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An [REDACTED] 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 [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition, and results of operations. The [REDACTED] of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information is given as of 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

Our business operation and financial performance may be adversely affected if we fail to timely incorporate new technologies and introduce new products in response to industry trends, downstream demand, and technological advancements.

The semiconductor memory product market, in which we operate, is characterized by constant and rapid technological advancements, frequent upgrades to products and technologies, regular introductions of new products, and evolving technical standards. New technologies may emerge that render the current technologies underlying our products less competitive or even obsolete. If we fail to identify and respond to new industry standards, technological advancements, customer preferences, or market trends in a timely and effective manner, our ability to maintain or expand our market share may be adversely affected. Furthermore, faster-than-anticipated technological shifts or unexpected changes in industry standards could lead to the premature obsolescence of our existing technologies and products.

To remain competitive, we must successfully design, develop, produce, market, and commercialize new or enhanced products that deliver high performance, reliability, and functionality while meeting market expectations for cost efficiency. However, we may encounter challenges in product design, development, marketing, or certification, which could delay or prevent the introduction and commercialization of new or enhanced products. Additionally, our R&D investments may not yield the expected results, and our new products may fail to gain market acceptance. If we fail to effectively capture technological trends, accurately predict market demands, or achieve desired outcomes from our R&D initiatives, our products could lose competitiveness, which would negatively impact our financial condition, operating results, and overall business prospects. Moreover, the intensive competition in the semiconductor memory product market, combined with the introduction of new or upgraded products by competitors, the adoption of alternative technologies, and shifting consumer preferences, could further challenge our ability to retain or attract customers. If demand for our products declines due to competing technologies or changes in market conditions, our business operations and financial performance could be materially and adversely affected.

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The industry in which we compete have historically been cyclical and may in the future affect, our business, results of operations and financial condition.

The semiconductor memory product market in which we operate is highly cyclical and has historically experienced periods of downturns characterized by reduced product demand, production overcapacity, high inventory levels, and declining selling prices. These industry downturns are often influenced by broader macroeconomic factors, such as economic slowdowns, geopolitical tensions, and inflationary pressures, as well as industry-specific factors, including the timing of new product introductions, the lifecycle of existing products, and the acceptance of emerging technologies. Demand for our products is largely driven by downstream applications, as well as industrial applications and intelligent cockpit systems. Periodic fluctuations in these markets, often linked to changes in general economic conditions, may result in substantial variations in our operating results. Reduced demand in these end markets could adversely affect the sales of our products. Furthermore, during industry downturns, there is an increased risk of trade and bills receivables becoming delinquent or uncollectible, as well as potential inventory devaluation.

During the Track Record Period, the market price for DRAM and NAND flash-based products have experienced fluctuations due to multiple impact. Such market price volatility may continue and will directly affect our ASP, and we cannot assure you that our operating results will consistently outperform overall market trends. During periods of declining ASPs, our gross profit may be adversely impacted if we are unable to offset price reductions through increased sales volumes of existing products or the successful introduction of new products. In addition, given the rapid changes in market conditions, we may not be able to timely pass on price fluctuations to our downstream customers. Efforts to expand sales or launch new products to mitigate the impact of ASP declines may not be successful, which could materially and adversely affect our business, results of operations, and financial condition. Furthermore, pricing pressures imposed by competitors and customers may exacerbate ASP declines, which could also reduce the valuation of our inventory and result in write-downs. Driven in part by increasing demand from AI-related applications, the supply of memory products has experienced periods of tightness and price volatility. If upstream suppliers prioritize supply to large-scale AI computing centers or other customers, our access to sufficient supply as an independent memory product enterprise could be affected, which may in turn influence our operating performance. In addition, if the market price for memory products continues to rise rapidly, our procurement costs may increase. If we are unable to pass on increased costs to customers in a timely manner, the cost of fulfilling such orders may exceed such orders’ net realizable value, potentially resulting in inventory write-downs and affecting our results of operations. Sustained elevated prices may also affect downstream customer demand and production plans, which could influence longer-term market demand. Conversely, if the market price for memory products experience a significant decline following a period of increase, we may face risks of inventory value adjustments.

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Our products are widely used across various downstream sectors. Any slowdown in the growth of these sectors could adversely affect our business, financial condition and results of operations.

Our products serve a diverse range of end applications. Demand for our products in downstream markets is influenced by a variety of factors, including macroeconomic conditions, technological advancements, market competition, and changes in consumer preferences. The consumer electronics market, in particular, is highly susceptible to fluctuations in demand driven by changing consumer preferences and the timing of new product launches. Additionally, the global economic environment, geopolitical tensions, and shifts in international trade policies may result in significant volatility in downstream market demand. Such uncertainties could lead to disruptions in sales and adverse impacts on our business performance. Fluctuations in demand from downstream industries and the pricing of end products may also be affected by factors such as cyclicalities in downstream industries, competitive pressures faced by our downstream customers, regulatory restrictions, trade disputes, tariffs, and other barriers that could impact global trade and exports, delays or cancellations of projects by end customers, the negative perception or publicity surrounding downstream products; and disruptive events, such as geopolitical conflicts or natural disasters. If we fail to accurately anticipate and respond to any of such event, the demand from downstream sectors may not maintain robust growth and the demand or price for our products may be reduced, which in turn will adversely affect our business, prospects, results of operations and financial condition.

We face competition and expect to continue facing competition in the future. If we fail to compete effectively, our business, prospects, results of operations and financial condition will be affected.

The semiconductor memory product market is highly competitive and characterized by rapid technological advancements, frequent changes in market demand, and intensifying market competition. Our ability to compete effectively is influenced by a number of factors, including the pace of technological development, customer requirements, and the competitive landscape. We may face competition from established international and domestic semiconductor companies with substantial resources and market positions, as well as potential new entrants, whose technological advancements or increased investments could affect the competitiveness of our products. During periods of market downturn or economic uncertainty, competitive pressures may further intensify as customers reduce their purchase orders. Competitors with more established market recognition and superior financial, technical, and marketing resources may be better positioned to withstand adverse market conditions and accept lower pricing, thereby exacerbating challenges for us.

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We have invested and plan to continue investing in research and development, but these efforts may not produce the anticipated results.

Our future growth and competitiveness depend significantly on our ability to penetrate new markets, adapt our products to new applications and customer requirements, and develop and commercialize new products that achieve market acceptance. As part of our efforts to remain competitive, we have made substantial investments in research and development, and we expect these expenditures to remain significant in the future. Our R&D activities inherently involve uncertainties, and there is no guarantee that our efforts will consistently result in technological breakthroughs or successful commercialization of new products. Despite significant expenditures on R&D, we may fail to achieve intended outcomes or generate corresponding benefits. In the event that our R&D efforts do not keep pace with technological developments in the semiconductor memory product market, our competitive position and ability to capture market opportunities could be adversely affected. Furthermore, as we continue to invest in R&D, our related expenses may increase, and such investments may not necessarily result in timely or commercially successful outcomes.

We outsource certain production processes to third-party manufacturers, which exposes us to potential risks.

During the Track Record Period, we outsourced certain manufacturing processes, primarily chip tape-out and packaging, to specialized third-party service providers. While this outsourcing arrangement enables us to focus on product design and development, it also exposes us to various risks inherent in relying on external service providers. Potential risks include supply and capacity constraints, reduced operational control, geopolitical and technology risks, failure to meet production targets, intellectual property misuse, service provider instability or misconduct, and rising outsourcing costs. If any of these risks materialize, our ability to meet customer demand and deliver products on time may be adversely affected. For example, during periods of high demand or tight inventories, third-party providers may prioritize the needs of larger or better-financed customers, reducing their capacity or services available to us. Such situations could delay our production, increase costs, or result in supply shortages that negatively affect our business operations.

Although we have maintained sustainable relationships with our key suppliers, we cannot assure you that we will not face delivery uncertainties arising from supply chain disruptions, or other factors beyond our control, which could affect our production, costs, or timely product delivery. Furthermore, if we experience sudden increases in demand or unexpected order volumes, or if any of our existing providers are unable to fulfill their obligations, we may face challenges in identifying and qualifying alternative suppliers or service providers. Establishing relationships with new providers typically requires significant time and resources, which could result in production delays, higher costs, or lost sales opportunities. In addition, if any of our third-party manufacturers significantly increase the costs of raw materials or service fees, or if our relationships with these third-party manufacturers are disrupted or terminated, our operating results and financial performance may be adversely affected. Such disruptions could damage customer relationships, result in lost revenue, reduce market share, or harm our

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reputation. As our business expands, we may increase our coordinations with third-party providers, and any challenges in managing or coordinating with them could have an impact on product quality, delivery timelines, or overall operations.

