, and our business may be harmed if we lose their services.

Our success and the execution of our growth strategy depend largely on the continued service of our senior management and key employees. The loss of any members of our management team or other key personnel could have a negative impact on our ability to manage and grow our business effectively. We cannot assure you that in such an event we would be able to replace any member of our management team in a timely manner, or at all, on acceptable terms. Competition for management and key personnel is intense and the pool of qualified candidates is limited. We may not be able to retain the services of our executives or key personnel, or attract and retain experienced executives or key personnel in the future. If any of our executive officers or key employees joins a competitor or forms a competing business, we may lose crucial business secrets, know-hows, customers and other valuable resources.

Our future success and the execution of our growth strategy also depend largely on our continuing ability to identify, hire, develop, motivate and retain highly specialized personnel, including software engineers, AI and data analytics experts, quality professionals with medical education background or experience, in-house journalists, editorial staff and skilled employees in the areas of technology, managerial, editorial, finance, marketing, sales and customer service. Our competitors, employers in other industries, healthcare providers, academic institutions and governmental entities and organizations also often seek persons with similar qualifications. Qualified individuals are in high demand, and we cannot assure you that we will be able to hire or retain a sufficient number of qualified personnel to meet our requirements, or that we will be able to do so at salary and benefit costs that are acceptable to us.

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

Prior to the Global Offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud or other misconduct involving our employees and other third parties that had a material and adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in the future. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements, which would likely cause investors to lose confidence in

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our reported financial information. This could in turn limit our access to capital markets, harm our results of operations and lead to a decline in the trading price of our Shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets, regulatory investigations and civil or criminal sanctions. We have invested, and will continue to invest, substantial efforts and resources in maintaining an effective internal control system and monitoring and remedying any weakness we identify in connection therewith. There is no assurance, however, we will be able to spot and eliminate all weaknesses in our internal control system on a timely basis.

We have limited business insurance coverage, which could expose us to significant costs and business disruption.

We maintain various insurance policies to safeguard against risks and unexpected events. However, we do not maintain business interruption insurance or key-man insurance or any insurance covering liabilities resulting from misconducts or illegal activities committed by our employees or users. We cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

In addition, we are subject to laws, rules, and regulations relating to insurance coverage which could result in proceedings or actions against us by governmental entities or others. Any failure, or perceived failure, by us to comply with laws, rules, and regulations or contractual obligations relating to insurance coverage could result in proceedings or actions against us by governmental entities or others. These lawsuits, proceedings, or actions may subject us to significant penalties and negative publicity, require us to increase our insurance coverage, require us to amend our insurance policy disclosure, increase our costs, and disrupt our business.

Failure to make adequate contributions to various government-sponsored employee benefits plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various government-sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, complete related registration with the competent authorities and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based. The requirements of employee benefit plans have not been implemented consistently by the local governments in China given the different levels of economic development in different locations. Historically, we did not complete

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the relevant employee benefit plan registrations for our Consolidated Affiliated Entities in China either because the relevant Consolidated Affiliated Entity did not have any employee or made the social insurance and housing fund contributions through labor agents, and our contributions to social insurance and housing fund for our employees may be found inadequate under PRC law. We recorded RMB10.6 million as other payables and accruals in our financial statements to reflect our estimation of the total amount of historical shortfall as of December 31, 2020. Pursuant to relevant PRC laws and regulations, we may be ordered by the relevant government authorities to pay the historical shortfall amount within a prescribed period and the historical shortfall in social insurance contributions shall be subject to a late fee of 0.05% per day from the due date. If we fail to make a payment within the prescribed period, we may face an additional fine ranging between one to three times the historical shortfall in social insurance contributions. Pursuant to relevant PRC laws and regulations, if there is a failure to pay the full amount of housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. As of the date of this prospectus, we have not received any notice of warning or been subject to any administrative penalties or other disciplinary actions from the relevant governmental authorities for our historical shortfall in social insurance and housing fund contribution. Our PRC Legal Adviser is of the opinion that the risk of us being subject to such fine is low provided that we make the payment within the prescribed period. However, we cannot assure you that local authorities will not impose late fees, pecuniary penalties or other administrative actions on us for our noncompliance. If local authorities determine that we failed to make adequate contributions to any employee benefits as required by relevant PRC regulations, we may face late fees or fines in relation to the underpaid employee benefits. In addition, our provision for these liabilities may not be adequate. As a result, our financial condition and results of operations may be materially and adversely affected.

We have granted and will continue to grant share incentives, which will result in share-based compensation expenses and negatively impact our results of operations.

We have adopted the Pre-IPO Share Option Scheme and conditionally adopted the Post-IPO Share Option Scheme. Pursuant to the Pre-IPO Share Option Scheme, Pre-IPO Share Options to purchase a total of 26,754,000 Shares have been granted to 62 Grantees on April 2, 2021. The implementation of the Post-IPO Share Option Scheme is conditional on the Listing. The maximum number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes (the “**Other Schemes**”) of our Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Listing Date, being 69,017,600 Shares, or such higher limit as the Stock Exchange may allow pursuant to a waiver granted at the Stock Exchange’s discretion (the “**Scheme Mandate Limit**”). We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based

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compensation to employees in the future. As a result, we will incur expenses associated with share-based compensation, which will have an adverse effect on our results of operations. Assuming the maximum number of Shares that can be issued upon the full exercise of the Pre-IPO Share Options had been in issue throughout the year ended December 31, 2020 and that the Share Subdivision of one share into 1,000 Shares had been implemented, there would be a dilution effect of approximately 4.76% on the audited basic and diluted earnings per Share attributable to ordinary equity holders of the parent for the year ended December 31, 2020 from RMB15.92 cents to RMB15.16 cents. We estimate that we will recognize share-based compensation expenses in amount of RMB14.3 million in the year ending December 31, 2021.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

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

Certain of our leased property interests may be defective, which could cause disruption to our business.

