RISK FACTORS

An [REDACTED] in the H Shares involves various risks. You should consider carefully all the information set out in this Document and, in particular, the risks described below before making an [REDACTED] in the H Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial position, results of operations or prospects. If any of these events occurs, the [REDACTED] of the H Shares could decline and you may lose all or part of your [REDACTED]. This Document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Changes in sales, production and market demands from downstream industries can materially and adversely affect our business, financial condition and results of operations.

The performance of our business is closely linked to sales, production and market demands in downstream industries. During the Track Record Period, almost all of our revenue was generated from sales to companies in the automotive industry. As a result, changes in customers' automobile sales and production plan can have a material impact on business. Automotive sales and production are highly cyclical, depending on factors such as general economic conditions, consumer confidence and preferences. In addition, automobile sales and production can be affected by labor relations or safety management issues, regulatory requirements, trade agreements, availability of consumer financing and other factors. Lower automobile sales may result in our customers lowering production schedules, which could have a direct, material and adverse impact on our business, results of operations and financial condition.

Our sales are also affected by the inventory and production levels of automotive companies, which are in turn driven by their own sales performance and production planning. We cannot predict when or to what extent our customers will decide to increase or reduce their inventories, or adjust production schedules. In the past, we have experienced reductions in relevant sales during our customers' planned production reduction or shutdowns, as well as during unplanned reductions or shutdowns caused by unforeseen events. Any significant decline in our customers' production levels, and therefore in their demand for our products, could have a material adverse effect on our business, financial condition and results of operations. In addition, demand for our products depends on consumer demand for, and adoption of, intelligent vehicles. The market for intelligent vehicles is rapidly evolving and is influenced by changes in technology, competitive dynamics, government regulation, industry standards and consumer preferences and behavior. If the market for intelligent vehicles fails to develop as we anticipated, demand for our products may be lower than projected, which could materially and adversely affect our business, financial condition and results of operations.

Moreover, leveraging the advantages in technologies and supply chains, we have extended our business into other intelligent applications. We announced the launch of our robovan brand "Chuan Xing Zhi Yuan (川行致遠)" in September 2025 and AI Cube, a foundational hardware designed for intelligent robots, in November 2025. See "Business — Evolution of Our Business," and "Business — Our Products — Other Business." The development and demands in these emerging markets can also affect the success of our business expansion. In particular, the commercialization of urban logistics robovan depends on factors, certain of which are out of our control, such as the progress of autonomous driving technology, regulatory frameworks and road-access policies, route-permit availability, customers' willingness to adopt unmanned logistics solutions and the economics of replacing human drivers. Similarly, demand for intelligent robots supported by our AI Cube is influenced by investment and deployment cycles in intelligent robots industry, the relevant technologies, and the ability of downstream robot manufacturers to scale their own businesses. If these markets develop more slowly than expected, or regulatory and commercial conditions are less favorable than anticipated, our business expansion in these emerging markets may not succeed, or be lower than our expectation, which could adversely affect our prospects, business, financial condition and results of operations.

We may fail to keep up with rapid technological changes and evolving industry standards, or develop and introduce new or enhanced products on a timely basis.

The intelligent automotive solution industry, as well as the other intelligent applications, are characterized by rapid and continuous technological change. Our future success will depend, in part, on our ability to respond to these changes, to adapt our products to evolving industry standards and regulatory requirements, and to enhance the performance, functionality and reliability of our products. If we do not continue to adapt effectively, our business could be adversely affected. If we are slow to develop products that meet changing customer and end-user demands in intelligent mobility, robovans and robots, or if the products we develop are not widely accepted or adopted in our customers' products, we may be unable to capture or maintain a significant share of these markets. In addition, the widespread adoption of new technologies, such as centralized computing architectures, may require substantial additional investment in R&D, tooling and validation. If we fail to keep pace with rapid and innovative technological developments and to remain competitive in these emerging markets, our future growth prospects could be materially and adversely affected and our results of operations could suffer.

To compete successfully, we need to continually design, develop, market and sell new or enhanced products that deliver high levels of performance and reliability, incorporate and integrate new functionalities and meet the cost expectations of our target markets. Intense competition, the launch of new or upgraded products by competitors, increased in-house development by automotive companies, market acceptance of products based on new or alternative technologies, the emergence of new industry standards or shifts in consumer preferences may render our existing or planned products less competitive or even obsolete. We may also encounter difficulties in product design, development, validation or commercialization, which could delay or prevent the introduction of new or improved products. If we fail to introduce products that meet our customers' evolving needs or to penetrate new markets on a timely basis, demand for our products may be adversely affected and we may lose market share. In turn, our business, results of operations and financial condition may be materially and adversely affected.