We may be unable to match production with customer demand for a variety of reasons including our inability to accurately forecast customer demand, which could adversely affect our operating results.

Our production planning, procurement, and resource allocation decisions are based on our internal estimates of product demand and customer requirements, which may be subject to significant uncertainties. While our customers may provide demand forecasts, these forecasts are not legally binding, and customers are not contractually obligated to purchase any quantities beyond those specified in individual purchase orders. As a result, unexpected changes in customer demand or market conditions could negatively impact our ability to accurately forecast future requirements. Inaccurate demand forecasting, rapid technological change, or sudden customer order increases may result in excess or obsolete inventory, capacity constraints, lost sales opportunities, higher costs, or reputational damage. Excess or obsolete inventory levels, unexpected expenses, or inventory write-downs could have a material adverse effect on our business operations, results of operations, and financial condition.

Our purchase of key raw materials and components, concentrates on certain major suppliers. Any disruption in supply or change in our relationships with these suppliers could adversely affect our business, financial condition and results of operations.

The primary raw materials required for our production include DRAM and NAND Flash wafers and memory dies. The global market for memory wafers and memory dies is highly concentrated and dominated by a limited number of major suppliers. During the Track Record Period, our purchases from our five largest suppliers accounted for 72.5%, 76.0%, and 82.0% of our total purchases in 2023, 2024 and 2025, respectively, while our purchase from the largest supplier accounted for 46.5%, 53.3%, and 68.5% of our total purchases, respectively for the same years, reflecting our high supplier concentration. Our reliance on a concentrated supplier base exposes us to risks that could adversely affect our production and operations. Any disruption in the supply of memory wafers could result in shortages of critical raw materials. In addition, any deterioration in cooperative relationships, termination or suspension of supply arrangements, adjustments to procurement terms, or disputes with suppliers may adversely impact our ability to secure the materials required to maintain stable production. Given the high concentration of suppliers in the memory wafer industry, identifying and securing alternative sources on commercially reasonable terms or within a short timeframe could prove challenging. If we are unable to address supply interruptions or secure sufficient quantities of raw materials at commercially viable prices, our business operations and financial results may be materially and adversely affected. In addition, as demand for memory wafers driven by AI applications continues to increase, supply may become more constrained, and the concentration of our suppliers may persist or further intensify.

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Our historical performance may not be indicative of, or guarantee, similar results in the future, and any failure to achieve expected future performance could adversely affect our business, financial condition, and results of operations.

Our historical financial results may not provide a reliable basis for evaluating our future prospects, and we may encounter unforeseen challenges in sustaining our growth and profitability. Our future operating performance may be adversely affected by a variety of factors, including changes in industry dynamics, weaker downstream demand, significant shifts in supply and demand relationships, intensified competition, declining product sales prices, or reductions in sales volumes. Any of these factors may lead to a decline in our revenues or profitability, and there is no assurance that we will achieve similar growth rates or maintain our financial performance in future periods. Additionally, our ability to sustain growth depends significantly on our capacity to manage expansion effectively. Risks associated with business growth and expansion include challenges in managing a larger, geographically dispersed organization, scaling supply chains and facilities, controlling costs and investments, executing strategic initiatives, addressing market price fluctuations, entering new markets, and strengthening operational, financial, compliance, and management systems. Sustaining growth will require significant financial resources and place substantial demands on our management team. Our current staffing, systems, policies, and procedures may not be sufficient to support future operations. Failure to improve operational efficiency, manage expansion effectively, or address competitive challenges in a timely manner could negatively impact our reputation, financial condition, and overall business prospects.

Our patents and other non-patented intellectual properties are valuable assets, and if we are unable to protect them from infringement, our business prospects may be harmed.

Our ability to achieve success and maintain competitiveness depends, in part, on our ability to secure, protect, and enforce our intellectual property rights. The measures we adopt to safeguard our intellectual property rights may not be adequate. There is no assurance that our patents will provide sufficient protection for our products or technologies against competitors. Third parties may challenge the scope, validity, or enforceability of our patents, or independently develop similar or competing technologies that circumvent our intellectual property protections. Additionally, successfully applying for and obtaining new intellectual property rights can be costly and time-consuming, and failure to seek timely protection may preclude us from securing future patents for certain products or technologies. In addition to patents, we rely on contractual protections with customers, suppliers, distributors, employees, and consultants, as well as security measures to safeguard our trade secrets and proprietary know-how. However, these contractual protections and security measures may be breached, and we may face difficulties in enforcing remedies or protecting our rights in such cases. Moreover, our customers, suppliers, distributors, employees, or consultants may assert claims over intellectual property or damages arising from these agreements. Unauthorized disclosure, misappropriation, or independent discovery of our trade secrets by competitors could harm our competitive position. We may need to initiate legal action against third parties to protect and enforce our intellectual property rights if disputes cannot be resolved through negotiation. Intellectual property litigation can be costly, time-consuming, and distracting for management

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and may result in adverse outcomes, including the invalidation or limitation of our intellectual property rights. Such outcomes could reduce the value of our technology, restrict our ability to assert our rights, or otherwise negatively impact our business, financial condition, and results of operations. In addition, enforcement of our intellectual property rights may provoke counterclaims or retaliatory legal action from third parties.

Our business is subject to legal, regulatory, political, economic, commercial and other risks associated with our customers from overseas markets.

A portion of our revenue is derived from overseas markets, and our operations across multiple jurisdictions expose us to various risks, including legal, regulatory, political, economic, and commercial uncertainties. These risks may adversely affect our financial performance and operational stability. Our international operations expose us to legal, regulatory, political, economic, and commercial instability, changes in foreign tax rules and interpretations, shifts in trade policies such as tariffs, sanctions, export controls and import restrictions, conflicts among cross-border laws and import/export controls, evolving foreign regulatory requirements including data privacy standards, compliance challenges relating to anti-bribery, anti-corruption, anti-money laundering and antitrust laws, difficulties in securing and enforcing intellectual property rights, enforcing contracts and collecting receivables through foreign legal systems, heightened geopolitical uncertainty, foreign exchange controls and cash repatriation restrictions, inflation, deflation and interest rate fluctuations, insolvency or misconduct of trade customers, labor disputes or work stoppages involving employees or suppliers, and increased costs of understanding and responding to local market and regulatory requirements.

Our cross-border transactions may increase the likelihood of tax audits and expose us to challenges related to tax residence, permanent establishment, transfer pricing, and other tax compliance matters. Any disputes or penalties arising from such audits could materially and adversely impact our financial condition and operational performance. During the Track Record Period, we carried out certain intra-group transactions among our subsidiaries in Chinese Mainland and Hong Kong. To regulate these transactions, we adopted transfer pricing arrangements and determined transfer prices that our Directors believe are comparable to those that would be charged by unrelated third parties on an arm’s length basis. See “Business — Intra-Group Transaction” in this document. However, intra-group transactions and cross-border business arrangements may introduce uncertainty over our Group’s profit allocation and respective tax positions across different jurisdictions or provinces within the PRC. The tax treatment of these transactions or arrangements may be subject to interpretation by the relevant tax authorities in different countries, regions, or provinces within the PRC. There is no assurance that tax authorities will share the same view, or that applicable laws and regulations will not be modified. If any relevant authority determines that such intra-group transactions were not conducted on an arm’s length basis and that taxable income was affected, the authority could require the relevant subsidiaries to re-determine transfer prices and adjust revenue, deduct costs and expenses, or otherwise revise taxable income in order to reflect the proper tax basis. Any such adjustment could result in a higher overall tax liability for us, which may adversely affect our business, financial condition, and results of operations.

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Our financial results are affected by fluctuations in foreign currency exchange rates.