As of the Latest Practicable Date, we operated our businesses primarily through seven leased properties in Beijing, Shanghai and certain other cities in China. Six of our lease agreements in the PRC, all of which are for our office premises, have not been filed with competent governmental authority. According to the applicable PRC laws, the failure to file the lease agreement will not affect its effectiveness between the tenant and the landlord, however, the landlord and the tenant may be subject to administrative fines for such failure to file the lease. Accordingly, we may be subject to administrative fines of up to RMB60,000 in aggregate for the failure to file the lease agreements. Also, in the event that the actual use of our leased properties is inconsistent with the use registered on the land use right certificate or our leased properties are on allocated land (劃撥

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土地), the competent authorities may require the lessors to return the land and impose fines on the lessors, or confiscate the proceeds from the leasing of the properties and imposed fines on the lessor if such properties are leased without their consent or handing in such income, as applicable. We can provide no assurance that we will not be subject to the aforementioned penalties as a lessee to the properties, and the relevant lease agreements may be deemed to be in breach of the law and therefore be void.

As of the Latest Practicable Date, we were not aware of any action, claim or investigation being conducted or threatened by the competent government authorities with respect to the defects in our leased properties. However, we cannot assure you that our use of such leased properties will not be challenged. In the event that our use of properties is successfully challenged, we may be subject to fines and forced to relocate the affected operations. In addition, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges on our use of such properties. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to realize and recover the full amount of the contract assets.

Our contract assets are initially recognized for the revenue earned from our provision of precision marketing solutions, corporate solutions and intelligent patient management solutions as the receipt of consideration for our services is conditional on the successful completion of our provision of services. Upon completion of our provision of services, the amounts recognized as contract assets are reclassified as trade receivables. We recorded contract assets of approximately RMB11.1 million, RMB23.3 million, RMB15.8 million as of December 31, 2018, 2019 and 2020, respectively. See "Financial Information — Discussion of Certain Key Balance Sheet Items — Current Assets/Liabilities — Contract Assets." There is no assurance that we will be able to realize and recover the full amount of contract assets as we may not be able to perform our services or the operation and liquidity condition of our customers may change, or they may dispute the services we provided, which will result in impairment of such contract assets. If we fail to realize and recover the full amount of contract assets, our results of operations, liquidity and financial position may be adversely affected.

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If we fail to collect trade receivables from our customers in a timely manner, our business, results of operations and financial condition may be materially and adversely affected.

We typically extend credit terms to our large customers that result in trade receivables. As of December 31, 2020, the balance of our trade receivables was RMB42.5 million. We usually make credit assessment of our customers before entering into service agreements. However, we cannot assure you that we are or will be able to accurately assess the creditworthiness of each of our customers before entering into agreements or extending credit terms, neither can we guarantee that each of these customers will be able to strictly follow and enforce the payment schedules provided in the agreements. Any inability of our customers to pay us in a timely manner may adversely affect our liquidity and cash flows, which in turn has a material adverse effect on our business operations and financial condition.

We may not be able to fulfill our obligations in respect of contract liabilities which may in turn impact our results of operation, liquidity and financial position.

We recognize a contract liability when we receive a payment or when a payment is due (whichever is earlier) from a customer before we provide the related services. Contract liabilities are then reclassified as revenue when we perform our services under the contract, which means transferring control of the related goods or services to the customer. Our contract liabilities increased from RMB4.5 million as of December 31, 2018 to RMB6.0 million as of December 31, 2019, and further increased to RMB16.9 million as of December 31, 2020. See “Financial Information — Discussion of Certain Key Balance Sheet Items — Current Assets/Liabilities — Other Payables and Accruals.” If we fail to fulfill our obligations or if our customers dispute the services we provided, we may not be able to reclassify the full amount of contract liabilities as revenue, and we will have to refund all or a portion of the payments made by our customers, which will adversely affect our results of operations, liquidity and financial position.

We face exposure to fair value change for financial assets at fair value through profit or loss and valuation uncertainty due to the use of unobservable inputs.

We purchased financial assets at fair value through profit or loss in the amount of RMB132.0 million in 2020, which were short-term structured deposit products with maturity ranging from 30 days to 95 days. We may continue to make such investment as part of our cash management and treasury measures and therefore may face exposure to fair value change for the financial assets at fair value through profit or loss. We cannot assure you that we can recognize comparable fair value gains in the future, and we may, on the contrary, recognize fair value losses, which would affect our results of operations for future periods. In addition, the valuation of fair value changes of financial assets at fair value through profit or loss is subject to uncertainties in estimations. Such estimated changes in fair values involve the exercise of professional judgment and the use of

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certain bases, assumptions and unobservable inputs, which, by their nature, are subjective and uncertain. As such, the financial assets at fair value through profit or loss valuation has been, and will continue to be, subject to uncertainties in estimations, which may not reflect the actual fair value of these financial assets and result in significant fluctuations in profit or loss from period to period.

We face risks related to natural disasters, health epidemics and other outbreaks, such as the outbreak of COVID-19, which could significantly disrupt our operations.

Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, such as COVID-19, swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, adverse weather conditions or natural disasters, such as snowstorms, earthquakes, fires or floods, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our business and operations. These events could also significantly impact the industries we operate in and cause a temporary closure of the facilities we use for our operations, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

In recent years, there have been breakouts of epidemics in China and globally. The outbreak of a novel strain of coronavirus, later named COVID-19, has affected China and many parts of the world. In response to intensifying efforts to contain the spread of the coronavirus, the Chinese government took a number of actions, which included, among other measures, extending the Chinese New Year holiday, quarantining individuals in China who had the COVID-19, asking citizens to remain at home and to avoid gathering in public. The COVID-19 has also resulted in temporary closures of many corporate offices, manufacturing facilities and factories across China. We adjusted our operations and instructed some of our employees to stay at their homes and work from home during the COVID-19 outbreak. The global spread of COVID-19 pandemic in a significant number of countries around the world has resulted in, and may intensify, global economic distress, and the duration and extent of the impact of COVID-19 outbreak cannot be reasonably estimated at this time. The extent to which it may affect our results of operations, financial condition and cash flow will depend on the future developments of the outbreak, which are highly uncertain and cannot be predicted. Such uncertainty poses operational challenges to our service offerings. Our operations could be disrupted if any of our employees or employees of our business partners were suspected of contracting an epidemic disease, since this could require us or our business partners to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenues and profitability could be materially reduced to the extent that a health epidemic, adverse weather conditions or natural disaster or other outbreak harms the global or Chinese economy in general.