We operate in a highly competitive industry.

The intelligent automotive solution industry is highly competitive. We compete with a number of other companies that produce and sell similar products. Among other factors, our products compete on the basis of price, quality, technological innovation, design and performance, manufacturing and sales capability, delivery and customer services. Some of our competitors are larger and have greater financial and other resources than us. Some of our competitors may also have a competitive advantage as a result of special relationships or ownership interests with certain customers. Our ability to compete successfully depends largely on our ability to differentiate our products from those of our competitors, continue to deliver quality products in the time frames required by our customers and maintain cost-efficient production. We continue to invest in technology and innovation which we believe are critical to our long-term growth. Our competitiveness also depends on our ability to maintain and improve our existing products while successfully developing and introducing distinctive new and enhanced offerings that anticipate changes in customer and end-user preferences and take advantage of emerging technologies. If we are unsuccessful, or less successful than our competitors, in predicting the direction of market development, in developing new products or in adapting to new technologies or evolving regulatory, industry or customer requirements, we could be placed at a competitive disadvantage.

In addition, intense competition may reduce our sales volumes and increase our inventory levels, which may in turn put downward pressure on prices and margins. As a result, our ability to stay ahead of competitors through ongoing innovation and timely, cost-effective product development will be fundamental to our future success, and failure to do so could materially and adversely affect our business, financial condition and results of operations.

The development cycles of our products can be long, and our R&D efforts are not guaranteed to yield the results we anticipate.

The planning and implementation process of our products is complex and the development cycles of our products can be long. In addition, there may be various challenges during the product development process, including, in particular, technical or process handling issues. As a result, we may face additional expenses and increased quality risks. If we are unable to resolve these issues, the development of that product may fail and our business, financial condition and results of operations may be adversely affected. Further, automotive companies generally do not commit to minimum purchase quantities from their suppliers, even when a supplier is nominated for a certain vehicle. As such, we cannot guarantee that we may successfully commercialize such development results on a timely basis at favorable margins, failure of which may have a material adverse effect on our business, financial condition and results of operations.

Moreover, in order to maintain our competitive position and continue to grow our business, we need to continuously develop and introduce new products for our existing and potential customers. As such, we have made and may continue to make significant investments in R&D. In 2023, 2024 and 2025, our R&D expenses were RMB1,982.3 million, RMB2,255.8 million and RMB2,642.1 million, respectively. See "Financial Information — Principal Components of Results of Operations — Research and Development Expenses." However, as R&D activities are inherently uncertain, there can be no assurance that our R&D efforts will be successful, produce our anticipated results or be completed within the anticipated time frame and budget, or that our newly developed products will achieve wide market acceptance or enjoy the advantages as we expected. If we fail to keep up with the latest technological development and industry trends, we may suffer a decline in our competitive position. Even if such products can be successfully launched, we cannot assure you that they will be accepted by our customers and achieve anticipated sales target or profit. If so, our business, results of operations and financial condition would be materially and adversely affected.

We generate a substantial portion of our revenue from a limited number of key customers.

We generate a substantial portion of our revenue from a limited number of key customers. In 2023, 2024 and 2025, revenue from our five largest customers in each year during the Track Record Period amounted to RMB11,906.4 million, RMB16,370.0 million and RMB18,076.6 million, respectively, accounting for 54.3%, 59.3% and 55.5% of our revenue in the respective period, and revenue from our largest customer amounted to RMB4,996.5 million, RMB6,604.3 million and RMB4,727.8 million, respectively, accounting for 22.8%, 23.9% and 14.5% of our revenue in the respective period.

If these key customers do not continue to transact with us on scales or terms similar to historical levels, our business, financial condition and results of operations will be adversely affected. In particular, these key customers' products are characterized by rapidly evolving technology that requires different product specifications or adoption of new or alternative technologies when a new product is introduced or an existing product is upgraded. The loss of or reduction in any key customer's business as a result of our inability to meet the product specifications, to adopt new technologies, our exclusion from a key product introduction cycle or for any other reason may materially and adversely affect our results of operations. Moreover, our business and results of operations are also affected by the operating performance of key customers. The intelligent vehicle industry is highly competitive, and market demand for our customers' vehicles can directly influence the volume of orders they place with us. Our customers' operating performance, in turn, is affected by a range of factors, including market acceptance and competitiveness of their models, brand positioning and marketing efforts, product quality and reliability, pricing strategy and after-sales service. If any of our major customers experience a decline in sales volumes or market share, or deteriorating liquidity condition, whether due to weaker demand, intensified competition or other adverse factors, they may reduce their procurement from us, or delay their payment to us, which could directly and negatively impact our business, results of operations and financial condition.