During the Track Record Period, the revenue generated from our business outside Chinese Mainland amounted to RMB1,402.1 million, RMB2,269.8 million and RMB3,278.1 million in 2023, 2024 and 2025, respectively, representing approximately 58.4%, 61.1% and 55.4% of our total revenue for the respective years. Our overseas sales are primarily settled in U.S. dollars, and fluctuations in the exchange rate between the Renminbi and the U.S. dollar have historically affected our financial performance. Foreign exchange gains and losses resulting from exchange rate fluctuations have had an impact on our profitability during the Track Record Period. Exchange rate fluctuations may arise due to various factors beyond our control. Significant fluctuations in the exchange rate of the Renminbi against the U.S. dollar or other currencies could result in foreign exchange losses, adversely affecting our financial condition, results of operations, and overall profitability. Additionally, any appreciation or depreciation of the Renminbi relative to the U.S. dollar could affect the value of our overseas revenue and expenditures when translating such amounts into Renminbi terms, even without any underlying change in our business operations. Foreign exchange risks may also affect the value of dividends, if any, paid to shareholders in Hong Kong dollars, further impacting our financial results and investor returns.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

During the Track Record Period, our inventory amounted to RMB872.9 million, RMB1,161.8 million and RMB4,846.7 million as of December 31, 2023, 2024 and 2025, respectively, representing approximately 58.1%, 50.0% and 83.2% of our current assets for the respective years. If unfavorable changes occur in the supply-demand dynamics of the memory market, such as declining market prices or reduced gross profit margins, we may face further inventory write-downs or impairment losses, which could adversely impact our financial condition and operating results. Maintaining optimal inventory levels is inherently complex and depends on a variety of factors, including market demand fluctuations, new product launches, pricing changes, customer procurement decisions, and evolving consumer preferences. As of December 31, 2023, 2024 and 2025, we made provision for impairment losses on inventory of RMB17.1 million, RMB41.6 million and RMB156.9 million, respectively. While we have implemented supply chain management mechanisms to mitigate risks, demand forecasts remain inherently uncertain due to the dynamic nature of the industry. Any inaccuracies in our forecasts or failure to adjust inventory levels effectively may result in material adverse effects on our business operations, financial performance, and overall market competitiveness. As we continue to expand our business scale and production capacity, challenges related to inventory management may persist or intensify, potentially affecting our ability to maintain stable operations and meet customer expectations.

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A fluctuation in prices of raw materials or shortage in supply may disrupt our supply chain, delay deliveries of our products to customers and affect our market price, which would affect our business, financial condition and results of operations.

We are a semiconductor memory products enterprise, and memory wafers represent the most significant component of our raw material costs. As such, changes in the availability and pricing of raw materials, particularly memory wafers, have a material impact on our business operations and financial performance. For the years ended December 31, 2023, 2024 and 2025, raw material costs accounted for 92.6%, 92.8% and 90.7% of our cost of sales, respectively. During the Track Record Period, we have experienced fluctuations in the prices of these raw materials. The supply and pricing of memory wafers and other key raw materials may fluctuate due to factors beyond our control. Any shortage or delay in the supply of our raw materials could result in increased production costs or disruptions to our manufacturing process, potentially causing delays in the delivery of products to our customers. We cannot assure you that we will not experience future price fluctuations or supply shortages of raw materials. If such circumstances occur, we may not be able to secure alternative suppliers in a timely manner, at reasonable prices, or at all. Failure to obtain sufficient raw materials to meet production needs could lead to reduced, delayed, or canceled customer orders, which may have a material adverse effect on our business, financial condition, and results of operations.

We have experienced continuous net outflows of operating cash flow during the Track Record Period, which may pose liquidity risks and affect our financial stability.

During the Track Record Period, we experienced net cash outflows from operating activities primarily due to the expansion of our business operations and differences in payment settlement terms with our suppliers and customers, which resulted in higher working capital requirements. For the years ended December 31, 2023, 2024 and 2025, our net cash flows used in operating activities amounted to RMB229.7 million, RMB490.6 million and RMB849.6 million, respectively. See “Financial Information — Cash Flows” in this document. As of December 31, 2025, we maintained sufficient available credit facilities from banks, a low level of indebtedness, and access to multiple financing channels. However, there can be no assurance that our operating cash flow will improve in the future or that external financing channels will remain available to us. If we are unable to secure additional bank credit lines or face restrictions on accessing existing credit facilities, we may encounter risks related to insufficient liquidity.

We may be exposed to customer credit risk, and delays in collecting trade and bills receivables could adversely affect our financial condition and results of operations.

As of December 31, 2023, 2024 and 2025, our trade and bills receivables amounted to RMB324.5 million, RMB789.3 million and RMB137.8 million, respectively, representing 21.6%, 34.0% and 2.4% of our total current assets as of the same dates. See “Financial Information — Discussion of Selected Items from Consolidated Statements of Financial Position — Trade and Bills Receivables” in this document. The increase in accounts receivables exposes us to heightened risks of impairment losses in the event of adverse changes

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in macroeconomic conditions, industry dynamics, or the creditworthiness of our customers. There is no assurance that we will be able to recover the full amount of our accounts receivables or that our customers will make payments on time. If we are unable to recover accounts receivables from our customers as expected, our liquidity, financial position, and business prospects may be adversely impacted.

We may be exposed to liquidity risk due to a long cash conversion cycle.

We had recorded relatively long inventory turnover days and trade receivables turnover days, which may lead to delays in converting our revenue into cash. During the Track Record Period, our cash conversion cycle, being the number of days which takes to convert our investments in inventory and other resources into cash flows from sales, was 156 days, 151 days and 263 days, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade receivables turnover days, then subtracting trade payable turnover days. A long cash conversion cycle may increase our reliance on working capital or external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

We may not be able to secure additional bank borrowings to support our business operations and expansion plans.

Our business operations and planned expansion may require additional bank borrowings from time to time. Our ability to obtain new credit facilities or renew existing ones depends on various factors, including our financial performance, credit profile, asset pledges available for collateral, prevailing interest rates, lending policies of banks, and overall market and economic conditions. We cannot assure you that we will be able to secure additional borrowings or maintain our existing banking facilities on terms acceptable to us, or at all. If we fail to obtain the necessary financing, our ability to fund working capital needs, execute expansion plans, manage liquidity, or respond to unforeseen business developments may be adversely affected. Such limitations could, in turn, have a material and adverse impact on our business, financial position and results of operations.

Our business may be adversely affected due to risks relating to the acts of our distributors and their potential breach of distribution agreements.

During the Track Record Period, approximately 60.8%, 58.9% and 53.1% of our revenue for the years ended December 31, 2023, 2024, and 2025, respectively, was attributable to distributor sales. As of December 31, 2023, 2024 and 2025, we had 79, 72 and 84 distributors, respectively. See “Business — Sales, Distribution and Marketing — Distributor Sales” in this document. While distributors play an important role in marketing, selling, and supporting our products, we have limited control over their operations and actions. There is no assurance that we will be able to effectively manage our distributors or that they will act in compliance with applicable laws, regulations, or the terms of our distributorship agreements. If our distributors

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fail to market or sell our products effectively, breach our agreements or policies, or engage in non-compliant or improper activities, such as misrepresenting our products or misusing our intellectual property rights, it could harm our reputation, damage our brand image, and undermine customer confidence. Such breaches may also expose us to legal liability, regulatory penalties, or reputational harm.

Delivery delays, inappropriate handling by third party logistics service providers or disruptions in the transportation network may adversely affect our business.

We engage third-party logistics providers to transport materials and products, and some of our suppliers also use third-party logistics services to deliver materials to us. Our materials and products are of relatively high value, and any delays, damage, or other issues in these deliveries could disrupt our production schedules and affect our ability to deliver products to customers on time, which may have an adverse effect on our business, financial condition, and results of operations. In addition, we maintain inventories of raw materials and finished products, which are also of relatively high value. Any accidental loss, damage, or deterioration of inventory during storage, handling, or transportation could result in financial loss, disrupt our operations, and negatively affect our business, financial condition, and results of operations, and our insurance coverage may not fully cover such losses.

Any problem with our product quality or performance may subject us to loss of revenue, potential claims, legal liabilities and reputational damages.

Products as complex as ours may contain errors, defects, or bugs during their initial introduction or as new versions are released. Delivery of products with defects or reliability, quality, or compatibility issues could significantly delay or hinder market acceptance, result in costly recalls, and damage our reputation. Such issues may adversely affect our ability to retain existing customers and attract new customers. Errors, defects, or bugs could impair the functionality of our products, leading to interruptions, delays, or cessation of sales. Resolving these issues may require significant expenditures of capital and resources, diverting technical and other resources from our other development efforts. These problems could result in delays in the development, production, and roll-out of new products; additional development costs; loss of or delays in market acceptance; claims for damages from customers or third parties; and loss of credibility with existing and prospective customers. Any of these occurrences could have a material adverse effect on our business, financial condition, and results of operations.