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RISKS RELATING TO OUR CONTRACTUAL ARRANGEMENTS

If the PRC government finds that the agreements that establish the structure for operating our operations in China do not comply with applicable PRC laws and regulations, or if these laws and regulations or the interpretation of existing laws and regulations change in the future, we could be subject to severe consequences, including the nullification of the contractual arrangements and being forced to relinquish our interests in those operations.

Foreign ownership in entities that provide Internet and other related businesses, including the value-added telecommunication services, is subject to restrictions under current PRC laws and regulations, unless certain exceptions are available. We are a company incorporated in the Cayman Islands and our PRC subsidiaries are considered foreign-invested enterprises. Accordingly, we and our PRC subsidiaries are not eligible to provide Internet information services and other value-added telecommunication business subject to foreign ownership restriction under PRC laws and regulations. To ensure compliance with the PRC laws and regulations, we conduct certain of our business lines in China through our Consolidated Affiliated Entities incorporated in China. We have entered into contractual arrangements with the Yimaihutong and its shareholders, through which we obtain effective control over Yimaihutong and substantially all of the economic benefits arising from Yimaihutong and are able to consolidate the financial results of Yimaihutong in our results of operations. See “Contractual Arrangements.”

In the opinion of our PRC Legal Adviser, based on its understanding of the relevant PRC laws and regulations, each of the contracts among Jinye Tiancheng, Yimaihutong and the Registered Shareholders is legal, valid, binding and enforceable under applicable PRC laws and regulations and the provisions of the articles of associations of Jinye Tiancheng and Yimaihutong, except that (a) the Contractual Arrangements provide that the arbitral body may award remedies over the shares and/or assets or award injunctive relief and/or order the winding up of Yimaihutong, and that courts of competent jurisdictions are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal or in appropriate cases, while under PRC laws and regulations, an arbitral body has no power to grant injunctive relief or to order an entity to wind up, and the aforesaid interim remedies granted by competent courts may not be recognizable or enforceable in the PRC; and (b) the Contractual Arrangements provide that the Registered Shareholders undertake to appoint committees designated by Jinye Tiancheng as the liquidation committee upon the winding up of Yimaihutong to manage their respective assets; however, in the event of a mandatory liquidation required by PRC laws and regulations, these provisions may not be enforceable. Our PRC Legal Adviser has also advised that there are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. The relevant PRC regulatory authorities have broad discretion in determining whether a particular contractual structure violates PRC laws and regulations. Thus, we cannot assure you that the PRC government will not ultimately take a view contrary to the opinion

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of our PRC Legal Adviser. If we are found in violation of any PRC laws or regulations or if the Contractual Arrangements among our wholly foreign-owned PRC subsidiaries, Yimaihutong and its shareholders are determined as illegal or invalid by any PRC court, arbitral tribunal or regulatory authorities, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoke the agreements constituting the Contractual Arrangements;
- revoke our business and operating licenses;
- require us to discontinue or restrict operations;
- restrict our right to collect revenue;
- restrict or prohibit our use of the proceeds from our public offering to fund our business and operations in China;
- shut down all or part of our websites or services;
- levy fines on us and/or confiscate the proceeds that they deem to have been obtained through non-compliant operations;
- require us to restructure the operations in such a way as to compel us to establish a new enterprise, re-apply for the necessary licenses or relocate our businesses, staff and assets;
- impose additional conditions or requirements with which we may not be able to comply; or
- take other regulatory or enforcement actions that could be harmful to our business.

Furthermore, any of the assets under the name of any record holder of equity interest in Yimaihutong, including such equity interest, may be put under court custody in connection with litigation, arbitration or other judicial or dispute resolution proceedings against that record holder. We cannot be certain that the equity interest will be disposed of in accordance with the Contractual Arrangements. In addition, new PRC laws, rules and regulations may be introduced to impose additional requirements that may impose additional challenges to our corporate structure and Contractual Arrangements. The occurrence of any of these events or the imposition of any of these penalties may result in a material and adverse effect on our ability to conduct Internet-related businesses. In addition, if the imposition of any of these penalties causes us to be unable to direct

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the activities of our Consolidated Affiliated Entities or the right to receive their economic benefits, we would no longer be able to consolidate our Consolidated Affiliated Entities into our financial statements, which could materially and adversely affect our financial condition and results of operations. In this case, we may also face the risk that the Stock Exchange may consider our Company to be no longer suitable for listing and consequently delist our Shares.

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership.

We operate a majority of our business in China through our Consolidated Affiliated Entities, in which we have no ownership interest and rely on the Contractual Arrangements with Yimaihutong and its shareholders to control and operate these businesses. A portion of our revenue and cash flow from our business is attributed to our Consolidated Affiliated Entities. The Contractual Arrangements may not be as effective as direct ownership in providing us with control over Yimaihutong. Direct ownership would allow us, for example, to directly or indirectly exercise our rights as a shareholder to effect changes in the boards of directors of Yimaihutong, which, in turn, could effect changes, subject to any applicable fiduciary obligations at the management level. However, under the Contractual Arrangements, as a legal matter, if Yimaihutong and its shareholders fail to perform their respective obligations under the Contractual Arrangements, we may have to (i) incur substantial costs, (ii) expend significant resources to enforce those arrangements, and (iii) resort to litigation or arbitration and rely on legal remedies under PRC laws. These remedies may include seeking specific performance or injunctive relief and claiming damages, any of which may not be effective. In the event we are unable to enforce the Contractual Arrangements or we experience significant delays or other obstacles in the process of enforcing the Contractual Arrangements, we may not be able to exert effective control over Yimaihutong and may lose control over the assets owned by Yimaihutong. As a result, we may be unable to consolidate our Consolidated Affiliated Entities in our consolidated financial statements, which could materially and adversely affect our financial condition and results of operations.

Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could negatively affect our financial condition and the value of your investment.

The tax regime in China is rapidly evolving, and there is significant uncertainty for taxpayers in China as PRC tax laws may be interpreted in significantly different ways. The PRC tax authorities may assert that we or our subsidiaries or Yimaihutong or its shareholders owe and/or are required to pay additional taxes on previous or future revenue or income. In particular, under applicable PRC laws, rules and regulations, arrangements and transactions among related parties, such as the Contractual Arrangements with Yimaihutong, may be subject to audit or challenge by the PRC tax authorities. If the PRC tax authorities determine that any Contractual Arrangements

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were not entered into on an arm's length basis and therefore constitute a favorable transfer pricing, the PRC tax liabilities of the relevant subsidiaries and/or Yimaihutong and/or equity holders of Yimaihutong could be increased, which could increase our overall tax liabilities. In addition, the PRC tax authorities may impose late payment interest. Our profit may be materially reduced if our tax liabilities increase.

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

The control structure through contractual arrangements has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. The MOFCOM published the Foreign Investment Law (2015 Draft) in January 2015, according to which, variable interest entities that are controlled via contractual arrangements would also be deemed as foreign-invested entities, if they are ultimately "controlled" by foreign investors. On March 15, 2019, the NPC promulgated the Foreign Investment Law (2019), and on December 31, 2019, the State Council promulgated the Implementing Rules of Foreign Investment Law, or the Implementing Rules, to further clarify and elaborate the relevant provisions of the Foreign Investment Law (2019). The Foreign Investment Law (2019) and the Implementing Rules both became effective from January 1, 2020 and replaced the major previous laws and regulations governing foreign investments in the PRC. Since they are relatively new, uncertainties exist in relation to their interpretation and implementation. The Foreign Investment Law and the Implementing Rules do not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately "controlled" by foreign investors. However, the Foreign Investment Law has a catch-all provision under definition of "foreign investment" that includes investments made by foreign investors in China through other means as provided by laws, administrative regulations or the State Council. Therefore it still leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements as a form of foreign investment, until when it remains uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment in the PRC and if yes, how our Contractual Arrangements should be dealt with.

The Foreign Investment Law (2019) grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Special Administrative Measures (Negative List) for Foreign Investment Access jointly promulgated by MOFCOM and the NDRC and took effect in July 23, 2020. The Foreign Investment Law provides that foreign-invested entities are not allowed to operate in "prohibited" industries and their operating in "restricted" industries shall satisfy certain conditions and will require market entry clearance and other approvals from relevant PRC government authorities. On December 26, 2019, the Supreme People's Court issued the

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Interpretations on Certain Issues Regarding the Applicable of Foreign Investment Law, or the FIL Interpretations, which came into effect on January 1, 2020. In accordance with the FIL Interpretations, any claim to invalidate an investment agreement will be supported by courts if such agreement is found to be entered into for purposes of making investments in the “prohibited industries” under the negative list or for purposes of investing in “restricted industries” while failing to satisfy the conditions set out in the negative list. If our control over Yimaihutong through Contractual Arrangements are deemed as foreign investment in the future, and any business of our Consolidated Affiliated Entities is “restricted” or “prohibited” from foreign investment under the “negative list” effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the Contractual Arrangements that allow us to have control over Yimaihutong may be deemed as invalid and illegal, and we may be required to unwind such Contractual Arrangements and/or restructure our business operations, any of which may have a material adverse effect on our business operations.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to the Contractual Arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure and business operations.

Any failure by Yimaihutong or its shareholders to perform their obligations under our Contractual Arrangements with them would have a material adverse effect on our business.

If Yimaihutong or its shareholders fail to perform their respective obligations under the Contractual Arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective under PRC law. For example, if the shareholders of Yimaihutong were to refuse to transfer their equity interests in Yimaihutong to us or our designee if we exercise the purchase option pursuant to the Contractual Arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our Contractual Arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce the Contractual Arrangements. See “— Risks Relating to

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Doing Business in China — Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.” Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such proceeding if legal action becomes necessary. In addition, under PRC law, although rulings by arbitrators are final, if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only resort to PRC courts for enforcement of the arbitration awards through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce the Contractual Arrangements, or if we suffer significant delay or other obstacles in the process of enforcing the Contractual Arrangements, we may not be able to exert effective control over Yimaihutong, and our ability to conduct our business may be negatively affected.

In addition, the shareholders of Yimaihutong may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in Yimaihutong and the validity or enforceability of our Contractual Arrangements with Yimaihutong and its shareholders. For example, in the event that any of the shareholders of Yimaihutong divorces his or her spouse, the spouse may claim that the equity interest of Yimaihutong held by such shareholder is part of their community property and should be divided between such shareholder and his or her spouse. If such claim is supported by the court, the relevant equity interest may be obtained by the shareholder’s spouse or another third party who is not subject to obligations under our Contractual Arrangements, which could result in a loss of the effective control over Yimaihutong by us. Similarly, if any of the equity interests of Yimaihutong is inherited by a third party with whom the current Contractual Arrangements are not binding, we could lose our control over Yimaihutong or have to maintain such control by incurring unpredictable costs, which could cause significant disruption to our business and operations and harm our financial condition and results of operations.