If (i) there is any reduction, delay or cancelation of orders from one or more of our key customers due to a reduction in their product sales, production schedule or for any other reasons, (ii) one or more of our key customers cease using our products and select our competitors' products; (iii) we lose one or more of our key customers and are not able to obtain additional or alternative customers that can replace the lost sales volume and profit, or (iv) any of our key customers fails to make timely payment for our products, our financial condition and results of operations may experience material fluctuations and our sales may decline.

Given the significant order volume of our key customers, we anticipate that we may continue to generate a substantial part of our revenue from a limited number of key customers in the foreseeable future. If our relationships with these customers are not sustained or do not develop, we may not be able to continue to generate revenue and profit from these customers on scales that are comparable to historical levels, or at all.

Moreover, there is no assurance that we could retain our existing customers or attract new customers as we did during the Track Record Period, or at all. If we fail to retain our existing customers or attract new customers in the future due to that our products could not meet the requirements of the market, or that our selling prices are not competitive, or due to other factors disclosed herein, our business, financial conditions and results of operations will be adversely affected.

Our existing customers may not purchase our products in any certain quantity.

Upon obtaining design wins from certain automotive companies, we design and develop products to be equipped on their specific vehicle models. We generally enter into framework agreements with our customers, which set forth the salient terms such as product specification, pricing, warranty and indemnifications. However, our contracts with customers generally do not specify a fixed purchasing quantity, which was in line with the industry practice. Instead, we typically receive preliminary estimates from customers regarding their anticipated production volumes for vehicle models associated with the design wins. Such estimates are subject to potential revisions by the customers, which may be significantly higher or lower than initially estimated, resulting in uncertainty to our revenue. Additionally, automotive companies may experience delays or cancellations in the development of the models, which may result in extended timelines or even the abandonment of certain models. As a result, obtaining the design win is not a guarantee of revenue. Furthermore, automotive companies may choose to develop their own products, which may also reduce their demand for our products. If actual production orders from the automotive companies are not consistent with their projections, we could realize less revenue than our expectation.

In addition, if actual production volumes of the automotive companies are lower than estimated, we may not cancel excess supplies in a timely manner, or at all, and the inventory may accumulate, leading to increased inventory holding costs and potential obsolescence, which may result in impairment loss of our inventories and thus materially and adversely affect our business, financial condition and results of operations.

Pricing pressure from customers and competitors may materially and adversely affect our business, financial condition and results of operations.

We design, develop and manufacture complex, high-quality products and primarily supply them to the automotive companies. Automotive companies generally require price reductions from their suppliers during the product life-cycle, according to Frost & Sullivan. Substantially all of our projects with automotive companies are subject to price adjustment mechanisms, under which automotive companies may request lower prices. See "Business — Sales and Marketing — Product Pricing." The applicable price-reduction rates are either set out in the initial contracts or negotiated from time to time and may put pressure on our profit margins. To remain profitable under these conditions, we need to continuously control costs and/or improve operating efficiency.

Our business is capital-intensive and requires us to maintain a significant fixed cost base in manufacturing and R&D. Our ability to sustain profitability therefore depends, in part, on spreading fixed costs over sufficient sales volume. However, we may not be able to do so effectively, as customers typically seek lower unit prices as order volumes increase and, in line with industry practice, also expect prices to decline over the life of a contract. If we are unable to offset such customer price reductions through higher operating efficiency or reduced costs, successful introduction of profitable new or upgraded products, improvements in manufacturing processes, diversification of our sourcing base and other cost-reduction initiatives, our business, financial condition and results of operations could be materially and adversely affected.

We source certain raw materials and components from the market, and we may not be able to secure our supply of such materials in a stable, timely and cost-effective manner.