If we are unable to protect or promote our brands and reputation, our business may be materially adversely affected. Negative publicity or rumors about us, our products, our management, directors, employees, shareholders, customers, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

Maintaining and enhancing our reputation while increasing industry recognition awareness of our business and products is critical to our success. Our ability to promote and protect our reputation depends on achieving acceptance of our products, attracting and retaining customers, maintaining market leadership, and differentiating our offerings from

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those of competitors. These efforts require investments in marketing, promotion, and thought leadership. However, there can be no assurance that these investments will yield increased revenue, or that any resulting revenue will be sufficient to offset the associated expenses. Our reputation and brand value are also vulnerable to adverse publicity, whether or not justified, related to activities or events attributed to us, our management, directors, employees, shareholders, business partners, affiliates, industry, or products and services similar to ours. Unfounded or adversarial statements and opinions, especially given the sensitive nature of the industry we operate in, could mislead stakeholders and harm our business and reputation. If we fail to address such statements or opinions appropriately, our reputation, financial condition, and results of operations may be adversely affected. If we are unable to successfully protect and enhance our brand identity and reputation, our business operations, financial condition, and results of operations could be materially and adversely affected.

Our business may be impacted by geopolitical tensions, war, terrorism, public health issues, natural disasters and other business interruptions.

Our business operations and financial performance are subject to risks arising from external events such as war, terrorism, geopolitical tensions, public health crises, natural disasters, and other unforeseen disruptions to international commerce and the global economy. These events could materially and adversely affect us, as well as our customers and suppliers. Natural disasters, fires, power outages, industrial accidents, terrorist attacks, labor disputes, demonstrations, strikes, and other events beyond our control, could disrupt our operations and supply chain. Such disruptions may decrease demand for our products, hinder our ability to manufacture and deliver products to customers, or delay the receipt of materials from suppliers, causing inefficiencies in our supply chain. In the event of a major natural disaster or public health crisis, our operations may be disrupted due to potential damage to our technology infrastructure or information technology systems, or adverse impacts on the productivity of our workforce. We require considerable expenditures and recovery time to resume operations. Any such interruptions could materially and adversely affect our business, financial condition, and results of operations.

Our risk management and internal control systems may not be adequate or effective.

We have implemented risk management and internal control systems that include organizational frameworks, policies, procedures, and risk management methods designed to support our business operations. While we are committed to continuously improving these systems, their design and implementation are subject to inherent limitations. These limitations include challenges in identifying and evaluating risks, variability in internal control processes, and potential gaps in the communication of critical information. We cannot assure you that our risk management and internal control systems will effectively identify, mitigate, or manage all risks to which we are exposed. The effectiveness of our risk management and internal control systems also depends on the proficiency and execution of our employees. Human error or mistakes during the implementation of these systems could undermine their effectiveness, potentially resulting in disruptions to our operations or exposing us to risks that may materially and adversely affect our business, financial condition, and results of operations.

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We are subject to anti-money laundering (“AML”), anti-corruption, anti-bribery, antiterrorism, export controls, sanctions and similar laws, as well as international trade policies and actions.

We and our business partners are subject to various laws and regulations governing anti-money laundering (“AML”), anti-corruption, anti-bribery, anti-terrorism, export controls, and economic and trade sanctions in the jurisdictions where we operate. Compliance with such laws requires us and our business partners to establish and implement robust internal control policies and procedures, which may involve significant resources and expenditures. Despite the implementation of these policies and procedures, there is no assurance that they will be effectively enforced or that our products and operations will not be exploited for illegal purposes such as money laundering, terrorist financing, bribery, corruption, or violations of economic and trade sanctions. Any failure by us, our subsidiaries, employees, or business partners to comply with applicable laws or regulations, or any engagement in fraudulent, corrupt, or unfair business practices, could result in fines, penalties, enforcement actions, regulatory sanctions, increased compliance requirements, or heightened regulatory scrutiny. Such events may also damage our reputation, adversely affecting customer trust and confidence in our business. Any breach of these laws and regulations could materially and adversely impact our business, financial condition, and results of operations. Furthermore, significant resources may be required to address any violations or enforcement actions, further compounding the adverse effects on our operations and reputation.

Failure to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other business partners may materially and adversely affect our business.

Our business operations and reputation are closely tied to the conduct of our employees, business partners, their employees, and other related individuals. Any misconduct by these individuals could expose us to potential liabilities, regulatory penalties, or legal actions, which may adversely impact our financial condition and results of operations. Furthermore, such actions may harm our reputation, erode customer confidence, and lead to a loss of consumers and market share. Damage to our reputation may also create difficulties in attracting and retaining business partners, further affecting our ability to maintain and grow our business. These adverse effects could materially and negatively impact our operations, financial condition, and future prospects.

We may from time to time become a party to litigation, arbitration, other legal and contractual disputes, claims and administrative proceedings.

We may, from time to time, be involved in various litigation, arbitration, legal or contractual disputes, claims, or administrative proceedings as part of our ordinary business operations. While some disputes may initially appear immaterial, they could escalate and become significant due to factors such as the monetary amount at stake, the likelihood of adverse outcomes, or the reputational impact. Any adverse ruling, judgment, or settlement could result in significant monetary damages, additional liabilities, or increased compliance

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requirements. Furthermore, negative publicity arising from such disputes may harm our reputation and materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will not face additional legal or contractual disputes in the future, and any such events could adversely impact our operations. In addition to these general risks, we face one specific legal risk related to trade secret litigation, as of the date of this document. See “Business — Legal Proceedings and Compliance — Ongoing Trade Secret Legal Proceeding” in this document. The case is currently under second-instance trial and has not yet reached a final judgment. If the appellate court rules in favor of the plaintiff, either partially or entirely, we may be required to bear related compensation liabilities. Such an outcome may negatively impact our financial performance and operational stability. In addition, we face risks associated with the time and resources required to address these legal proceedings. These legal risks, whether general or specific, could materially and adversely affect our business operations, financial condition, and results of operations.

Failure to obtain or maintain the necessary approvals, licenses, and permits may adversely affect our business and operations.

In accordance with applicable laws and regulations in the jurisdictions where we operate, we are required to obtain, maintain, and renew various approvals, licenses, permits, and certifications to conduct our business. Complying with these regulatory requirements may involve substantial expenses and impose significant administrative burdens on our operations. Non-compliance with such requirements may expose us to legal liability or penalties, including fines, operational restrictions, or even the suspension of certain business activities. There is no assurance that we will be able to successfully obtain, update, or renew the required licenses, permits, certificates, and approvals in a timely manner or at all. Furthermore, uncertainties surrounding the interpretation and implementation of existing and future laws and regulations may create challenges for our compliance efforts.

Changes or shifts in industry-related policy support may adversely impact our business performance and future growth.

Regarding risks related to domestic industrial policy changes, as a strategically important industry supported by national policies, the semiconductor memory product market has historically benefited from fiscal subsidies, tax incentives, and industrial funds. However, as the global landscape evolves and the semiconductor industry progresses through different stages of development, there is a risk that government policy support may weaken or shift. Any reduction or withdrawal of these policy benefits could negatively impact our business performance and future growth prospects. In recent years, the international trade environment has become increasingly complex and volatile, with heightened geopolitical tensions, particularly between major global economies such as China and the United States. The uncertainty surrounding trade policies, including export controls, tariffs, and sanctions, poses risks to our supply chain. For example, adverse changes in trade policies in the countries or

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regions where our suppliers are located could restrict the supply of raw materials, leading to higher procurement costs, extended delivery cycles, and disruptions in our production. Such developments could materially and adversely affect our business performance and financial condition.

Moreover, shifts in global trade dynamics, including stricter export controls on semiconductors and electronics, may reduce demand for our products or lower the prices that customers are willing or able to pay. Additionally, there is no assurance as to how international trade tensions or political developments may unfold or whether further restrictions will be imposed. Any negative developments in the global economic environment or trade policies could have a material adverse effect on our business, cash flow, results of operations, and financial condition. The regulatory landscape governing international trade and export controls has undergone significant changes in recent years, particularly with respect to U.S. measures targeting China-based entities. The United States has expanded the scope of its sanctions and export controls under the Export Administration Regulations (“EAR”), which are administered by the Bureau of Industry and Security (“BIS”) of the U.S. Department of Commerce. These measures include restrictions on the export, re-export, or transfer of items subject to the EAR. For example, in October 2022, BIS issued an interim final rule (the “BIS October 2022 IFR”) requiring a license for the export, re-export, or transfer of items subject to the EAR if there is “knowledge” that the items are intended for use in the development or production of integrated circuits (“ICs”) at semiconductor fabrication facilities in China that meet specific criteria. Subsequently, in October 2023, the BIS released another interim final rule (the “BIS October 2023 IFR”) that updated and expanded the restrictions from the BIS October 2022 IFR. Later, on December 2, 2024, BIS issued both an interim final rule (the “BIS December 2024 IFR”) and a final rule (the “BIS December 2024 FR”), which further expanded EAR controls on items related to advanced computing and semiconductor manufacturing. As part of its broader export control framework, BIS maintains lists of entities and individuals subject to heightened export restrictions. One key list, the Entity List, imposes specific trade restrictions on identified foreign persons, which may include businesses, research institutions, government entities, private organizations, and individuals. In recent years, the United States has added an increasing number of entities, including Chinese entities, to the Entity List and other restricted or prohibited party lists. The placement of entities on these lists is often sudden and unpredictable, and we have no ability to influence or anticipate such determinations. These developments introduce significant uncertainty to our business operations. The inclusion of customers, suppliers, or other business partners on the Entity List or similar lists could restrict our ability to conduct business with them, limit access to critical technologies or components, or disrupt our supply chains. Any such developments could materially and adversely affect our business, financial condition, and results of operations.