We may lose the ability to use, or otherwise benefit from, the licenses, approvals and assets held by our Consolidated Affiliated Entities if any of our Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

Our Consolidated Affiliated Entities contribute a portion of our revenues, and hold the majority of our operational assets and licenses, approvals and assets that are necessary for the operation of our business. The Contractual Arrangements contain terms that specifically obligate the equity holders of Yimaihutong to ensure the valid existence of Yimaihutong and restrict the disposition of material assets or any equity interest of Yimaihutong. However, in the event the equity holders of Yimaihutong breach the terms of the Contractual Arrangements and voluntarily liquidate Yimaihutong, or Yimaihutong declares bankruptcy and all or part of its assets become

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subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to operate some or all of our business or otherwise benefit from the assets held by our Consolidated Affiliated Entities, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, if Yimaihutong undergoes a voluntary or involuntary liquidation proceeding, its equity holders or unrelated third-party creditors may claim rights to some or all of the assets of Yimaihutong, thereby hindering our ability to operate our business as well as constraining our growth.

The shareholders of Yimaihutong may have potential conflicts of interest with us.

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

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the exclusive option agreements with these shareholders to request them to transfer all of their equity interests in Yimaihutong to us or our designated person(s), to the extent permitted by PRC law. For individuals who are also our directors and officers, we rely on them to abide by the laws of the Cayman Islands, which provide that directors and officers owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the company and not to use their position for personal gains. The shareholders of Yimaihutong have executed the shareholders' rights entrustment agreement to appoint Jinye Tiancheng or a natural person designated by Jinye Tiancheng to exercise all of its rights and powers as a shareholder of Yimaihutong. If we cannot resolve any conflict of interest or dispute between us and the shareholders of Yimaihutong, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

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We do not have any insurance which covers the risks relating to the Contractual Arrangements and the transactions contemplated thereunder.

Our insurance does not cover the risks relating to the Contractual Arrangements and the transactions contemplated thereunder, and we have no intention to purchase any new insurance in this regard. If any risk arises from the Contractual Arrangements in the future, such as those affecting the enforceability of the contracts among Jinye Tiancheng, Yimaihutong and the Registered Shareholders, our financial condition and results of operations may be adversely affected.

RISKS RELATING TO DOING BUSINESS IN CHINA

PRC economic, political and social conditions as well as government policies could adversely affect our business and prospects.

Substantially all of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by economic, political and social conditions in China generally. The PRC economy differs from the economies of most developed countries in many respects, including the level of development, growth rate, level of government involvement and control of foreign exchange and allocation of resources. The PRC government exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies. In addition, the PRC government continues to play a significant role in regulating industry development by imposing relevant industrial policies.

While the PRC economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. In addition, the rate of growth has been slowing since 2012, and the impact of COVID-19 on the Chinese and global economies in 2020 and 2021 is likely to be severe. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our solutions and services and adversely affect our competitive position. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. In addition,

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in the past the PRC government has implemented certain measures, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity in China, which may adversely affect our business and results of operations.

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

A number of PRC laws and regulations, including the M&A Rules, the Anti-monopoly Law promulgated by the SCNPC in August 2007, the Notice of the General Office of State Council on Establishment of Security Review System Pertaining to Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by the General Office of the State Council in February 2011, and the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by MOFCOM in August 2011, have established procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex. These include requirements in some instances that the approval from MOFCOM be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review.

We may also develop our business by acquiring complementary businesses in addition to via organic growth. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from MOFCOM or its local counterparts, may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises “national defense and security” or “national security” concerns. However, MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in China, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.

The PRC legal system is based on written statutes. Unlike common law systems, it is a system in which legal cases have limited value as precedents. In the late 1970s, the PRC government began to promulgate a comprehensive system of laws and regulations governing

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economic matters in general. The overall effect of legislation over the past three decades has significantly increased the protections afforded to various forms of foreign or private-sector investment in China. Our PRC subsidiaries and Consolidated Affiliated Entities are subject to various PRC laws and regulations generally applicable to companies in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China could materially and adversely affect our business and impede our ability to continue our operations.

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

The PRC anti-monopoly enforcement agencies have in recent years strengthened enforcement under the Anti-monopoly Law of PRC (中華人民共和國反壟斷法). In March 2018, the SAMR was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the relevant departments under the MOFCOM, the NDRC and the SAIC, respectively. Since its inception, the SAMR has continued to strengthen anti-monopoly enforcement. On December 28, 2018, the SAMR issued the Notice on Anti-monopoly Enforcement Authorization (關於反壟斷執法授權的通知), which grants authorities to its province-level branches to conduct antimonopoly enforcement within their respective jurisdictions. On September 11, 2020, the SAMR issued Anti-monopoly Compliance Guideline for Operators (經營者反壟斷合規指南), which requires, under the Anti-monopoly Law of the PRC, operators to establish anti-monopoly compliance management systems to prevent anti-monopoly compliance risks. In November 2020, the SAMR published a discussion draft of the Guideline on Anti-monopoly of Platform Economy Sector (關於平台經濟領域的反壟斷指南(徵求意見稿)), or the Draft Guideline, aiming to improve anti-monopoly administration on online platforms. The released Draft

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Guideline, if enacted, will operate as a compliance guidance under the existing PRC antimonopoly laws and regulations for platform economy operators. The Draft Guideline intends to regulate abuse of a dominant position and other anti-competitive practices by online platform operators and the related merchants and service providers on online platforms. Pursuant to the Draft Guideline, representative examples of abuse of dominance include unfairly locking in exclusive agreements with merchants and targeting specific customers with unreasonable big-data driven tailored pricing through their online behavior to eliminate or limit market competition.

