

RISK FACTORS

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as at the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The industry in which we operate is highly competitive. If we fail to compete against other market players, our business, financial condition and results of operations may be materially and adversely affected.

The wireless communication terminal antennas and general IoT wireless communication modules markets in which we operate are highly competitive. According to F&S, the general IoT wireless communication modules market in the PRC is highly concentrated, with the top five market participants accounting for an aggregate market share of 73.2% in 2025, while the wireless communication terminal antennas market in the PRC is relatively fragmented, with the top five market participants accounting for an aggregate market share of 43.4% in 2025. We compete with existing and potential competitors that offer similar products and solutions, including those with greater financial resources, technological capabilities or customer reach, or that price their products more competitively. We may also face competition from new entrants offering lower-priced alternatives, which could adversely affect our sales, pricing, profit margins and market share. To remain competitive, we may also incur additional costs to invest in R&D, marketing and sales, talent acquisition and technology. If we are unable to compete effectively, or if doing so requires substantial expenditure, our business, financial condition and results of operations may be materially and adversely affected.

In addition, our success depends on our ability to develop, enhance and integrate technologies to support our products and solutions in response to evolving market needs, technological advancements and industry standards. Technological advancements and changes in industry standards across our downstream application sectors, including consumer electronics, industrial electronics, and energy electronics, may alter customer requirements. We may upgrade our solutions to incorporate the latest technologies and cater to the needs of our customers. However, our R&D activities involve significant time, costs, risks and uncertainties. If we cannot timely develop products and solutions with reasonable cost, we cannot assure you that new products and solutions will achieve expected market acceptance or profitability. If we fail to offer products that address changing customer needs or if competitors provide more competitive alternatives, our ability to retain customers may be adversely affected. If our new products and solutions fail to receive market acceptance, or if we are unable to timely develop products and solutions that meet evolving market demand, our business, financial condition, results of operation and competitive position would be materially and adversely affected.

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We have been and intend to continue investing in R&D activities and upgrade our solutions catering to varied customers’ needs, which may not generate the results we expect to achieve and may adversely affect our profitability and operating cash flow.

The wireless communication terminal antennas and general IoT wireless communication modules markets in which we operate are characterised by rapid technological advancement, frequent introductions of new products, continual shifts in network architecture requirements, and expansion into new application scenarios such as IoT, automotive connectivity, and private networks, according to F&S. Therefore, our ability to provide quality solutions catering to customers’ needs is key to our success, and our business operation and financial performance may be adversely affected if we fail to:

- upgrade products in a timely and cost-effective manner in accordance with changing customer specifications, market conditions and regulatory standards;
- establish close collaborations with customers, suppliers, subcontractors and other partners to meet customers’ requirements;
- improve the reliability, scalability and intelligence of our products;
- incorporate performance-enhancing functions that differentiate our products from competitors; and
- respond promptly to technological changes and products announcements by our competitors.

As such, we invest significantly in R&D to expand our provision of IoT wireless communication and PCBA solutions, to remain competitive in a rapidly evolving industry, and we expect to continue incurring substantial R&D expenses. In the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, our R&D expenses were RMB16.8 million, RMB18.6 million, RMB9.2 million and RMB10.2 million, respectively, accounting for 9.7%, 9.6%, 10.9% and 9.3% of our total revenue for the respective periods.

However, R&D activities are inherently uncertain and may not result in products with the expected features, benefits or commercial viability. We may face difficulties in securing sufficient resources, including qualified personnel and equipment, or in successfully commercialising our R&D outcomes in a timely manner. By the time new products or solutions are introduced, technological advancements may render them less competitive or obsolete, potentially preventing us from recovering related R&D costs.

Even where commercialisation is successful, new products and solutions may not generate results within our expected timeframe, or at all, due to factors such as market demand, macroeconomic conditions and the pace of technological change. As a result, returns from our R&D efforts may fall short of expectations and materially and adversely affect our business, financial condition, results of operations and competitive position. If we fail to provide quality solutions catering to customers’ needs, our solutions may become less competitive or obsolete. In addition, any material delays or inefficiencies in upgrading our products may severely impair our ability to capitalise on emerging application scenarios or address evolving network mandates, which could, in turn, have a material and adverse effect on our business, financial condition, and results of operations.

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We may not be able to grow our business as expected, and our business, financial condition and results of operations may be adversely affected.

We may not be able to sustain our historical growth rates or achieve future growth. Our results of operations depend on our ability to successfully execute our growth strategy and manage expansion. Our growth relies on, among other things, our ability to develop and integrate core technologies, launch products that meet customer expectations, secure stable and cost-effective supplies, expand our sales network, attract and retain key personnel, control costs, enhance compliance and reporting systems, and respond to new market opportunities and challenges.

As such, we plan to continue investing in R&D and strengthening our developer network to empower the strategic growth of SME customers. In addition, we plan to strengthen our manufacturing capabilities and expand into the production of end products by leveraging our existing capabilities. See “Business – Our Strategies.”

The execution of these strategies requires significant capital, resources and management attention, and may be subject to delays, cost overruns or other implementation challenges. If we fail to execute these initiatives effectively or realise fewer benefits than expected, our business, financial condition and results of operations may be adversely affected. In addition, the success of these initiatives depends on various factors beyond our control, including economic and market conditions, competition, regulatory developments, technological changes and customer preferences, which may not develop as anticipated.

Our success depends on the continued services and contributions of our senior management and other key employees, including senior R&D personnel and skilled engineers.