Our success depends on our ability to attract and retain key employees, and our failure to do so could harm our ability to grow our business and execute our business strategies.

Our business success relies on the continued efforts of our management team, which is responsible for overseeing the execution of our business strategies, identifying growth opportunities, and driving product innovation. Any loss of service from our management team

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could significantly delay or hinder our ability to achieve strategic objectives, disrupt our operations, and adversely impact our financial condition and operating results. Changes within our management team, such as the hiring or departure of senior executives, may further disrupt our operations and require substantial time and resources to identify, onboard, and integrate suitable replacements into our existing teams. Such disruptions may also affect our corporate culture and overall business performance. Additionally, our future success depends on our ability to attract, recruit, and retain qualified personnel across all levels of the organization. If we lose any key members of our senior management team or technical staff, or fail to attract and retain skilled personnel, we may face challenges in locating suitable replacements with comparable expertise and qualifications. This could lead to increased expenses associated with recruitment, training, and onboarding, and may adversely affect our business operations and growth prospects. Specifically, the departure of key technical personnel with specialized skills and experience, or our inability to recruit and retain qualified professionals, could materially harm our business, financial condition, and operating results.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We collect, store, and process business and transactional data generated during the course of our operations, including data related to our interactions with customers, suppliers, and business partners. The secure maintenance of such data is critical to our operations and reputation. We strive to comply with applicable legal and regulatory requirements concerning data security and privacy across the jurisdictions where we operate, including the PRC and other regions. However, the regulatory landscape surrounding data protection is rapidly evolving, and failure to comply with increasingly stringent data privacy laws could expose us to significant risks, including reputational damage, regulatory scrutiny, and adverse impacts on our business performance. There is a risk of unauthorized access, loss, misuse, or breach of data. Such incidents could result in increased security costs, damage to our reputation, regulatory investigations, litigation, fines, remediation efforts, indemnification payments, and disruptions to our business operations. Additionally, any data security or privacy issues may lead to significant costs associated with defending against legal claims or regulatory actions. Even unsubstantiated concerns raised by customers, employees, or third parties regarding our data security practices may negatively impact our reputation and business operations.

Our success depends on our strong and stable relationships with certain customers.

Our growth strategy focuses on strengthening relationships with existing large-scale global customers while expanding our customer base by attracting new leading enterprises across various industries and enhancing our brand recognition. To support this strategy, we have consistently invested in branding, sales, and marketing efforts to acquire and retain customers. However, there is no assurance that newly acquired customers will continue to work with us or that the revenues generated from these customers will offset the costs incurred to acquire them. Our reliance on our existing customer base exposes us to risks associated with significant reductions in sales to any of our top customers. Any such reductions could materially and adversely affect our business, financial condition, and operating results.

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Additionally, changes in forecasts or the timing of orders from these key customers, which are often beyond our control, may result in fluctuations in our operating results. Our existing customers may reduce their purchases or experience fluctuations in demand due to various factors, including dissatisfaction with the performance, quality, or pricing of our products, negative publicity regarding our brand, or the availability of alternative products offered by competitors. If we are unable to retain our existing customers or acquire new customers in a cost-effective manner, our business, financial condition, and results of operations could be adversely affected. Furthermore, any disruptions in our relationships with key customers or failure to attract new customers could hinder our ability to achieve our growth objectives and negatively impact our overall business performance.

We may be subject to additional social insurance and housing provident fund contributions, late payments fees and fines imposed by relevant governmental authorities.

Under applicable PRC laws and regulations, companies are required to participate in various employee benefit plans, including social insurance, housing provident funds, and other welfare-related contributions. These requirements vary across different regions in the PRC due to differing levels of economic development, and the competent government authorities may examine whether employers have made adequate contributions. Employers who fail to comply with these requirements may be subject to penalties, including late payment fees, fines, or other administrative actions. While we strive to comply with these regulations, there is no assurance that our historical and current practices will always be deemed fully compliant by the relevant authorities. If non-compliance is identified, we may be required to rectify the shortfall in contributions within a prescribed time frame and may face penalties for failing to do so.

During the Track Record Period, we did not fully comply with the requirements for social insurance and housing provident fund contributions for certain employees as stipulated by PRC laws. See “Business — Legal Proceedings and Compliance — Social Insurance and Housing Provident Fund” in this document. According to applicable regulations, the competent authorities may request us to take corrective measures, and failure to do so could result in fines or other penalties. As of the Latest Practicable Date, no administrative actions, fines, or penalties have been imposed on us, nor have the authorities demanded payment of outstanding social insurance or housing provident fund contributions. Although we are actively addressing these compliance issues, we cannot guarantee that we will not be subject to penalties or liabilities related to such non-compliance in the future, which could adversely affect our business, reputation, and financial performance.

Our PRC Legal Adviser is of the view that, provided there are no significant changes in current policies, regulations, enforcement practices, or major employee complaints or lawsuits, the risk of centralized collection of underpaid contributions or significant administrative penalties for the above issues remains remote. However, as the interpretation and implementation of labor-related laws, including the Labor Contract Law and Social Insurance Law, continue to evolve, we cannot guarantee that our employment practices are fully compliant or will remain compliant. Any violations of labor-related laws may expose us to labor disputes, government investigations, or other legal proceedings, which could adversely

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impact our reputation, business operations, financial condition, and results of operations. Furthermore, addressing such risks may require the diversion of significant resources to manage potential lawsuits, investigations, or complaints.

We may be subject to fines for failure to register some of our leases, and our legal right to use certain properties could be challenged or restricted.

We lease properties primarily for our production, warehouse, business and office purposes. As of December 31, 2025, certain of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC, as required by applicable laws and regulations. While the failure to register does not invalidate the lease agreements, it may expose both the lessors and lessees to potential fines if such non-compliance is not rectified within the prescribed time frame after receiving notice from the relevant PRC authorities. Under PRC law, fines for unregistered leases may range from RMB1,000 to RMB10,000 per lease. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. As of December 31, 2025, the use of one leased property exceeds the scope of permitted use as recorded on the property ownership certificate. As a result, there is a risk that the relevant authorities may require the restoration of the original use of the property, which may result in our inability to continue leasing the property. If our right to use these properties is challenged, we would need to seek alternative properties on short notice and incur relocation costs, and there is no guarantee that we would be able to find suitable alternative properties on reasonable commercial terms. Any relocation could lead to disruptions to our operations and may have an adverse effect on our business, financial condition and results of operations. See “Business — Properties” in this document.

Failure to effectively utilize our production facilities or successfully execute our equipment maintenance and upgrades or capacity expansion plans may have a material adverse effect on our business, financial condition and results of operations.

Our future growth prospects and profitability depend, among other factors, on our ability to upgrade our production capabilities and expand our production capacity. To achieve this, we must undertake cost-effective and efficient upgrades and expansions, including the construction of new facilities, the purchase and maintenance of packaging, testing and assembly equipment, and the hiring and training of professionals to operate such facilities and equipment. However, the successful implementation of these plans is subject to various risks and uncertainties, including the availability of sufficient working capital for facility construction or equipment purchases, delays in construction progress or in the delivery of required equipment, difficulties or delays in equipment installation and commissioning, and challenges associated with implementing new production processes.

We cannot assure you that our upgrade or expansion plans, if implemented, will be operationally or financially successful or supported by sufficient market demand for our products or adequate profit margins. If we fail to execute our plans in a cost-effective and efficient manner, our business operations and profitability may be adversely affected. In

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addition, if we do not receive sufficient orders from customers to fully utilize our production facilities, we may experience low utilization rates or over-capacity, which could negatively impact our profitability and operating results. Furthermore, if market demand for our products declines in the future, we may be unable to recover the costs associated with constructing new facilities, expanding existing facilities, or maintaining increased production capacity.

Any disruption to the operation of our production facilities or interruptions in our information technology systems could adversely affect our business.