Our success depends in part on our ability to manage our supply chain to manufacture and deliver our products on time and to the required quality standards. We source the raw materials and components used in our products from third-party suppliers. In 2023, 2024 and 2025, our raw material costs were RMB15,938.6 million, RMB20,351.6 million and RMB24,183.1 million, respectively, representing 90.9%, 92.0% and 91.8% of our total cost of sales during the respective years. See "Financial Information — Principal Components of Results of Operations — Cost of Sales." In particular, a significant portion of our electronic components was sourced from overseas suppliers during the Track Record Period.

Our production volumes and unit production costs therefore depend on our ability to obtain key raw materials at competitive prices and in sufficient quantities. However, our raw materials and components are subject to price volatility and availability risks driven by factors beyond our control, including commodity price fluctuations, changes in global and regional supply and demand, logistics and processing costs, our bargaining position with suppliers, inflation, changes in governmental regulations and policies, geopolitical tensions, trade restrictions and public health emergencies. For example, as one of our key raw materials, the price of memory chips have experienced significant fluctuation historically. There is no assurance that we would be able to pass all, or any, increases in raw material costs on to our customers. If that happens, our gross profit margin and results of operations will be materially and adversely affected.

Adverse changes in the trade policies, export controls, sanctions regimes or foreign-exchange rates of major exporting countries for these materials could disrupt or delay our overseas sourcing and/or increase our procurement costs, which in turn could negatively affect our operating performance. Any future shortage or disruption in the supply of key materials and components may lead to higher prices for substitute materials and may cause suppliers to allocate limited supply more selectively among customers across industries. In such circumstances, we may be unable to secure adequate supplies on acceptable terms, or at all, which could prevent us from fulfilling customer orders. Such shortages, and any resulting increases in material costs, could adversely affect our margins, overall profitability and business, financial condition and results of operations.

We generally do not enter into long-term supply agreements with fixed price arrangements, which is in line with the industry norm according to Frost & Sullivan. We may be unable to obtain raw materials and components in the quantities of a quality or at a price that we require, which may disrupt our supply chain, increase our production costs and delay deliveries of our products and solutions to customers. If any of above circumstances occur, our business, financial condition and results of operations could be materially and adversely affected.

In addition, our suppliers could fail to meet our needs for various reasons beyond our control, including fires, natural disasters, extreme weather, manufacturing problems, epidemic, strikes, transportation interruptions or governmental regulation. A failure of supply could also occur due to suppliers' financial difficulties, including bankruptcy. Changing suppliers may require a long lead time. We may not be able to locate alternative suppliers for certain raw materials and components in sufficient quantities, of suitable quality, or at an acceptable price within a reasonable period of time, or at all. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Any production interruption or incident may have a material and adverse impact on our business, financial condition and results of operations.

We manufacture a wide range of products and components at our own production facilities, and intend to continue adjusting our manufacturing capacity in line with market demand while improving productivity and efficiency. See "Business — Production." Our production operations require effective coordination across multiple functions, including raw material sourcing, inventory management, internal production processes, logistics and external sales. We may from time to time encounter difficulties in coordinating these aspects, which could lead to production inefficiencies, downtime or delays.

We produce and store part of our products, and also conduct certain development activities, at our own facilities. A disruption, delay or stoppage of production at any of these facilities caused by adverse weather, natural disasters or other unanticipated catastrophic events, including power outages, water shortages, storms, fires, earthquakes, epidemics, terrorist attacks or wars, could significantly impair our ability to manufacture products and operate our business. The machinery and equipment housed in these facilities could be difficult to replace and may require substantial lead time to repair or replace, and any catastrophic event could also destroy inventory stored on site. Any such interruption or incident could therefore materially and adversely affect our business. Even a temporary stoppage of production, or a delay in deliveries to our customers, could have a negative impact on our business, financial condition and results of operations.

In addition, there is a risk that accidents, including those resulting in injury or death, may occur at our facilities. Such accidents may lead to damage or destruction of property or equipment, environmental harm, manufacturing or delivery delays, suspension of operations and the imposition of administrative penalties or civil liabilities. They may also give rise to litigation, the outcome of which is uncertain, and the costs of defending such proceedings can be significant. The expenses incurred in connection with any such claims, the potential liability arising from accidents or fatalities or other litigation, and any associated negative publicity, could adversely affect our business, financial condition and results of operations.

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 success depends in part on our ability to obtain and maintain trade secrets and patent protection for our technologies, processes and products as well as to successfully enforce our intellectual property rights and to defend our intellectual properties against third-party challenges. In the event that our issued patents and patent applications do not adequately provide coverage for our critical technologies, processes or products, we would not be able to exclude others from developing or utilizing these technologies, processes and products. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means may not adequately protect our rights or permit us to gain or keep our competitive advantage.