Our continued success depends significantly on our ability to retain key members of our management team and ensure their ongoing involvement in management and strategic planning. The loss of any such individuals or ineffective leadership transitions could delay or impair the execution of our business strategy and adversely affect our business, financial condition, results of operations and prospects. Moreover, our success also depends on our ability to attract, retain and integrate qualified employees, particularly senior R&D personnel and skilled engineers. Competition for talent may increase personnel costs, and we cannot assure you that we will be able to recruit, develop or retain the personnel required to support our growth. Any of these workforce-related risks could materially and adversely affect our business, financial condition, results of operations and future growth.

Our products and solutions are used by end customers of multiple industries and sectors. Factors that adversely affect these industries and sectors may adversely impact our business, financial condition and results of operations.

Our products and solutions are primarily provided to downstream industries, including consumer electronics, industrial electronics, and energy electronics. Any adverse developments in these industries could materially and adversely affect our business, financial condition, results of operations and prospects. Such developments include declines in demand or negative publicity, reduced government support, regulatory or trade restrictions, economic downturns in key markets and changes in consumer behaviour. Any decrease in downstream demand may reduce customer orders for our products and solutions, and even if demand increases, we may not be able to identify or capitalise on market opportunities. In addition, if we fail to anticipate or adapt to changes in industry standards or technological advancements, our products and

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solutions may lose competitiveness, face reduced application or become obsolete, which could adversely affect our business, financial condition, results of operations and prospects.

Our profitability and financial performance could be adversely affected if we fail to effectively manage our production costs.

We manufacture products in-house to support the offering of our wireless communication solutions and PCBA solutions. Our success depends in part on our ability to effectively manage the costs and efforts involved in improving manufacturing efficiency through automation and modifying production lines to meet the varied demands for our solutions. If we fail to properly manage such costs, our production costs may increase, which could adversely affect our profitability and financial performance.

These efforts are subject to significant risks and uncertainties, including:

- the availability of funding for the additional capital expenditures, working capital and other corporate requirements to be used to improve our production efficiency and level of automation. We may be unable to obtain such funds in a timely manner or on commercially reasonable terms or at all;
- unexpected delays and cost overruns resulting from a number of factors, many of which may be beyond our control. These include increases in the prices of raw materials, parts, components and utilities, shortages of workers, transportation constraints, disputes with contractors, engineering firms and equipment vendors, as well as equipment malfunctions and breakdowns;
- the availability of the necessary technology or equipment from third parties or our internal R&D department;
- the diversion of management attention and other resources; and
- manufacturing interruption caused by natural disasters or other unforeseen events.

In addition, the upgrading of our production facilities and production lines to improve production efficiency and automation also requires significant capital investment upfront, and it may take considerable time before such investments yield the expected efficiency gains or cost savings. Failure to upgrade our production facilities in time or at all may drain our financial resources and adversely affect our business, results of operations and financial condition. If we are unable to effectively manage our production costs and offer high quality products and solutions, we may not be able to achieve the desired level of economies of scale in our operations, to reduce manufacturing costs to the level that will allow us to compete effectively or to maintain our pricing and other competitive advantages.

We are subject to risks related to collaborations with third-party platforms in promoting our solutions and enhancing customer engagement.

We cooperate with various third-party online and social media platforms. We engaged these third-party platforms for paid promotions of our solutions and enhanced our general online presence and consumer engagement during the Track Record Period. We rely on these platforms to reach and interact with consumers, execute innovative branding campaigns, and expand our business to overseas customers. In addition, we generate revenue from sales through a major

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e-commerce platform in the PRC. However, our reliance on these third-party platforms exposes us to several risks, including but not limited to the following:

- *Service interruptions or termination.* Our partners’ business operations may deteriorate, or they may temporarily suspend, interrupt, or permanently terminate our access to their services.
- *Relationship maintenance.* We may be unable to maintain our cooperative relationships with existing platform partners in a satisfactory manner, or at all.
- *Unfavourable changes in terms.* These third-party platforms operate under their own business policies and rules, which they may unilaterally revise from time to time. We may face adverse changes in platform policies or key contractual terms, such as increased fee rates or restricted operational access, that are no longer acceptable or commercially reasonable to us.
- *Lack of viable alternatives.* If we fail to maintain existing relationships, it may be difficult to identify and establish partnerships with comparable alternative platforms in a timely manner, or at all.

We adopted a sales model combining direct sales and distributorship and have limited control over distributors’ operations and effectiveness, which could materially and adversely affect our business, financial condition, results of operations and future growth.

During the Track Record Period, we engaged distributors in selling our wireless module solutions and antenna solutions to extend the market reach, and revenue generated from such sales amounted to RMB9.1 million, RMB6.7 million, RMB3.6 million and RMB6.6 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, accounting for approximately 5.2%, 3.5%, 4.2% and 6.0% of our revenue in the same periods, respectively. We expect to continue to engage distributors for the sale and marketing of our solutions in the future. Our business and future growth depend, in part, on our distributors’ ability to sell our wireless module solutions and antenna solutions, expand our sales networks and maintain strong relationships with customers. However, our distributors may not be able to market or sell our solutions as expected. If there is any reduction, delay or cancellation of orders from our distributors, or if we failed to renew distributorship agreements on commercially favourable terms or continue collaborations with existing distributors, we may not be able to expand our sales network or reach more customers, which may adversely affect our business, financial conditions and results of operations. In addition, we may not be able to timely identify and appoint additional qualified distributors, which may adversely affect our future growth.

Furthermore, we may not be able to effectively manage our distributors as we have limited control over the operations of the distributors. Our business may be negatively affected due to risks relating to the acts of our distributors and their potential breach of the distribution agreement. If our distributors fail to distribute our products to customers in a timely manner, our sales may be adversely affected. If any of our distributors are involved in any non-compliance incidents, our market reputation, the sales of our solutions and our financial condition may be materially and adversely affected. We may also engage new distributors and the cost of any consolidation or further expansion of our distributorship network may exceed the revenue generated. These factors may cause us to incur additional costs and affect our ability to carry our operations as planned.