We conduct production in our intelligent production bases in Zhongshan and Shenzhen. The operation of these facilities is subject to potential disruptions caused by events beyond our control, including physical damage from fires, floods, earthquakes, typhoons, power outages, mechanical breakdowns, telecommunications failures, loss of licenses, certifications and permits, changes in governmental planning for the underlying land, and regulatory developments. Any power outage, disruption, or shortage in power supply could materially and adversely affect our production processes and employee safety, which may, in turn, negatively impact our business, financial condition, and results of operations. We rely on the efficient and uninterrupted operation of complex information technology systems and networks to support our business activities. These systems and networks are exposed to risks such as disruptions from new system implementations, computer viruses, security breaches, facility issues, natural disasters, terrorism, war, telecommunications failures, and energy blackouts. Any significant disruption to our IT systems or networks could materially and adversely affect our operations, sales, and financial results. In addition, we may be subject to cyberattacks, security breaches, or attempts to introduce malicious software into our IT systems. If such attacks are successful, we may not immediately detect the incident or fully understand its magnitude and consequences until substantial harm has occurred. Any such attack or disruption could result in significant costs associated with rebuilding internal systems, defending litigation, addressing regulatory actions, or paying damages. These events could materially and adversely impact our business, operations, and financial results. If these service providers fail to properly safeguard the data they hold, it could result in security breaches or loss of data. Any such incident involving third-party service providers could negatively affect our business, operations, and financial results, as well as our relationships with customers.

Our customers require our products to undergo a qualification process. If we are unsuccessful or delayed in qualifying any of our products with a customer, our business and operating results would suffer.

Before purchasing our products, customers typically require that our products undergo extensive qualification processes. These processes involve rigorous testing, including reliability testing, to ensure compatibility with the customers’ products. However, even after obtaining the necessary qualifications for a product, there is no assurance that such qualifications will result in sales. After our products are qualified and selected, it can take several months or more before a customer commences mass production of products that incorporate our products. If we are unsuccessful or experience delays in qualifying our

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products with customers, the anticipated sales of such products may be postponed or fail to materialize altogether. Such outcomes could impede our growth and have an adverse impact on our business, financial condition, and results of operations.

We may fail to successfully make necessary or desirable acquisitions, investments or establish joint ventures, and may not be able to achieve the benefits we expect from past and future transactions.

We have historically grown our business through acquisitions and external investments, and may continue to seek opportunities to acquire or invest in businesses, products, technologies, or enter into strategic cooperation and joint ventures to complement or expand our business, enhance our technical capabilities, or provide growth opportunities. However, these activities involve inherent risks and challenges, including difficulties in integrating acquired or invested companies’ personnel, operations, systems, and technologies, particularly in large-scale or unfamiliar markets, failure to realize anticipated synergies or expected revenue, profitability, productivity, or other benefits, management distraction and diversion of resources from existing operations, potential loss of key employees or customers, unanticipated costs or liabilities such as litigation or unknown obligations, acquisition-related expenses, asset write-offs and restructuring costs, increased interest expenses, leverage and debt service if additional debt is incurred, dilution of existing shareholders’ ownership if new shares are issued, significant use of available cash that may constrain other strategic initiatives, regulatory restrictions including anti-monopoly requirements, and exposure to currency fluctuations as well as economic, political, and regulatory risks in cross-border transactions. A significant portion of the purchase price for acquired businesses may be attributed to goodwill, which must be assessed for impairment at least annually. If acquisitions, investments or joint ventures fail to deliver expected returns, we may be required to recognize impairment losses on goodwill, which could adversely affect our results of operations. There is no assurance that we will be able to complete these transactions on commercially reasonable terms, or at all, or that such strategic activities will be successful or will not adversely impact our business, financial condition, or results of operations. If these efforts fail to meet our expectations, they could have a material and adverse effect on our overall performance.

Expiration of, or changes to, certain government grants and preferential tax treatments which we are entitled to could adversely affect our financial condition and results of operations.

During the Track Record Period, certain entities within our Group benefited from preferential income tax rates under applicable PRC tax regulations. For example, certain entities within our Group were eligible for a preferential Enterprise Income Tax (EIT) rate of 15% due to their designation as High and New Technology Enterprises (HNTE). For further details, please refer to Note 7 to the Accountants’ Report in Appendix I to this document. The preferential tax treatments and other incentives granted to certain entities within Our Group are subject to periodic review and renewal by the relevant governmental authorities and may be adjusted or revoked in the future. We cannot assure you that these preferential tax treatments will remain valid or be successfully renewed upon expiration. Furthermore, there is no

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guarantee that the local tax authorities will not change their position and discontinue the preferential tax treatments currently available to Our Group. Any revocation or discontinuation of preferential tax treatments could result in a significant increase in our tax obligations and adversely affect our net income, financial condition, and results of operations. Additionally, during the Track Record Period, we recognized government grants amounting to RMB8.2 million, RMB19.4 million and RMB34.2 million in our profit or loss in 2023, 2024 and 2025, respectively. These grants consisted of non-recurring financial support or subsidies provided by government authorities as incentives for research and development projects. However, we cannot guarantee that we will continue to receive such government grants or benefit from similar financial support in the future. Any reduction or discontinuation of government grants may adversely affect our financial performance and ability to fund research and development initiatives.

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 SAT on the Value-Added Tax and Consumption Tax Policy for Labor Services of Exported Goods (《關於出口貨物勞務增值稅和消費稅政策的通知》), issued by the Ministry of Finance and the State Administration of Taxation (SAT) on May 25, 2012 and subsequently revised on December 9, 2014 and January 20, 2020, export goods and services are generally subject to VAT exemption and refund policies, unless otherwise stipulated by law. Under these policies and relevant PRC laws, we are entitled to VAT rebates in connection with the export sales of our products. These rebates represent refunds of VAT incurred on the raw materials used in the production of our products in the PRC that are subsequently exported to overseas markets. However, we cannot guarantee that the current PRC government policies on VAT rebates will remain unchanged or that the rebates we currently enjoy will not be reduced or cancelled in the future. Any reduction, suspension, or cancellation of VAT rebate policies could adversely impact our ability to recover VAT amounts and negatively affect our business, financial condition, and profitability.

Our insurance coverage may not fully protect us against all potential business risks.

We consider our insurance coverage is adequate as we have obtained all mandatory insurance policies required under PRC laws and regulations and in accordance with general market practice. For details, see “Business — Insurance” in this document. However, the availability of business insurance products in the PRC and other jurisdictions where we operate may be limited. As a result, we may not be able to obtain insurance to cover all types of risks associated with our operations, both in the PRC and overseas. Furthermore, the coverage provided by our existing insurance policies may not be sufficient to fully compensate for all losses, particularly losses related to business disruptions or operational interruptions. This potentially limited or insufficient insurance coverage could expose us to claims and financial losses. Events such as business disruptions, litigation, regulatory actions, outbreaks of epidemic diseases, adverse weather conditions, or natural disasters could result in substantial costs and divert our resources. There is no assurance that our insurance coverage will be adequate to cover such losses or that we will be able to recover losses under our insurance

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policies in a timely manner, or at all. If we experience a loss that is not covered by our insurance policies, or if the compensation we receive is significantly less than the actual loss incurred, our business, financial condition, and results of operations could be materially and adversely affected.

We are subject to various risks relating to certain payment arrangements

During the Track Record Period, certain of our customers settled payments with our Company and our subsidiaries through accounts held by parties other than the contractual counterparties under the relevant sales and purchase agreements, which can be divided into payment through customers’ supply chain service providers and payment through other third-parties. See “Business — Our Customers” in this document. Generally, arrangements involving third-party payors may give rise to certain concerns, including potential repayment matters or compliance considerations. During the Track Record Period, we encountered similar concerns in dealing with the above payment arrangements, and addressing them required additional time and resources, which in turn posed certain risks to our operations. In the event that claims from third-party payors or their liquidators are made against us, or legal proceedings (whether civil or criminal) are initiated to demand the return of payments or allege violations of laws and regulations, we may need to allocate financial and managerial resources to defend against such claims or proceedings. If a court rules against us, we may be required to return payments received for products sold or services rendered, which could adversely affect our financial condition, results of operations, and business prospects.

In order to comply with environmental laws and regulations, we may need to modify our activities or incur additional costs.

To identify, manage, and mitigate environmental, social, and governance (ESG) risks, we may incur additional costs and expenses, which could adversely impact our financial performance. While our business does not involve significant emissions, waste generation, or heavy pollution, we actively monitor environmental and climate-related risks that may affect our operations, strategy, and financial performance. These risks are assessed across short-, medium-, and long-term horizons.