As our technologies involve unpatented, proprietary technologies, processes, know-how or data, we primarily rely on trade secret protection and agreements to safeguard our interests. However, trade secrets are difficult to protect. The persons who may have access to our trade secrets, including our employees or suppliers, may unintentionally or willfully disclose our information to competitors. In addition, confidentiality agreements or other agreements including confidentiality provisions may not be enforceable or provide an adequate remedy in the event of unauthorized use or disclosure. It may be difficult to prove or enforce a claim that a third party had illegally obtained and used our trade secrets. In addition, our competitors may independently develop technologies that are equivalent to our trade secrets, in which case, we would not be entitled to enforce our trade secrets and our business could be harmed.

We may encounter future litigation by third parties based on claims that our technologies, processes or products infringe the intellectual property rights of others or that we have misappropriated the trade secrets of others. We may also initiate lawsuits to defend the ownership of our inventions and our trade secrets. It is difficult, if not impossible, to predict how such disputes would be resolved. Litigation relating to intellectual property rights is costly and diverts technical and management personnel from their normal responsibilities. Furthermore, we may not be able to prevail in any such litigation or proceeding. A determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of such technologies or processes and sale by competitors of relevant products.

Undetected defects, errors or bugs of our products could adversely affect our business, financial condition and results of operations.

Almost all of our products are supplied to companies in the automotive industry for deployment in their specific vehicle models. These products are technical and complex and are required to meet stringent automotive-grade standards. Nevertheless, they may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct. Any real or perceived error, defect, security vulnerability, service interruption or software issue in our products may weaken customer confidence and trust, and may also cause losses to our customers, for example through vehicle recalls, field rework, revalidation or reputational damage. Our product quality programs and processes may not be sufficient to prevent product failures in all cases. Product issues could cause us to lose revenue, incur increased costs such as warranty and field-service expenses and additional customer-support costs, and experience delays, cancelations or rescheduling of orders, higher levels of returns or discounts, or damage to our reputation and brand. Our efforts to identify and remedy issues may not always be timely or fully aligned with customers' expectations and may disrupt our production or development schedules. In such circumstances, we may be required, or may decide for customer-relationship or other reasons, to allocate significant additional engineering, manufacturing or financial resources to correct the problems. Furthermore, product issues could lead to complaints, warranty claims or other liability claims, including claims or lawsuits brought by customers, vehicle users or other third parties, exposing us to potential damages, settlement costs and defense expenses. Negative publicity arising from such incidents, litigation or adverse user experience, regardless of whether the underlying allegations are valid or whether we are ultimately found liable, could further harm customer satisfaction and significantly damage our reputation and brand. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Potential flaws or defects in our design and production processes, or in those of our suppliers, as well as unsatisfactory performance of our products, could give rise to product recall incidents. Historically, we have not experienced product recall incidents. We cannot assure you that we will not incur material losses or expenses in connection with product liability or product recall incidents in the future, or that we will not incur significant costs in defending any related claims. Such incidents could also lead to adverse publicity, which may negatively affect our brand, reputation and customers' preferences for our products. Certain product liability claims may arise from defects in components or parts supplied by third parties. In those circumstances, our efforts to enforce contractual or other rights against such suppliers and manufacturers may be extensive, time-consuming and not necessarily successful. For example, a successful product liability claim against us could require us to pay substantial monetary compensation and may generate substantial negative publicity about our business. Insurance coverage may not be sufficient to cover all potential claims or related costs. Our insurance policies cover warranty and product liability claims but do not cover product recall costs, and there can be no assurance that we will always be able to obtain adequate insurance on commercially reasonable terms.

We may not be successful in implementing our business plans and strategies effectively or at all, which could materially and adversely affect our business, financial condition and results of operations.

Our business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, we cannot guarantee that our business plans and strategies will be implemented successfully as scheduled or at all.