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Our business and prospects depend on our ability to build our brand and reputation, which could be harmed by negative publicity regarding us, our Directors, employees, branding or products and solutions. Any negative publicity, whether warranted or not, could adversely affect our business and financial performance.

Our brand is critical to our competitiveness, market position and execution of business plans. The strength of our brand depends on the quality and performance of our products and solutions, customer satisfaction, after-sales services, stable customer relationships and effective brand promotion. As at 31 December 2024 and 2025 and 30 June 2026, we had goodwill of RMB4.7 million. Any loss of trust in our products or negative publicity concerning us, our personnel, brand or products, whether justified or not, could damage our reputation, weaken customer confidence and adversely affect our ability to retain existing customers or attract new ones. If our brand or reputation is damaged, we may face difficulties in maintaining customer relationships or expanding into new markets, which could adversely affect our business, financial condition, results of operations and prospects.

Furthermore, we may be exposed to unethical, unlawful or anticompetitive conduct by third parties, including consultants, agents, suppliers, outsourced processing providers, customers or distributors, over whom we have limited control. Such misconduct could result in financial losses, reputational harm, regulatory penalties, revocation of licences or suspension of operations. In addition, we may be required to devote significant resources and incur additional costs to prevent, monitor or remediate third-party misconduct, which could adversely affect our business, financial condition and results of operations. Our risk management systems and internal control capabilities are limited by the information and risk management tools and technologies available to us. Our ability to implement and maintain strict internal controls may be affected by the continual expansion of our business scale. Any misconduct by third parties that harms our interests could result in negative publicity, damage our reputation and lead to litigation and other legal proceedings, as well as administrative or criminal penalties, thereby adversely affecting our business and financial performance.

Our business, financial condition and results of operations may be materially and adversely affected by the impact of geopolitics, international trade policies, export controls, and trade restrictions.

We offer wireless communication solutions and PCBA solutions to customers in the PRC and various overseas markets, such as Vietnam and Mongolia. As an active participant in the global wireless industry supply chain, our cross-border activities as part of our business operations included procurement of raw materials, such as chips imported into Hong Kong from suppliers in regions including Taiwan, as well as overseas sales and marketing. As such, we are sensitive to geopolitical dynamics and shifts in international trade regulations. Any introduction or escalation of trade barriers, tariffs, or restrictive trade protection measures in the jurisdictions where we or our customers operate could materially and adversely affect our procurement of key raw materials and components, our sales to overseas markets, and our international market penetration, business operations, and financial performance. Furthermore, our business could be substantially disrupted by stringent export control policies and trade restrictions. Political tensions or national security concerns may prompt relevant jurisdictions to expand their export control entity lists or impose trade restrictions. Such regulatory changes could restrict our ability to source key raw materials, technologies, or components essential to our solution offerings, or prohibit us from servicing certain overseas customers. If we fail to navigate these complex and evolving legal landscapes, or if we are inadvertently caught in compliance breaches, our supply chain stability could be compromised and we may incur additional compliance, certification, logistics or distribution costs, or may need to delay, limit or adjust our overseas expansion plans, which may in turn have a material adverse effect on our growth prospects and results of operations.

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We are exposed to inventory management risks and may incur high inventory-related expense, which may negatively affect our financial condition and results of operations.

Our inventories primarily consist of (i) raw materials; (ii) work in progress; and (iii) finished goods. As at 31 December 2024 and 2025, and 30 June 2026, we had inventories of RMB23.2 million, RMB24.6 million and RMB34.2 million, respectively. Failure to adequately manage inventory risks may lead to inventory obsolescence, decline in inventory value or inventory write-offs. In the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, our average inventory turnover days were 77 days, 64 days and 69 days, respectively. Any fluctuation and extension of inventory turnover may adversely affect our cash flow and liquidity. See “Financial Information – Description of Certain Items from the Statement of Financial Position – Inventories”.

We manage inventory levels based on demand forecasts as per the Directors’ experience and maintain safety stock, but demand forecasting is inherently uncertain. If breakthroughs on the scientific and technological outcomes or trends lead to lower-than-expected actual demand, we may incur excess inventory, require price reductions, or record inventory write-downs, which could adversely affect our profit margins. Conversely, if actual demand exceeds forecasts, we may be unable to fulfil customer orders, potentially resulting in lost sales and reduced market share. Any such mismatch between forecast and actual demand could adversely affect our business, financial condition and results of operations.

Product recalls and significant returns or exchanges could damage our reputation and relationships with our customers and increase financial costs, thereby adversely affecting our business and financial performance.

As an established wireless communication and PCBA solution provider with in-house production capabilities, we generally do not accept sales returns other than for limited reasons in relation to product defects, such as design flaws or quality issues. During the Track Record Period, we did not experience any major product recalls or material quality disputes.

However, there is no assurance that product defects will not occur. Our products are technically complex and may contain defects arising from raw material quality issues, manufacturing errors or design flaws, and our quality control and assurance protocols may not always prevent such defects. We also rely on third-party suppliers whose product quality is outside our direct control (see “Business – Our Suppliers”), and enforcing contractual indemnities against them may be difficult, time-consuming or ineffective. As our products are deployed across various applications, failures in systems into which they are integrated could result in property damage, personal injury or product liability claims. Any such claims, regardless of outcome, could be costly, divert management and R&D resources, harm our reputation and reduce customer confidence. We may be required to recall products, cancel orders or face warranty claims. A material product recall could also negatively impact demand for our other products and solutions, which would have a broader adverse effect on our business.