We track various environmental indicators, including power consumption, greenhouse gas emissions, water usage, and waste generation, to manage risks arising from our operations. Additionally, we are committed to fostering a supportive and inspirational corporate culture for our employees, which may require substantial investments. These initiatives could lead to additional costs and potentially impact our profitability. See “Business — Environmental, Social and Governance” in this document. Moreover, the regulatory landscape around ESG matters continues to evolve, with increasing ESG-related disclosure mandates in the jurisdictions where we operate. Compliance with these regulations may result in rising compliance costs and potentially higher costs of sales. Failure to adapt to new regulatory requirements or meet industry expectations and standards could negatively impact customer

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perception of our business and lead to consumers choosing products from other companies. Such developments may materially and adversely affect our results of operations, financial condition, and long-term business prospects.

RISKS RELATING TO THE JURISDICTION IN WHICH WE OPERATE

Changes in the economic, political or social conditions or government policies in the regions where we operate could affect our business, financial condition and results of operations.

We operate our business primarily in Chinese Mainland, Hong Kong, and derived revenue from both domestic and international markets. As a result, our business, financial condition, and results of operations are significantly influenced by political, economic, and social conditions in these markets. Geopolitical, economic, and market factors have impacted and will continue to impact the markets in which we operate. In certain markets, governments play a significant role in regulating industry development by implementing industrial policies, which may affect our operations. Furthermore, as we are headquartered in China with the majority of our assets located in China, our financial condition, results of operations, and growth prospects are closely linked to economic, political, and legal developments in China. Any adverse changes in the global or local economies of the markets in which we operate could materially and adversely affect our business, financial condition, and results of operations.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by PRC government authorities.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “Archives Rules”), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

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

Non-Chinese Mainland resident individual holders of H Shares whose names appear on the register of members of H Shares are subject to PRC individual income tax on dividends received from us. Under the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號), dated June 28, 2011, the tax rate applicable to dividends paid to Non-PRC Resident Individual Holders of H Shares varies from 5% to 20%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the Non-PRC Resident Individual Holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Non-Chinese Mainland resident individual holders of H Shares are subject to PRC individual income tax at a rate of 20.0% on gains realized from the sale or other disposal of H Shares, pursuant to 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. However, under the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), issued by the MOF and the SAT on March 30, 1998, gains derived by individuals from the transfer of listed shares in enterprises are exempt from individual income tax. As of the Latest Practicable Date, no specific provisions have clarified whether such exemptions apply to non-Chinese Mainland resident individual holders transferring shares of Chinese Mainland enterprises listed on overseas stock exchanges. To our knowledge, PRC tax authorities have not collected individual income tax on such gains in practice. If such tax is collected in the future, the value of non-Chinese Mainland resident individual holders’ investments in H Shares may be materially and adversely affected.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (“EIT Law”) and its implementation regulations, non-Chinese Mainland resident enterprises are generally subject to PRC enterprise income tax at a rate of 10.0% on Chinese Mainland-sourced income, including dividends received from Chinese Mainland companies and gains derived from the disposal of equity interests in Chinese Mainland companies. Applicable treaties or special arrangements between Chinese Mainland and the jurisdiction where the enterprise resides may reduce this tax rate. The interpretation and implementation of the EIT Law and its regulations, including whether and how enterprise income tax on gains from the sale or disposal of H Shares will be collected from non-Chinese Mainland resident enterprise holders, remain subject to the relevant laws and regulations in effect at the time. If such tax is collected in the future, the value of non-Chinese Mainland resident enterprise holders’ investments in H Shares may be materially and adversely affected. Any changes in PRC tax policies, or uncertainties in the interpretation or implementation of applicable tax laws and regulations, could impose additional compliance requirements on us and our investors and adversely affect our financial condition and results of operations.

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Policies and regulations regarding foreign currency conversion may affect our ability to pay dividends and other obligations.

The conversion of Renminbi into foreign currencies and the remittance of foreign currencies out of the PRC are subject to PRC laws and regulations governing foreign exchange. Under the current PRC foreign exchange regulatory regime, certain current account transactions, such as profit distributions, interest payments, and trade-related expenses, may be conducted in foreign currencies without prior approval from the State Administration of Foreign Exchange (“SAFE”), provided that applicable procedural requirements are met. However, capital account transactions, including capital transfers, direct investments, securities investments, and the repayment of borrowings, are subject to foreign exchange policies and require prior approval from SAFE or registration with SAFE or designated banks. These regulatory requirements may limit our ability to access sufficient foreign currency to meet our needs, which could impact our ability to pay expenses as they become due.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

On February 17, 2023, the China Securities Regulatory Commission (the “CSRC”) issued the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines, which became effective on March 31, 2023 (collectively, the “Overseas Listing Regulations”). The Overseas Listing Regulations apply to overseas securities offerings and listings conducted by (i) companies incorporated in the PRC (“PRC domestic companies”) and (ii) companies incorporated overseas with substantial operations in the PRC. These regulations set forth filing requirements for both direct and indirect overseas offerings and clarify the determination criteria for indirect offerings in overseas markets. Under the Overseas Listing Regulations, PRC domestic companies seeking to offer and list securities in overseas markets are required to complete the filing procedures with the CSRC within three working days after submitting application documents to the overseas regulatory authorities. We plan to fulfill the required filing procedures. See “Regulatory Overview — Overview of the Laws and Regulations in the PRC — Laws and Regulations Relating to Overseas Offering and Listing” in this document. Failure to complete the filing procedures, or concealing material facts or falsifying major content in filing documents, may result in administrative penalties, including orders to rectify, warnings, and fines. Additionally, controlling shareholders, actual controllers, responsible officers, and other directly liable persons may be subject to administrative penalties such as warnings and fines. We cannot assure you that we will always be able to meet these requirements. Any failure to comply with the Overseas Listing Regulations may restrict our ability to complete the proposed listing or engage in future capital-raising activities, which could materially and adversely affect our business, financial condition, and prospects.

Furthermore, we cannot guarantee that new rules or regulations promulgated in the future will not impose additional requirements or restrictions on our operations or financing activities. If additional approvals, filings, or procedures are required in the future, we may fail to obtain such approvals, complete such filings, or meet such requirements in a timely manner

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or at all. Failure to comply may result in sanctions from the CSRC or other PRC regulatory authorities, including fines, penalties, restrictions on our operational activities in the PRC, limitations on our ability to pay dividends outside the PRC, delays or restrictions on the repatriation of net [REDACTED] from the [REDACTED] into the PRC, or other measures that could restrict our financing activities. Such actions could have a material adverse effect on our business, financial condition, and results of operations.

It may be difficult to serve legal process on us or our Directors and executive officers residing in the PRC, or to enforce judgments obtained from non-Chinese courts against them within the PRC.

We are incorporated under the laws of the PRC, and the majority of our assets are located in the PRC. In addition, most of our Directors, Supervisors, and senior management reside in the PRC, and their assets are substantially located in the PRC. As a result, it may be difficult, complicated, and time-consuming for investors to effect service of process or enforce judgments against these individuals in the PRC. Furthermore, China does not have treaties with certain jurisdictions that provide for the reciprocal recognition and enforcement of judicial rulings and awards.

On July 14, 2006, the Supreme People’s Court of China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “2006 Arrangement”), which became effective on August 1, 2008. Under the 2006 Arrangement, a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil or commercial matter pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in Chinese Mainland, and vice versa. A choice of court agreement in writing refers to an agreement entered into between the parties after the effective date of the 2006 Arrangement, expressly designating either a Hong Kong or PRC court as having exclusive jurisdiction over the dispute. On January 18, 2019, the Supreme People’s Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “2019 Arrangement”), which superseded the 2006 Arrangement upon its effective date of January 29, 2024. Compared to the 2006 Arrangement, the 2019 Arrangement establishes a more comprehensive and bilateral legal mechanism for reciprocal recognition and enforcement of judgments in civil and commercial matters under Hong Kong and PRC law. However, the 2006 Arrangement remains applicable to “jurisdiction agreements in writing” entered into before the 2019 Arrangement took effect. Since the 2019 Arrangement is newly enacted, there remains uncertainty regarding the outcome of applications to recognize and enforce judgments in the PRC under this arrangement. Additionally, uncertainties exist regarding the enforcement of arbitral awards in the PRC, which could limit investors’ ability to enforce rights or claims against us. Although we will be subject to the Listing Rules and the Takeovers Code upon our [REDACTED],

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holders of H Shares will not be able to bring direct actions for violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Furthermore, the Takeovers Code does not carry the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong. As such, enforcement of these rules and codes may be limited, which could affect the rights of H Shareholders.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares, and an active [REDACTED] market for our H Shares may not develop or be sustained.