If we fail to implement our business plans and strategies effectively and efficiently, we may be unable to expand our operations, manage our growth, take advantage of market opportunities as expected or remain competitive in the industry. Furthermore, even if we implement our business plans and strategies effectively and efficiently, there may be other unexpected events or factors beyond our control that may prevent us from achieving the desirable and profitable results, such as the changes in laws and regulations and governmental policies, the availability of skilled professionals and changes in consumer demand. Moreover, our business plans and strategies may increase our operating costs, such as higher staff costs, as well as greater depreciation for production equipment and facilities, and increase our cash outflows for operating and investing activities. Accordingly, if our business plans and strategies cannot be successfully implemented, or if they do not yield ideal results, we may have significant difficulties in recovering our costs and therefore our business, financial condition and results of operations may be adversely and materially affected.

If we fail to expand production capacity as planned or achieve output growth targets on schedule, our business, financial condition and results of operations may be materially and adversely affected.

We expect to further expand our production capacity to meet customers' increasing demands for our products. See "Future Plans and Use of [REDACTED]." Such planned expansion will impose significant responsibilities on our senior management and require significant commitment of our resources, including financial resources and the time needed to identify, recruit, maintain, and integrate additional employees. Our proposed expansion will also expose us to greater overhead and support costs and other risks associated with the manufacture and commercialization of new products as disclosed in this Document. Difficulties in effectively managing the budgeting, financing, forecasting and other process control issues presented by such expansion could negatively affect our business, prospects, results of operations and financial condition.

Such expansion is also required to obtain various approvals, permits, licenses and certificates and complete relevant inspections by competent government authorities, where applicable. There is no assurance that we will be able to execute our expansion plan as contemplated or at all. Any delay or failure to obtain relevant approvals, permits, licenses and certificates or complete the inspections for our production expansion projects, if required, may materially delay our production expansion or even result in the cancelation of such plans, which may adversely affect our business, financial conditions and results of operations.

However, even if we manage to expand our production capacity as planned, there is no assurance that we may increase our production output in a timely manner or at all as envisaged. Our ability to increase our production output is subject to significant constraints and uncertainties, including but not limited to:

- delays by our suppliers and equipment vendors and cost overruns as a result of a number of factors, many of which may be beyond our control or cannot be foreseen, such as increases in raw material prices and problems with equipment vendors;

- failure to complete or delay in fulfilling the legal procedures required by relevant laws and regulations (including but not limited to obtaining licenses, approvals, filings, registrations) from competent government authorities for construction, overseas investment, foreign investment and production;
- our ability to configure the production lines for specific products in a timely manner;
- the performance of the manufacturing equipment we procured and the production expertise we retained; and
- diversion of significant management attention and other resources.

Moreover, our product development, manufacturing and testing protocols are complex and require significant technological and production process expertise. Any changes in our processes could cause one or more production errors, requiring a temporary suspension or delay in our production line until the errors can be researched, identified, and properly addressed and rectified, and thus limit our production output. This may occur particularly as we introduce new products, modify our engineering and production techniques, and/or expand our production capacity. In addition, our failure to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty reserve, or increased production and logistics costs, and delays.

If we are unable to increase our production output in a timely manner or at all in the end because of any of the risks described above, we may be unable to fulfill customer orders or achieve the business growth we expect. If we are unable to fulfill customer orders, our reputation could be affected, and our customers could source products from other companies. The combination of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We rely on third-parties to provide certain products and services for us.

We rely on third-party service providers and business partners to provide products and services for us and our customers. We work with a broad range of third-party service providers and business partners, such as logistics service providers. These third parties are subject to risks relating to business interruption, systems and employee failures, and cybersecurity and data protection, and are also subject to their respective legal, regulatory and market risks.

Our third-party service providers and business partners may not fulfill their respective commitments and responsibilities in a timely manner or in accordance with the terms agreed upon or applicable laws. For example, we engage some logistics service providers to transport products to our customers. The services provided by our logistics service providers may be suspended, canceled or delayed for various reasons beyond our control, including improper handling by our logistics service providers, labor disputes or strikes, acts of war or terrorism, outbreaks of epidemics, earthquakes and other natural disasters, which could cause interruption to the sales or delivery of our products. If we are unable to maintain or develop good relationships with such service providers or find suitable replacements in a timely manner, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. In addition, any improper handling of our products by the logistics service providers could also result in product damage, which may in turn lead to product recalls, product liabilities, increased costs and damage to our reputation, and thus adversely affect our business, financial condition and results of operations. Any increase in the service costs of our logistics service providers may also lead to an increase to our logistics expenses, which may in turn negatively affect our results of operations.