In addition, we have not taken out product defect insurance, and our existing insurance coverage may be insufficient to cover potential warranty or product liability claims, or may be subject to prolonged claims processes (see “Business – Insurance”). Any material product liability claims or litigation not fully covered by insurance could result in significant expenses, reputational damage and adverse effects on our business, financial condition and results of operations.

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Our business may be adversely affected by inadequate intellectual property rights protection.

Our success depends in part on our ability to obtain, maintain and enforce intellectual property rights to protect our proprietary technologies, products and solutions. As at the Latest Practicable Date, we had 123 registered trademarks, 39 registered patents, 61 registered copyrights and six registered domain names in the PRC. However, our intellectual property rights protection may be inadequate. The application process is costly and time-consuming, and we may not be able to identify or secure protection for all patentable innovations in a timely manner, or at all. Even where applications are filed, approvals may be denied, limited in scope or later challenged, invalidated or circumvented by competitors developing non-infringing alternatives.

In addition, we may become involved in lawsuits to protect or enforce our intellectual property and our patent rights could be found invalid or unenforceable if challenged in court or before any related intellectual property agency in any jurisdiction. Our intellectual property may be infringed, misappropriated or otherwise challenged by competitors, and enforcing or defending our rights may require litigation that is costly, time-consuming and divert management attention. Such proceedings may expose us to counterclaims alleging infringement, invalidity or unenforceability of our intellectual property rights, and our competitors may have greater resources to pursue such actions. The outcomes of intellectual property litigation or administrative proceedings are unpredictable and could result in our patents being invalidated, amended or narrowly construed, or in the disclosure of confidential information. If we are unable to adequately protect our intellectual property, or if our rights are weakened or revoked, our competitive position could be adversely affected.

In addition, intellectual property rights provide protection for a limited duration, after which competitors may legally enter the market. As a result, our intellectual property protection may not provide meaningful competitive advantages or prevent competition, which could adversely affect our business, financial condition, results of operations and prospects.

We rely on external suppliers for raw materials and the manufacture of our products.

We procure from external suppliers for raw materials and components used in the manufacture of our modules and solutions. In the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, the aggregate purchases from our five largest suppliers were approximately RMB41.8 million, RMB52.2 million and RMB30.8 million, respectively, accounting for 40.4%, 42.6% and 40.2% of our total purchases in the respective years/periods. Purchases from our largest supplier in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2026 accounted for 12.8%, 14.2% and 13.1% of our total purchases for the same periods, respectively. Any disruption to our relationships with these suppliers, due to factors such as geopolitical or trade tensions, quality issues, price increases or regulatory constraints, could require us to secure alternative sources, which may not be available on a timely basis.

In addition, our suppliers' operations may be affected by regulatory requirements, natural disasters, manufacturing disruptions, international trade policies, geopolitical developments and trade protection measures, including trade restrictions. If any key supplier fails to deliver materials or services as required, loses necessary qualifications or becomes subject to trade restrictions, and we are unable to identify suitable alternatives promptly or at all, our business, financial condition and results of operations may be adversely affected. See “Risks Relating to Our Business and Industry – Our business, financial condition and results of operations may be materially and adversely affected by the impact of geopolitics, international trade policies, export controls, and trade restrictions”.

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We may be exposed to risks relating to fluctuations in raw material costs.

Raw material costs account for a substantial portion of our cost of sales. In the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, raw material costs accounted for 87.2%, 87.7%, 87.3% and 87.3% of our cost of sales, respectively. We may be exposed to fluctuations in raw material, transportation and related costs due to factors beyond our control, including foreign exchange movements, geopolitical and economic conditions, natural disasters and changes in global supply and demand. Our key raw materials include chips, PCBs, crystal oscillators, flash, shielding covers and various passive electronic components, whose prices have experienced significant volatility in recent years.

We cannot assure you that raw material prices will not increase further, and our cost-mitigation measures may not fully offset such increases. If we are unable to pass higher costs on to customers without adversely affecting demand or competitiveness, our profit margins may decline and we may lose sales or customers. As a result, our business, financial condition and results of operations may be materially and adversely affected.

An increase in labour costs and labour shortages could materially and adversely affect our solution development and manufacturing processes.

During the Track Record Period, cost of labour represented 10.5%, 9.3%, 9.6%, and 8.7% of our cost of sales, and staff costs and benefits represented (i) 83.7%, 78.1%, 82.7% and 82.5% of our R&D expenses; (ii) 63.6%, 71.2%, 67.1% and 81.5% of our distribution and selling expenses; and (iii) 77.3%, 77.6%, 76.6% and 81.1% of our administrative expenses, respectively.

In recent years, average labour costs in Chinese Mainland have increased due to higher living standards and the PRC government’s recent policies to raise the minimum wage for workers, according to F&S. The Labour Contract Law of the PRC (中華人民共和國勞動合同法) (the “**Labour Contract Law**”) imposes stringent requirements on employers in relation to entry into written labour contracts, hiring of temporary employees and dismissal of employees. Pursuant to the Labor Contract Law, the employer is required to make severance payment upon the termination of a labour contract in most cases, including termination of a fixed-term labour contract upon its expiry. A minimum wage requirement has also been incorporated into the Labor Contract Law. These requirements may affect our ability to significantly change or decrease the scale of our workforce cost-effectively or in the manner that we desire.

In addition, as the competition for skilled workers is increasingly intensive, we may need to enhance our remuneration packages and welfare to our employees in order to recruit and retain staff. There is no assurance that we will be successful in retaining and recruiting suitably qualified workers in sufficient numbers and in time for our existing and future operations at reasonable cost or at all, and any prolonged shortage of labour could materially and adversely affect our operations, relationship with customers, our market reputation and financial results.