The Draft Guideline was released for public comment only, and its operative provisions and the anticipated adoption or effective date may be subject to change with substantial uncertainty. Although it is impossible to predict the impact of the Draft Guideline, if any, at this stage, we will closely monitor and assess the trajectory of the rule-making process. In the event that a final version of the Draft Guideline is adopted and in light of the substantial uncertainty over the Draft Guideline, we may face challenges in addressing its requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in an effort to do so. Any failure or perceived failure by us to comply with the enacted version of the Draft Guideline and other anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

The Notice on Issues Relating to the Administration of Foreign Exchange in Fund-Raising and Round-Trip Investment Activities of Domestic Residents Conducted via Offshore Special Purpose Companies, or SAFE Circular 75, requires PRC residents to register with the relevant local branch of SAFE before establishing or controlling any company outside of China, referred to as an offshore special purpose company, for the purpose of raising funds from overseas to acquire or exchange the assets of, or acquiring equity interests in, PRC entities held by such PRC residents and to update such registration in the event of any significant changes with respect to that offshore company. SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014, which replaced SAFE Circular 75. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as

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a “special purpose vehicle.” The term “control” under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision-making rights acquired by the PRC residents in the offshore special purpose vehicles or PRC companies by such means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of the special purpose vehicle, such as changes in a PRC resident individual shareholder, name or operation period; or any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. If the shareholders of the offshore holding company who are PRC residents do not complete their registration with the local SAFE branches, the PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its PRC subsidiaries. Moreover, failure to comply with SAFE registration and amendment requirements described above could result in liability under PRC law for evasion of applicable foreign exchange restrictions. In February 2015, SAFE issued the Circular on Further Simplifying and Improving the Policies Concerning Foreign Exchange Control on Direct Investment, or SAFE Circular 13, which took effect on June 1, 2015. SAFE Circular 13 has delegated to the qualified banks the authority to register all PRC residents’ investment in “special purpose vehicle” pursuant to SAFE Circular 37, except that those PRC residents who have failed to comply with SAFE Circular 37 will remain to fall into the jurisdiction of the local SAFE branch and must make their supplementary registration application with the local SAFE branch.

We have requested PRC residents who we know hold direct or indirect interest in our Company to make the necessary applications, filings and amendments as required under SAFE Circular 75 and other related rules. However, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our Company, and we cannot provide any assurance that these PRC residents will comply with our request to make or obtain any applicable registrations or comply with other requirements under SAFE Circular 75 or other related rules. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross-border investment activities, limit the ability of our wholly foreign-owned subsidiaries in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

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

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

We believe that neither we nor our offshore subsidiary is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” If the PRC tax authorities determine that we and/or our offshore subsidiary are a PRC resident enterprise for enterprise income tax purposes, we and/or our offshore subsidiary will be subject to the uniform 25% enterprise income tax on our world-wide income, which could materially reduce our net income. In addition, we and/or our offshore subsidiary will also be subject to PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our Shares may be subject to PRC tax, and dividends we pay may be subject to PRC withholding tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty). It is unclear whether non-PRC Shareholders of our

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company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in our Shares.

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

Under the EIT Law, and its implementation rules, PRC withholding tax at the rate of 10% is generally applicable to dividends from PRC sources paid to investors that are resident enterprises outside of China, which do not have an establishment or place of business in China, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% PRC income tax if such gain is regarded as income derived from sources within China. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty.

As discussed above under “— We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our Shareholders and have a material adverse effect on our results of operations and the value of your investment,” we may be considered a PRC resident enterprise. As substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we are considered a PRC resident enterprise. If PRC income tax is imposed on gains realized through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your investment in our Shares may be materially and adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

In addition, pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation on Income, or the Double Tax Avoidance Arrangement and the Notice of the State Taxation Administration on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties issued on February 20, 2009 by SAT, if a Hong Kong resident enterprise owns more than 25% of the equity interest in a PRC company at all times during the twelve-month period immediately prior to obtaining a dividend from such company, the 10% withholding tax on dividends is reduced to 5% provided certain other conditions and requirements under the Double Tax Avoidance Arrangement and other

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applicable PRC laws are satisfied at the discretion of the relevant PRC tax authority. However, based on the Notice of the State Taxation Administration on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, the PRC tax authorities may adjust the preferential tax treatment. Based on the Notice of the State Taxation Administration on the Recognition of Beneficial Owners in Tax Treaties, or Circular 9, issued on February 3, 2018 by SAT and effective from April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in a third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levies tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. If our Hong Kong subsidiary is determined by PRC government authorities as receiving benefits from reduced income tax rates due to a structure or arrangement that is primarily tax-driven, it would materially and adversely affect the amount of dividends.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies, and the heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.

The SAT has issued several rules and notices to tighten the scrutiny over acquisition transactions in recent years, including the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises issued in December 2009, or SAT Circular 698, the Notice on Several Issues Regarding the Income Tax of Non-PRC Resident Enterprises promulgated issued in March 2011, or SAT Circular 24, and the Notice on Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-PRC Resident Enterprises issued in February 2015, or SAT Circular 7. Pursuant to these rules and notices, if a non-PRC resident enterprise indirectly transfers PRC taxable properties, referring to properties of an establishment or a place in the PRC, real estate properties in the PRC or equity investments in a PRC tax resident enterprise, by disposing of equity interest in an overseas holding company, such indirect transfer should be deemed as a direct transfer of PRC taxable properties and gains derived from such indirect transfer may be subject to the PRC withholding tax at a rate of up to 10%. SAT Circular 7 sets out several factors to be taken into consideration by tax authorities in determining whether an indirect transfer has a reasonable commercial purpose. An indirect transfer satisfying all the following criteria will be deemed to lack reasonable commercial purpose and be taxable

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under PRC law: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the PRC taxable properties; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in the PRC, or 90% or more of its income is derived directly or indirectly from the PRC; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the PRC taxable properties are limited and are insufficient to prove their economic substance; and (iv) the foreign tax payable on the gain derived from the indirect transfer of the PRC taxable properties is lower than the potential PRC income tax on the direct transfer of such assets. Nevertheless, the indirect transfer falling into the safe harbor available under SAT Circular 7 may not be subject to PRC tax and the scope of the safe harbor includes qualified group restructuring as specifically set out in SAT Circular 7, public market trading and tax treaty exemptions.

In October 2017, the SAT released the Public Notice Regarding Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or SAT Public Notice 37, effective from December 2017. SAT Public Notice 37 replaced a series of important circulars, including but not limited to SAT Circular 698, and revised the rules governing the administration of withholding tax on China-source income derived by a non-resident enterprise. SAT Public Notice 37 provides for certain key changes to the current withholding regime, for example, the withholding obligation for a non-resident enterprise deriving dividend arises on the date on which the payment is actually made rather than on the date of the resolution that declared the dividends.