In addition, as we cooperate with certain third-party service providers, suppliers and business partners, we do not have control over their business operations or governance and compliance systems, practices and procedures, which may increase our financial, legal, operational and reputational risk. If we are unable to effectively manage our relationships with third-party service providers, suppliers and business partners, or for any reason our third-party service providers, suppliers or business partners fail to satisfactorily fulfill their commitments and responsibilities, our business, financial condition and results of operations could suffer. Upon expiry of existing contracts with third parties, we may not be able to renew such contracts at terms commercially favorable to us, if at all, or find an appropriate substitute in a timely manner, in which case our business, financial condition and results of operations may be materially and adversely affected.

Our sales may be influenced by seasonality.

Demand for and sales of our products follow the same seasonality pattern as sales of the end products that feature our products. We usually experience higher sales volume in the third and fourth quarters of a year due to the stock preparation of end customers in response to the new vehicle launch and increased promotion activities. Accordingly, various aspects of our operations, including sales, working capital and operating cash flows, are exposed to the risks associated with seasonal fluctuations in the demand for our products, and our quarterly or half year results may not reflect our full year results.

We may infringe intellectual property rights of third parties, which can lead us to time-consuming and costly intellectual property infringement claims.

We cannot assure that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may also, from time to time in the future, be subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our products or other aspects of our business without our knowledge. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in the PRC or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management's time and other resources from our business and operations to defend these claims, regardless of their merits.

In addition, the application and interpretation of the laws relating to intellectual property, the procedures and the standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in certain of the jurisdictions we operate in are still evolving, and we cannot guarantee that the courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to risks associated with sanctions and export controls laws and regulations, international trade policies and actions, and developing domestic and foreign laws and regulations.

We operate within a global supply chain and our products were sold globally as part of various end products. As such, we face risks associated with international trade regulations and geopolitical developments. Sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the sanctioned list. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. We cannot provide any assurance that our future business will be free of sanctions risk or our business will conform to the expectations and requirements of the applicable government authorities.

Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. Since February 2025, additional tariffs have been imposed under the International Emergency Economic Powers Act ("IEEPA") on all imports from China. The IEEPA tariffs comprised reciprocal tariffs and fentanyl tariffs, both of which underwent multiple rate adjustments following their enactment. As of the Latest Practicable Date, in view of the U.S. Supreme Court's ruling that tariffs imposed under the IEEPA are invalid, both the reciprocal tariffs and the fentanyl tariffs have ceased to be collected since February 2026. On February 20, 2026, the U.S. government announced that a global tariff is currently imposed on imports from countries including China, under Section 122 of the Trade Act of 1974 at a rate of 10% (the "Section 122 Tariffs"). The Section 122 Tariffs are effective for a period from February 24, 2026 to July 24, 2026. Our Directors believe that the tariff measures imposed or potentially to be imposed in the future will have limited impacts on the our business. However, our products could be incorporated into the end-products and be imported into the United States, with tariff, if any, to be borne by the importing party. Companies who import the products may wish to pass on the additional tariff on us, their other suppliers or their customers. Even if the tariff is not passed on to us, the reduced competitiveness of our customers' end products could lead to reduction or cancellation of their purchase orders from us.

The Export Administration Regulation (the "**EAR**") regulates U.S. export control, and the Bureau of Industry and Security (the "**BIS**") of the Department of Commerce administers the EAR. The U.S. export control regime regulates the export, transfer or disclosure of U.S. products, software, and technology to non-U.S. jurisdictions and non-U.S. persons based on the nature of the product or technology, as well as the destination, transferee, or end-use of a specific export or transfer.

Non-U.S.-made items may be subject to the U.S. Export Administration Regulations (EAR) if they meet the criteria outlined in either the Foreign Direct Product Rule or the De Minimis Rule.

Under the Foreign Direct Product Rule, a non-U.S.-made item will be subject to the EAR if it is:

- a direct product of certain U.S.-origin software or technology; or
- produced by a plant or a major component of a plant located outside the United States, where that plant or component is itself a direct product of specified U.S.-origin software or technology.

The application of Foreign Direct Product Rule to a specific item depends on U.S. technology and software involved, characteristic of the finished products, intended destination and end-user or end use of the finished products.

Under the De Minimis Rule, a non-U.S.-made item will be subject to EAR if it is incorporated or bundled with "controlled" U.S.-origin content in excess of a de minimis percentage, which is currently 25% for items exported to China in most scenarios.