Any significant increase in labour costs could adversely affect our margins and profitability if we are not otherwise able to raise the price we charge our customers. Any increase in the selling prices of our products may also affect the demand of such products, and we may not be able to pass on the increased cost to customers by increasing the selling prices of our products if the competitive pressure in the market continues to increase. In such circumstances and unless we are able to identify and employ other appropriate means to reduce our cost of production, our profit margin may decrease and our financial results may be adversely affected.

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We incurred net loss and generated net operating cash outflows in the past.

We recorded net losses in 2024, 2025 and the six months ended 30 June 2026. Our net loss of RMB0.1 million in 2024 was primarily due to the provisions for the underpayment of social insurance and housing provident fund contributions, among other things. Our net loss increased to RMB2.8 million in 2025 primarily due to an increase in research and development expenses of RMB1.8 million, an increase in RMB2.2 million in distribution and selling expenses and an increase in administrative expenses of RMB2.4 million. Our net loss in the six months ended 30 June 2026 was primarily due to [REDACTED] of RMB[REDACTED] million incurred. We had net cash used in operating activities of RMB12.8 million due to an increase in inventories and trade and bills receivables as we continued to expand our business. We may continue to incur net losses as we expect to continue to dedicate substantial resources to R&D. Our ability to achieve profitability and generate net operating cash inflows is dependent upon several factors, many of which are beyond our control, such as the continual development of the industry and markets in which we operate, development in the macroeconomic and regulatory environment or competitive dynamics and our ability to respond to these changes in a timely and effective manner. Therefore, there is no assurance that our revenues will offset our expenses, and we may continue to incur losses and may not be able to achieve or subsequently maintain profitability.

We are subject to credit risk due to delay in payment and defaults of customers.

We are exposed to credit risks arising from delays or defaults in the collection of trade, bills and other receivables from customers or related parties. As at 31 December 2024 and 2025 and 30 June 2026, our trade and bills receivables were RMB37.5 million, RMB38.3 million and RMB42.9 million respectively. In the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, our average trade receivables turnover days were 56 days, 56 days and 54 days, respectively. Fluctuations or extended receivable turnover periods could adversely affect our cash flow and liquidity. See “Financial Information – Description of Certain Items from the Statement of Financial Position – Trade and Bills Receivables”.

If the credit-worthiness of our customers deteriorates or if receivables are not settled in a timely manner, we may incur impairment losses and may be unable to recover such receivables in full or at all. As a result, our business, financial condition and results of operations may be adversely affected.

Failure to obtain or maintain any of our preferential tax treatments or government subsidies could adversely affect our business, financial condition and results of operations.

We cannot assure you that the policies on preferential tax treatment will not change or that any preferential tax treatment we enjoy or are entitled to enjoy will not be terminated. According to the applicable tax regulations of the PRC, the statutory corporate income tax rate in the PRC is 25%. During the Track Record Period, Shenzhen AiThinker was qualified as a High and New Technology Enterprise (高新技術企業) and was subject to a preferential income tax rate of 15% for three years commencing from 16 October 2023, with an expiry date at 15 October 2026. See Note 12 to the Accountants’ Report in Appendix I to this document. If our preferential tax treatments are revoked, become unavailable, or if the calculation of our tax liability is successfully challenged by PRC tax authorities, the termination of any of the various types of preferential tax treatment we enjoy could adversely affect our business, financial condition and results of operations.

In addition, during the Track Record Period, we benefited from government subsidies. Some of such government subsidies are non-recurring in nature. We recorded government grants under investment and other income of RMB2.0 million, RMB1.4 million, RMB0.7 million and

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RMB1.0 million in the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. Any discontinuation, reduction or delay of any government subsidies would have an adverse impact on our business, financial condition and results of operations. See Note 8 to the Accountants’ Report in Appendix I to this document.

Our financial results may be subject to tax risks relating to our transfer pricing arrangement.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate. Under the laws and regulations in Chinese Mainland and Hong Kong, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, there were intra-group cross-border transactions among our subsidiaries in Chinese Mainland and Hong Kong. See “Business – Transfer Pricing Arrangement.”

We could face material and adverse tax consequences if the relevant tax authorities, for any reason, determine that certain intra-group cross-border transactions of ours do not represent arm’s length negotiations and consequently adjust any of those entities’ income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable by the relevant tax authorities in certain jurisdictions as a result of tax adjustments. There is no assurance that we could, in turn, successfully recover that tax from the relevant tax authorities. Our business, financial position and results of operations may therefore be materially and adversely affected.

We have granted and may continue to grant share-based awards, which may adversely affect our business, financial condition and results of operations.

We have implemented the [REDACTED] Share Incentive Scheme to incentivise employees, under which share-based compensation expenses are recognised over the vesting period and reduce our net profit. We may continue to grant share-based awards to attract, retain and motivate key personnel. However, such awards may adversely affect our financial performance and dilute existing shareholders’ ownership interests. Conversely, reducing or eliminating share-based incentives could impair our ability to attract and retain key talent, which may adversely affect our business.

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

We may need to raise additional capital to support our growth and operations, which may not be available on favourable terms or at all due to factors such as our financial performance, market position and macroeconomic conditions. Financing through debt may impose restrictive covenants or significant interest obligations, while equity financing could dilute existing shareholders’ ownership interests. If we are unable to secure additional funding when needed or on acceptable terms, our business, financial condition and results of operations may be adversely affected.

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We are subject to risks related to cybersecurity breaches and IT infrastructure failures.

We rely on our information technology and software systems to manage critical operational infrastructure, including customer, supplier, production, financial, and human resources data. However, these systems remain vulnerable to malfunctions, system capacity insufficiencies, or unexpected interruptions caused by factors beyond our control. These include, power outages, telecommunication failures, human errors, system upgrades, or catastrophic events such as fire and extreme weather conditions. Any major system failure could result in operational inefficiencies, transaction errors, loss of sales, or even legal proceedings.