Under SAT Circular 7 and SAT Public Notice 37, the entities or individuals obligated to pay the transfer price to the transferor are the withholding agents and must withhold the PRC income tax from the transfer price if the indirect transfer is subject to the PRC enterprise income tax. If the withholding agent fails to do so, the transferor should report to and pay the tax to the PRC tax authorities. In the event that neither the withholding agent nor the transferor fulfills their obligations under SAT Circular 7 and SAT Public Notice 37, according to the applicable law, apart from imposing penalties such as late payment interest on the transferor, the tax authority may also hold the withholding agent liable and impose a penalty of 50% to 300% of the unpaid tax on the withholding agent. The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the relevant materials in connection with the indirect transfer to the PRC tax authorities in accordance with SAT Circular 7.

However, as there is a lack of clear statutory interpretation, we face uncertainties on the reporting and consequences on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our Company and other non-resident enterprises in our group may be subject

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to filing obligations or being taxed if our Company and other non-resident enterprises in our group are transferors in such transactions, and may be subject to withholding obligations if our Company and other non-resident enterprises in our group are transferees in such transactions. For the transfer of shares in our Company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our Company and other non-resident enterprises in our group should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC residents were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident investors may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices, which may have a material adverse effect on our financial condition and results of operations or such non-PRC resident investors' investments in us. We may conduct acquisition transactions in the future. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on potential acquisitions we may pursue in the future.

Failure to obtain any preferential tax treatments or the discontinuation, reduction or delay of any of the preferential tax treatments that may be available to us in the future could materially and adversely affect our business, financial condition and results of operations.

Operating in the high-technology industry, Jinye Tiancheng, one of our PRC operating entities, enjoys preferential tax treatment as a high and new technology enterprise according to the prevailing PRC tax laws. For a qualified high and new technology enterprise, the applicable enterprise income tax rate is 15%. The high and new technology enterprise qualification is re-assessed by the relevant authorities every three years. Moreover, a qualified software enterprise is entitled to a tax holiday consisting of a two-year enterprise income tax exemption beginning with the first profit-making calendar year and a 50% enterprise income tax reduction for the subsequent three years. On November 30, 2018, Jinye Tiancheng was qualified as a “high and new technology enterprise” under the relevant PRC laws and regulations. Accordingly, Jinye Tiancheng was entitled to a preferential income tax rate of 15% during the period from November 30, 2018 to November 29, 2021. Jinye Tiancheng plans to file an application to renew the status in 2021. If Jinye Tiancheng fails to maintain its respective qualification under the relevant PRC laws and regulations, its applicable enterprise income tax rates may increase to up to 25%, which could have a material adverse effect on our results of operations.

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

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year and have been granted options will be subject to these regulations when our company becomes an overseas-listed company upon the completion of the Global Offering. Failure to complete SAFE registrations may subject them to fines of up to RMB300,000 for entities and up to RMB50,000 for individuals and may also limit our ability to contribute additional capital into our PRC subsidiary and our PRC subsidiary's ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law.

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

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

We are a holding company, and we principally rely on dividends and other distributions on equity that may be paid by our PRC subsidiaries and remittances from our Consolidated Affiliated Entities, for our cash and financing requirements, including the funds necessary to pay dividends

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and other cash distributions to the holders of our Shares and service any debt we may incur. If our PRC subsidiaries or our Consolidated Affiliated Entities incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

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

PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies may delay or prevent us from using the proceeds of the Global Offering to make loans or additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of shareholders' loans or capital contributions, or to our Consolidated Affiliated Entities by means of loans, after completion of the Global Offering. Any loans to our PRC subsidiaries or our Consolidated Affiliated Entities cannot exceed a statutory limit, and shall be filed with SAFE or its local counterparts, and if such loan is with a term of more than one year, must be recorded and registered with the NDRC or its local branches. In addition, any capital contributions we make to our PRC subsidiaries shall be filed with MOFCOM or its local counterparts via the online information reporting system and registered with the SAMR or its local branches. We may not be able to complete these government filings on a timely basis, if at all. If we fail to complete such filings, our ability to provide loans or capital contributions to our PRC subsidiaries in a timely manner may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

In March 2015, SAFE promulgated SAFE Circular 19, which took effect and replaced SAFE Circular 142 from June 1, 2015. On June 9, 2016, SAFE promulgated SAFE Circular 16. SAFE Circular 19 and SAFE Circular 16 removed certain restrictions previously provided under SAFE Circular 142 on the conversion by a foreign-invested enterprise of its capital denominated in

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foreign currency into RMB and the use of such RMB and allowed foreign invested enterprises to settle their foreign currency-denominated capital at their discretion based on actual needs of their business operations. However, SAFE Circular 19 and SAFE Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capital for expenditure beyond its business scope, or providing loans to non-associated enterprises. In addition, neither SAFE Circular 19 nor SAFE Circular 16 clarifies whether a foreign-invested enterprise whose business scope does not include equity investment or similar activities may use RMB converted from the foreign currency-denominated capital for equity investments in the PRC. On October 23, 2019, the SAFE issued SAFE Circular 28, which expressly allows foreign-invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as there is a truthful investment and such investment is in compliance with the foreign investment-related laws and regulations. If our Consolidated Affiliated Entities require financial support from us or our PRC subsidiaries in the future, and we find it necessary to use foreign currency-denominated capital to provide such financial support, our ability to fund our Consolidated Affiliated Entities' operations will be subject to statutory limits and restrictions, including those described above. The applicable foreign exchange circulars and rules may limit our ability to transfer the net proceeds from the Global Offering to our PRC subsidiaries and convert the net proceeds into RMB, which may adversely affect our business, financial condition and results of operations.