Prior to the [REDACTED], there has been no [REDACTED] for our Shares, and following the completion of the [REDACTED], the [REDACTED] will be the only market where our Shares are [REDACTED]. We cannot guarantee that an active [REDACTED] will develop or be maintained nor that the [REDACTED] of our Shares will not fall below the [REDACTED] after the [REDACTED]. The [REDACTED] will be determined under the [REDACTED] and may not reflect the actual [REDACTED] once [REDACTED] begins. If an active [REDACTED] is not sustained, the [REDACTED] and [REDACTED] of our Shares may be adversely affected, impacting the value of your [REDACTED].

The [REDACTED] and [REDACTED] volume of our H Shares may fluctuate, and such volatility may lead to substantial losses for [REDACTED].

The [REDACTED] and [REDACTED] of our H Shares may be highly volatile and could fluctuate significantly due to factors beyond our control. These factors may include, but are not limited to, actual or anticipated fluctuations in our revenue, earnings, or cash flow; changes in our pricing strategies due to competitive pressure; the addition or departure of key personnel; potential strategic alliances or acquisitions; changes in ratings or outlooks issued by financial analysts or credit rating agencies; fluctuations in the selling prices or demand for our products; public perception or negative publicity concerning our products; unexpected business disruptions caused by natural disasters, power shortages, or other unforeseen events; our inability to obtain or maintain regulatory approvals for our operations; or litigation, government investigations, or other legal or regulatory proceedings. Additionally, political, economic, financial, and social developments in Chinese Mainland, Hong Kong, or other regions globally may also impact the [REDACTED] and [REDACTED] volume of our H Shares. Moreover, the Stock Exchange and other securities markets have, from time to time, experienced significant [REDACTED] and [REDACTED] volume fluctuations unrelated to the performance of specific companies. Such market-wide volatility could adversely affect the [REDACTED] of our H Shares regardless of our actual operating performance, which may materially and negatively impact the value of your [REDACTED].

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Potential [REDACTED] will experience immediate and considerable dilution upon the completion of the [REDACTED] and may be subject to further dilution in the event that we issue additional Shares in the future.

We may need to raise additional funds in the future due to changes in business conditions or to finance our future plans. [REDACTED] or [REDACTED] on a non-pro-rata basis could dilute our existing Shareholders’ holdings. Moreover, such fundraising activities could result in a decrease in [REDACTED] and net tangible asset value per Share. The [REDACTED] may also carry rights, preferences, and privileges that are superior to those of the Shares held by our existing Shareholders, which could further affect the value of their [REDACTED].

There can be no assurance that we will declare and distribute any amount of dividend in the future.

Any declaration and distribution of dividends will be at the sole discretion of our Directors, based on various factors, including our future operations and earnings, capital requirements, financial condition, and contractual restrictions. Any dividends declared and distributed and the amount thereof, will also be subject to our Articles of Association and applicable PRC laws. There is no assurance that dividends of any amount will be declared or distributed in any given year.

Future [REDACTED] or perceived [REDACTED] of substantial amounts of our H Shares in the [REDACTED] could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The H Shares beneficially owned by our Controlling Shareholders are subject to lock-up periods under the Listing Rules and additional undertakings in favor of us. However, there can be no assurance they will not dispose of their Shares after these lock-up periods expire. Any future [REDACTED], or market perception thereof, of a substantial amount of our Shares by our Controlling Shareholders or other Shareholders in the [REDACTED] could materially and adversely affect the [REDACTED] of our H Shares. Furthermore, such disposals could hinder our [REDACTED] in the future, limiting our ability to raise additional capital. We are unable to predict the impact on the [REDACTED] of our H Shares, which could result in volatility or a decline in the value of your [REDACTED].

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

Our Controlling Shareholders exercise significant influence over our operations and business strategies due to their substantial shareholding. This influence may enable them to direct corporate actions in line with their own preferences. Their interests may not always align with those of our other Shareholders. If any conflict arises between their interests, or if our Controlling Shareholders pursue strategic objectives that diverge from the interests of other Shareholders, it could adversely affect our Group or the interests of other Shareholders.

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Furthermore, there is no assurance that our Controlling Shareholders will retain their Shares after lock-up periods expire. Sales of a substantial number of their Shares, or market perception thereof, could materially and adversely affect the [REDACTED] of our Shares.

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

This document contains forward-looking statements regarding our strategies, operational efficiencies, competitive positions, growth opportunities, plans and objectives of management, [REDACTED] information, and other matters. These statements are inherently subject to risks and uncertainties. They can be identified by the use of words such as “anticipate,” “believe,” “estimate,” “predict,” “will,” and similar expressions. They are based on assumptions that may prove inaccurate. The inclusion of such statements should not be construed as a guarantee, representation, or warranty that our plans or objectives will be achieved. These statements should be considered in light of various important factors, including those outlined in this section of the document. Subject to the requirements of the Listing Rules, we do not undertake any obligation to publicly update or revise such statements. You are cautioned not to place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by this cautionary statement.

Certain facts, forecasts and statistics contained in this document are derived from various official or third-party sources and may not be accurate, reliable, complete or up to date.

Certain facts, forecasts, and statistics relating to China, its economic conditions, and the industry in which we operate, as set forth in this document, have been derived from official government sources, and other third-party sources. We cannot guarantee the accuracy, completeness, or timeliness of such information. This information has not been independently verified by our Company, our Directors, the Joint Sponsors, [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], or any of their respective affiliates or advisers, nor by any other party involved in the [REDACTED]. None of these parties make any representation or warranty as to the correctness, accuracy, or completeness of such information. The collection methods for such information may be flawed or ineffective, or discrepancies may exist between published data and actual market practices, which could result in inaccuracies or inconsistencies in the statistics. Prospective [REDACTED] should not place undue reliance on such information when evaluating an [REDACTED] in our Company.

We have significant discretion as to how we will use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

We intend to use the net [REDACTED] from the [REDACTED] to support certain projects and initiatives that are aligned with our strategies to enhance our competitiveness. For details, see “Future Plans and Use of [REDACTED]” in this document. While we have conducted thorough analyses regarding the projects, there remains uncertainty as to whether these plans can be completed on schedule or meet expectations. Risks such as delays, quality issues, cost overruns, or policy changes may adversely affect the success of the projects. If there are sudden changes in the market environment or intensified competition in the industry, the projects may not achieve the anticipated operational results upon completion. Such

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deviations could have a significant adverse impact on the projected benefits and may negatively affect our overall business performance. Moreover, these projects will involve substantial fixed assets and intangible assets. These assets will lead to higher annual depreciation and amortization expenses. If the anticipated benefits are not realized in time to offset these expenses, our net profit and return on equity may be negatively affected in the short term, which could further impact our future financial performance. While our management has discretion in allocating the net [REDACTED] from the [REDACTED], we cannot guarantee that their deployment will yield favorable returns to our shareholders or align with your expectations.

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

The [REDACTED] and [REDACTED] of our Shares may be affected by research reports and recommendations issued by securities or industry analysts. These analysts may assess our operations, financials, competitive position, industry trends, and prospects, impacting investor perceptions and trading decisions regarding our Shares. If analysts cease coverage of our Company or fail to publish research reports about our business, the availability of public information for [REDACTED] may decrease, potentially reducing [REDACTED] interest in our Shares and their [REDACTED] or [REDACTED]. Conversely, if analysts issue negative reports or revise their recommendations downward, [REDACTED] confidence in our Shares could weaken, potentially resulting in selling pressure and a subsequent drop in the [REDACTED] or [REDACTED] of our Shares. We have no control over the content or frequency of research reports or recommendations of these analyses, and their opinions may not accurately reflect our actual performance or prospects. Consequently, their views could lead to market volatility that may adversely affect the [REDACTED] or [REDACTED] of our Shares.

You should read this document carefully and should not rely on any information contained in press articles or other media relating to us, our H Shares or the [REDACTED].

Prior to the publication of this document, there may have been authorized press and media coverage concerning our Company and the [REDACTED]. We have not authorized nor endorsed the disclosure of any such information in the press or other media, nor do we make any representation as to its appropriateness, accuracy, completeness, or reliability. In case of any inconsistency or conflicts with the information contained in this document, we disclaim any responsibility for such information. We urge prospective [REDACTED] to base their [REDACTED] decisions regarding our H Shares solely on the information contained in this document. By applying to [REDACTED] our H Shares in the [REDACTED], you will be deemed to have agreed to rely exclusively on the information provided in this document and not on any other information.