Furthermore, our operations are subject to evolving cybersecurity threats, including cyber-attacks, malware, ransomware, unauthorised access, and hacking. While we maintain data security procedures and have implemented appropriate security measures, there can be no assurance that our measures will always be sufficient to prevent all privacy or security breaches. Any unauthorised disclosure, theft, or fraudulent misuse of confidential, proprietary, or personal data could severely damage our customer relations and market reputation. Moreover, such incidents may expose us to substantial litigation, third-party claims, regulatory investigations, and administrative fines or penalties. Additionally, our future operating costs may increase significantly as we incur further expenditures to enhance our cybersecurity infrastructure, secure higher insurance premiums, remediate technical damages, or comply with changing contractual and regulatory compliance requirements.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers, which would affect our business, financial condition and results of operations.

We may not have adequate insurance to cover operational risks and risks relating to product liability claims. We cannot assure you that our insurance will be adequate to cover the abovementioned risks. If we are held liable for amounts and claims exceeding the limits of our insurance coverage or outside the scope of our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. Even if the amounts and claims are within the limits and scope of our insurance coverage, the insurance provider may not be able to make the compensation payment to us in a timely manner.

We may be involved in legal proceedings and commercial or contractual disputes, which could materially and adversely affect our reputation, business, financial condition and results of operations.

We may be subject to claims, litigation, disputes and legal or administrative proceedings, from time to time, including commercial contract disputes, labour and employment disputes, intellectual property infringement or protection matters, and those arising from indemnification obligations under our agreements. Such proceedings, regardless of merit, may be costly, time-consuming and divert management attention. If any matter is resolved against us or an indemnified third party, we may incur significant damages, compliance costs or be required to take remedial actions, which could materially and adversely affect our business, financial condition and results of operations.

In particular, the industry in which we operate is highly patent-intensive, and some competitors hold extensive patent portfolios that may give rise to infringement claims against us. If any third parties claim that we have infringed upon their intellectual property rights, we may incur liabilities and penalties and may have to redesign or suspend the sales of products or solutions involved. In addition, they may allege that certain features of our products or solutions infringe their intellectual property rights, and we may not always be able to identify or avoid such risks due to the complexity and uncertainty involved in infringement analyses, including

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risks arising from former employees’ prior knowledge or undisclosed patent filings by third parties. Any actual or alleged infringement claims, regardless of merit, could be costly, time-consuming and divert management resources. If such claims are successful, we may be required to suspend sales, redesign or rebrand affected products or solutions, pay damages, or enter into licensing arrangements on unfavourable terms, which could materially and adversely affect our reputation, business, financial condition and results of operations.

Failure to comply with the PRC labour related regulations and rules may subject us to fines and other legal or administrative sanctions.

As required by laws and regulations in the PRC, we participate in various government statutory employee benefit plans, including social insurance plans, namely pension, medical, unemployment, work-related injury and maternity insurance plans, and housing provident funds. The amount we are required to contribute for each of our employees under such plan should be calculated between the minimum and maximum level as from time to time prescribed by national laws and regulations and local authorities. However, during the Track Record Period, we did not make full social insurance and housing provident fund contributions for certain employees in compliance with the Regulations on Administration of Housing Provident Fund (《住房公積金管理條例》) and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), considering some employees’ preference not to contribute amounts strictly calculated in proportion to their salaries. During the two years ended 31 December 2024 and 2025 and the six months ended 30 June 2026, we made a provision to cover the shortfall in social insurance and housing provident fund contributions, which amounted to RMB7.7 million, RMB7.1 million and RMB2.9 million, respectively. As advised by our PRC Legal Adviser, during the Track Record Period, no penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions.

As advised by our PRC Legal Adviser, pursuant to relevant laws and regulations of the PRC, the likelihood that the relevant social insurance authority would take initiative to carry out centralised collection of the historically unpaid social insurance from us due to our failure to provide full social insurance for our employees is relatively low. However, if we fail to make social insurance contributions in compliance with the relevant laws and regulations of the PRC in the future, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the outstanding social insurance contributions are due. If this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant laws and regulations of the PRC, in case of a failure to pay housing provident fund in full, the relevant housing provident fund management centre may require us to pay the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the courts of the PRC for compulsory enforcement.

Failure to renew our leases or comply with PRC property-related laws and regulations regarding certain of our leased properties could adversely affect our business, financial condition and results of operations.

As at the Latest Practicable Date, in respect of seven of our leased properties, we have not been provided with property ownership certificates or construction project planning permits; in respect of one additional leased property, the lessor named in the relevant lease agreement is not the same as the party named in the construction project planning permit or real property ownership certificate for the relevant leased property, and we have not been provided with documents evidencing that such lessor is duly authorised or otherwise legally entitled to lease the relevant property. As advised by our PRC Legal Adviser and with reference to the

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inconsistencies relating to the identities of the lessors described above, lease agreements entered into in respect of properties that have not obtained the requisite construction project planning permits, or that were constructed in violation of such permits, may be deemed invalid. As a result, we cannot ascertain whether the lessors of these leased properties are legally entitled to lease such properties, and there is a risk that the relevant lease agreements could be determined to be invalid. In addition, we have not completed the lease registration and filing procedures in respect of nine leased properties as required under the relevant regulations of the PRC. However, the relevant authorities may require rectification within a prescribed period and may impose administrative penalties in the event of non-compliance. If any of the above lease-related risks materialise, we may be required to relocate, incur additional compliance or relocation costs, or face operational disruptions, which could materially and adversely affect our business, financial condition and results of operations.