Restrictions on the remittance of RMB into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The PRC government imposes controls on the convertibility of RMB into foreign currencies and the remittance of currency out of China. We receive substantially all of our revenue in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our PRC subsidiaries. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our Shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in

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foreign currencies. Pursuant to the SAFE Circular 19, a foreign-invested enterprise may convert up to 100% of the foreign currency in its capital account into RMB on a discretionary basis according to the actual needs. The SAFE Circular 16 provides for an integrated standard for conversion of foreign exchange under capital account items on a discretionary basis, which applies to all enterprises registered in China. In addition, the SAFE Circular 16 has narrowed the scope of purposes for which an enterprise must not use the RMB funds so converted, which include, among others, (i) payment for expenditure beyond its business scope or otherwise as prohibited by the applicable laws and regulations, (ii) investment in securities or other financial products other than banks' principal-secured products, (iii) provision of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope of the enterprise, and (iv) construction or purchase of non-self-used real properties, except for real estate developers. The PRC government may at its discretion further restrict access to foreign currencies for current account transactions or capital account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency needs, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of RMB into or out of China.

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

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes including the PRC government's policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the People's Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in RMB exchange rates and achieve policy goals.

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

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

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

On July 14, 2006, Hong Kong and China entered into the Arrangement between the Courts of the Mainland and Courts of the Hong Kong Special Administrative Region on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters Where the Parties Involved Have a Choice of Court Agreement, or the Arrangement. Pursuant to the Arrangement, a final judgment on civil or commercial matters entered by Hong Kong courts can be recognized and enforced in China by application to a competent court of China if the judgment awards monetary payment and the parties thereto have agreed in writing to submit the matter exclusively to Hong Kong courts for resolution. Similarly, a final judgment entered by courts of China on civil or commercial matters are enforceable in Hong Kong if the judgment awards monetary payment and the parties thereto have agreed in writing to submit the matter exclusively to courts of China for resolution. In January 2019, Hong Kong and China entered into another arrangement on court judgment recognition and enforcement—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, or the New Arrangement—which no longer limits recognizable judgments to those granting monetary awards and whose parties have written and exclusive choice of forum agreement. The New Arrangement has yet come into effect and how it will be implemented remains uncertain.

It may be difficult for overseas regulators to conduct investigation or collect evidence within China.

Shareholder claims or regulatory investigation that are common in jurisdictions outside China are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities

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regulatory authorities in Hong Kong or other jurisdictions may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC, and without the consent by the Chinese securities regulatory authorities and the other competent governmental agencies, no entity or individual may provide documents or materials related to securities business to any foreign party. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China and the potential obstacles for information provision may further increase difficulties faced by you in protecting your interests.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares prior to the Global Offering, and you may not be able to resell our Shares at or above the price you pay, or at all.

Prior to the completion of the Global Offering, there has been no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after completion of the Global Offering. The Offer Price is the result of negotiations between our Company and the Joint Representatives (for themselves and on behalf of the Underwriters), which may not be indicative of the price at which our Shares will be traded following completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

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

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

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listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our directors, executive officers and substantial shareholders, could adversely affect the market price of our Shares.

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

The Shares held by our Controlling Shareholders are subject to a six-month lock-up period beginning on the date on which trading in our Shares commences on the Stock Exchange, during which period the Controlling Shareholders shall not dispose of any Shares held by them. Furthermore, the Controlling Shareholders shall not dispose of their Shares in the six-month period commencing on the expiry date of the first six-month lock-up period if such disposal shall result in them ceasing to be a controlling shareholder as such term is defined under the Listing Rules. See “Underwriting — Undertakings pursuant to the Hong Kong Underwriting Agreement” for further details. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing shareholders of our Shares are not subject to lock-up agreements. Market sale of Shares by such shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

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

As the Offer Price of Shares is higher than the net tangible book value per share of our Shares immediately prior to the Global Offering, purchasers of our Shares in the Global Offering will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the Global Offering may experience further dilution in their shareholding percentage.

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

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

Our board of directors has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts at they fall due in the ordinary course of business. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your investment in our Shares and you may even lose your entire investment in our Shares.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from the industry expert report contained in this document.

This document, particularly the section headed “Business” and “Industry Overview,” contains information and statistics relating to the digital services market for healthcare companies. Such information and statistics have been derived from the Frost & Sullivan Report commissioned by us. We believe that the Frost & Sullivan Report is an appropriate source for information related to our industry, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the Joint Global Coordinators, the Joint Representatives, the Joint Sponsors, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Global Offering, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You

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should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

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

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

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

Our Controlling Shareholders have substantial influence over our business and operations, including matters relating to management and policies, decisions in relation to acquisitions, expansion plans, business consolidation, the sale of all or substantially all of our assets, nomination of directors, dividends or other distributions, as well as other significant corporate actions. Immediately following the completion of the Global Offering, our Controlling Shareholders will collectively beneficially own approximately 77.5% of the voting power of our outstanding share capital, assuming that the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of any options granted or to be granted under the Share Option Schemes. M3, one of our Controlling Shareholders, will beneficially own approximately 38.8% of the voting power of our outstanding share capital, assuming that the Over-allotment Option is not exercised and without taking into account any Shares which may be issued upon the exercise of any options granted or to be granted under the Share Option Schemes. The concentration of voting power and the substantial influence of our Controlling Shareholders over our Company may discourage, delay or prevent a change in control of our Company, which could deprive other shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reduce the price of our Shares. In addition, the interests of our Controlling Shareholders may differ from the interests of our other

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Shareholders. Specifically, the interests of M3 may significantly differ from the interests of our other Shareholders due to M3's business of medical related services through the Internet. Subject to the Listing Rules, our Articles of Association and other applicable laws and regulations, our Controlling Shareholders will continue to have the ability to exercise their substantial influence over us and to cause us to enter into transactions or take, or fail to take, actions or make decisions which conflict with the best interests of our other shareholders.

There will be a time gap of several business days between pricing and trading of our Shares offered in the Global Offering. Holders of our Shares are subject to the risk that trading prices of our Shares could fall during the period before trading of our Shares begins.

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