Our business growth and results of operations may be adversely affected by changes in natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Our business may be adversely affected by natural disasters, public health events, security incidents or other unforeseen events, such as wars, acts of terrorism, infrastructure failures or power and communication disruptions. Such events could cause operational interruptions, system or network failures, data loss or damage to facilities, and may impair our ability to manufacture or deliver our products and solutions. We cannot assure that our contingency or backup measures will be sufficient to mitigate these risks, and any such disruption could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Changes and uncertainties in the economic, political and social conditions in the jurisdictions where we operate could materially and adversely affect our business, financial condition, results of operations and prospects.

We operate our business primarily in the PRC. Our business, financial condition, results of operations and prospects are influenced by the economic, political and social environment in China, and the Chinese economy, in turn, is affected by the global economy. Uncertainties in the global economy and the political environment around the world may also affect the Chinese economy. We cannot predict all of the risks to which we may be exposed as a result of the current economic and political environment and regulatory developments. These factors may be beyond our control and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Uncertainties in the legal system of certain geographic markets in which we operate could materially and adversely affect us.

The legal systems in the geographic markets where we operate vary significantly and continue to evolve. Some jurisdictions are based on civil law, where court precedents have limited binding effect, and laws and regulations may not comprehensively address all economic activities. The interpretation and enforcement of laws, regulations and contractual terms by local authorities may be uncertain, making it difficult to assess the outcome of administrative or court proceedings or the extent of legal protection available to us. In addition, local courts may refuse to enforce foreign judgements or arbitral awards, and proceedings may be protracted, resulting in substantial legal costs, and diversion of management attention.

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In recent years, the PRC government has introduced stricter laws, regulations and policies affecting, among other things, quality and safety control, as well as industry supervision and inspection. See “Regulatory Overview”.

Further changes in laws, regulations or regulatory scrutiny may increase our compliance burden, slow industry growth and adversely affect our business, financial condition and results of operations.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your investment.

Conversion of RMB into foreign currency and remittance of foreign currency out of the PRC are subject to foreign exchange regulations. Unfavourable exchange rate fluctuations or changes in regulatory policies of the PRC may limit our ability to convert RMB into foreign currency and meet our foreign exchange needs. While certain current account transactions may be conducted without prior SAFE approval if procedural requirements are met, capital account transactions are subject to SAFE approval or registration requirements. Any restrictions on foreign exchange availability or failure to obtain required approvals may limit our ability to pay dividends, meet other foreign exchange obligations, pursue offshore capital expenditure plans, and could materially and adversely affect our business.

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

Exchange rate fluctuations between RMB, Hong Kong dollar, US dollar and other currencies are unpredictable and may be influenced by economic and political factors. There can be no assurance that Renminbi will not significantly appreciate or depreciate against the Hong Kong dollar or US dollar in the future. Such fluctuations may adversely affect our operations and the value of your investment, as currency movements could reduce the Renminbi or Hong Kong dollar amounts available to us when converting funds for operational use, dividend payments or other business purposes.

Holders of our H Shares may be subject to PRC income tax obligations.

Under the current tax laws and regulations of the PRC, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realised upon the sale or other disposition of H Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gain from share transfer derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通知》) issued on 13 May 1994, foreign individuals are exempt from individual income tax on dividends received from foreign-invested enterprises. Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of the Hong Kong (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable

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by the PRC company. If a Hong Kong resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) issued by the STA, effective on 6 December 2019, stipulates that the arrangements or transactions made for the primary purpose of obtaining the abovementioned tax benefits are not subject to the abovementioned provisions.

For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), and its implementation regulations, dividends paid by us and gains realised by such foreign enterprises upon the sale or other disposition of H Shares are typically subject to PRC enterprise income tax at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the STA, also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. Despite the abovementioned arrangements, the interpretation and application of applicable tax laws and regulations of the PRC are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your investment in our H Shares may be materially affected.

Any decrease or discontinuation of tax rebate for our exported products may have a negative effect on our profitability.

Pursuant to the Notice of the Ministry of Finance and the State Administration of Taxation on the Value-Added Tax and Consumption Tax Policy for Labor Services of Exported Goods (《財政部、國家稅務總局關於出口貨物勞務增值稅和消費稅政策的通知》), as promulgated and amended, export goods and services are generally eligible for VAT exemption and refund, subject to applicable laws of the PRC. We are entitled to VAT rebates on export sales, representing refunds of VAT incurred on raw materials used in producing exported products. However, there can be no assurance that the relevant VAT rebate policies will remain unchanged. Any reduction, suspension or cancellation of such rebates may adversely affect our VAT recoverability and our business, financial condition and profitability.

You may have limited resources in effecting service of legal process and enforcing judgements against us, our Directors and senior management.

We are incorporated in the PRC, and a majority of our assets, subsidiaries, directors and senior management are located in the PRC. As a result, it may be difficult for investors to effect service of process upon us or such persons, or to enforce judgements obtained in non-PRC courts against us or them in the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgements with many jurisdictions, including the United States, the United Kingdom and Japan.

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Although the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the HKSAR (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which came into effect on 29 January 2024, provides a mechanism for the recognition and enforcement of certain civil and commercial judgements between Hong Kong and the PRC, there can be no assurance that all judgements will fall within its scope or be recognised and effectively enforced.

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

Under SAFE regulations, PRC residents who participate in a share incentive plan in an overseas, publicly listed company are required to register with SAFE or its local branch and complete certain other procedures.

We and our PRC resident employees who participate in our share incentive plans are subject to these regulations when we become an H-share listed company upon the completion of the [REDACTED]. If we or any of these PRC resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under the laws of the PRC.

RISKS RELATED TO THE [REDACTED]

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

There has been no public market for our H Shares prior to the [REDACTED], and we cannot assure you that an active trading market will develop or be sustained thereafter. The [REDACTED] will be determined through negotiations with the [REDACTED] and may not reflect the trading price of our H Shares following the [REDACTED]. The market price of our H Shares may decline below the [REDACTED] after completion of the [REDACTED].

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world.

The trading price of our H Shares may be volatile due to factors beyond our control, including global market conditions and investor sentiment toward Chinese mainland-based companies listed in Hong Kong. Price fluctuations and post-[REDACTED] performance of such companies may adversely affect the trading price and volume of our H Shares.

Any further issue of Shares and subsequent conversion of such Shares into H Shares in the future could dilute your shareholding under H Shares, increase the supply of our H Shares in the market and negatively impact the market price of our H Shares.

We have applied to the CSRC for the conversion of [REDACTED] Unlisted Shares into H Shares, and such converted Shares may be [REDACTED] on the Stock Exchange upon completion of the conversion. In the case that there is any further issue of Shares and subsequent conversion of such Shares into H Shares in the future, your shareholding under the class of holders of our H Shares will be diluted.

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Further, the PRC Company Law provides that, in relation to the [REDACTED] of a company, the shares [REDACTED] prior to the [REDACTED] shall not be transferred within one year from the [REDACTED]. Such restriction will limit the number of H Shares tradable on the market, and the liquidity and trading volume of the H Shares may be significantly affected during the restriction period. Any future sales of converted H Shares by relevant Shareholders in the public market may affect the market price of our H Shares.

As the [REDACTED] of our H Shares is higher than our consolidated net tangible asset book value per Share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases.

As the [REDACTED] of our H Shares is higher than the consolidated net tangible assets value per Share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] may experience an immediate dilution. Our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible asset value per Share of their Shares. In addition, to expand our business, we may consider offering and issuing additional Shares in the future. Holders of our H Shares may experience further dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse impact on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in the dilution of your shareholding.

The market price of our H Shares may decline due to future sales or issuances of a substantial number of our Shares or other securities, or the perception that such sales or issuances may occur. Such sales, including upon the expiry of lock-up periods applicable to certain Shares held by our Single Largest Shareholder, or disposals by investors in the [REDACTED], could exert downward pressure on the market price and increase volatility. In addition, any future issuance of new Shares or shares-linked securities may dilute existing shareholdings or confer rights senior to those of the H Shares, and could adversely affect our ability to raise capital on favourable terms.

The interests of our Single Largest Shareholder may not be aligned with the interests of other Shareholders.

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Single Largest Shareholder will control approximately [REDACTED] of the voting rights, enabling him to exercise significant influence over our business and affairs, including major corporate decisions and management. His interests may not always align with those of other shareholders. To the extent that the interests of the Single Largest Shareholder conflict with the interest of other Shareholders, the interest of other Shareholders may be disadvantaged and harmed.

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Our future dividend payment of dividends may be subject to certain limitations, and the calculation of our profit under PRC GAAP may differ in certain respects from the calculation under the HKFRS.

During the Track Record Period, during the time our Shares were quoted on the NEEQ, the then Board resolved to declare the dividends of approximately RMB2.8 million for 2024 and was approved at the shareholders’ meeting, which was subsequently paid in 2025, pursuant to the then applicable PRC Company Law and the NEEQ Listed Companies Continuous Supervision Guidelines No. 6 – Distribution of Equity Interests.

In preparing for the [REDACTED], we prepared historical financial information in accordance with HKFRS and made provisions for the underpayment of social insurance and housing provident fund contributions, among other things, which resulted in a net loss of RMB0.1 million for 2024. These discrepancies arose solely from differences in the treatment of the timing of recognition and the amounts of social security contribution obligations between the two sets of accounting standards, and were not due to any misstatement in our statutory financial statements or any flaws in the declaration procedures of the dividend.

As advised by our PRC legal advisers, the Company carried out its 2024 annual dividend distribution based on the amount of undistributed profits as at 31 December 2024 disclosed in its 2024 Annual Report published on 25 April 2025, completed the requisite decision-making procedures, and complied, in all material respects, with the relevant requirements of the PRC laws then in effect. Our Directors further confirm that the dividend was lawfully declared and paid in accordance with our Articles of Association, the resolutions of the Board of Directors, the resolutions of the shareholders’ general meeting, and the relevant information disclosure procedures of the NEEQ.

However, there is no assurance that we will be able to declare or distribute dividends in the future. Under the applicable laws and regulations of the PRC, the payment of dividends may be subject to certain limitations, and the calculation of our profit under PRC GAAP may differ in certain respects from the calculation under the HKFRS. Moreover, the declaration, payment and amount of any dividends are subject to the discretion of our Directors, Shareholder approval, and compliance with our Articles and applicable laws and regulations of the PRC. See “Financial Information – Dividends”.

You should read the entire document carefully and only rely on the information included in this document to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares or the [REDACTED].

We strongly caution investors not to rely on any press or media coverage relating to us, our Shares or the [REDACTED]. Such coverage may contain information, including financial data, projections or valuations, that is not included in this document and has not been authorised by us. We make no representation as to the accuracy or completeness of any such information, and investors should not rely on press or media reports that are inconsistent with, or not contained in, this document.

Certain facts, forecast and other statistics in this document obtained from official government sources have not been independently verified and may not be reliable.

Certain facts, forecasts and statistics in this document are derived from governmental and other official sources. While we believe such sources are appropriate and have taken reasonable care in extracting and reproducing the information, such information has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective affiliates or advisers and, therefore, and no representation is made as to its accuracy or completeness. Differences in methodology or standards of compilation may exist, and such information may not be comparable to similar data presented elsewhere. Accordingly, investors should carefully consider the reliability and relevance of such information.