As advised by the International Sanctions Lawyer, during the Tracking Record Period, there is no indication that we have engaged in any unauthorized transaction or committed any violations of the EAR from the perspective of the U.S. export control. However, we cannot assure that the export control measures may not become further tightened in the future, or that more extensive restrictions may be imposed on license-required items and the destination territories. In the condition that the geopolitical factors lead to more stringent U.S. export control policies targeting China, although we are actively exploring alternative sourcing options, including the procurement of domestic substitute electronic components, we cannot guarantee that such supply chain alternatives can be implemented in a timely or complete manner.

We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the "**Final Rule**"), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for specified types of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. On February 21, 2025, U.S. President issued a memo entitled the "America First Investment Policy", indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors. On December 18, 2025, President Trump signed the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**") into law as part of the National Defense Authorization Act for Fiscal Year 2026. While the COINS Act codified the existing U.S. outbound investment framework, it also requires Treasury to issue implementing regulations that will modify the Final Rule. The Final Rule will remain in force during the interim.

While certain of our subsidiaries are engaged in the development of AI systems, which may fall within the scope of "notifiable transactions", the financial metrics contributed by such subsidiaries to the Group do not satisfy the financial significance thresholds (including revenue, net income, capital expenditures, or operating expenses) that would cause the Company to be categorized as a covered foreign person under 31 C.F.R. §850.209(a)(2). Furthermore, because the Company itself does not engage in such covered activities, our International Sanctions Lawyer is of the view that the Company is not a covered foreign person and thus should not be subject to the Final Rule. However, there is no assurance that the Department of Treasury of the U.S. will take the same view. In addition, the application and implication of the outbound investment review rules and any related policies, laws and regulations are complex, which may be changed and updated from time to time.

We may fail to retain our key R&D employees.

Our ability to continue to conduct and expand operations depends on our ability to attract and retain a large and growing number of key R&D employees. The ability to meet our expertise needs, including the ability to find qualified personnel to fill positions that become vacant in our R&D department, while controlling our costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified persons in the market, prevailing compensation rates, changing demographics, health and other insurance costs and the adoption of new or revised employment and labor laws and regulations. If we are unable to locate, attract or retain qualified R&D personnel, our R&D capabilities and quality of products provided to customers may decrease, our competitive advantage may be impaired and our financial performance may be adversely affected. Additionally, if costs of labor to attract or retain key R&D personnel or related costs to maintain relationships with research collaborators increase, or if new or revised labor laws, rules or regulations are adopted or implemented that further increase labor costs, our business, financial condition and results of operations could be materially adversely affected.

Our business depends on the continuing efforts of our key personnel performing vital functions.

Our business operations depend on the continuing efforts of our management, particularly the members of our senior management team. If our key members of our management are unable or unwilling to continue their employment with us, we may not be able to replace them in a timely manner, or at all. We may incur additional expenses to recruit and retain qualified replacements. In addition, members of our management may join a competitor or form a competing company. There can be no assurance that we will be able to successfully enforce our contractual rights included in employment agreements with our management. As a result, our business may suffer the loss of services of our key members of our management, which in turn could have a material and adverse impact on our future prospects, business, results of operations and financial condition.

Our overseas expansion strategy and ability to conduct business in various jurisdictions is subject to legal, regulatory, political, economic, commercial and other risks associated with conducting operations in those jurisdictions.

We derive a portion of our revenue overseas, and have set out R&D institution and production bases overseas. Moreover, expanding our global footprint is also an important strategy for our development. Accordingly, we have faced and would continue to face numerous risks, including legal, regulatory, political, economic, commercial and other risks associated with conducting operations in various jurisdictions, any of which could negatively affect our financial performance. These risks include the following:

- legal, regulatory, political, economic and commercial instability and uncertainty;
- changes in foreign tax and tariff rules, regulations and other requirements, such as changes in tax rates and statutory and judicial interpretations of tax laws;
- changes in international trade policies and regulations including those in relation to economic sanctions, export controls and import restrictions, as well in trade barriers such as imposition of tariffs;
- difficulty in coping with possible conflict of laws resulting from import/export controls measures of different jurisdictions where we operate;
- changes in foreign country regulatory requirements, including data privacy laws;
- complexities relating to compliance with foreign anti-bribery, anti-corruption and anti-money laundering regulations and antitrust laws;
- difficulty in obtaining or enforcing intellectual property rights;
- difficulty in enforcing agreements and collecting overdue receivables through local legal systems;
- changes in geopolitical situations especially those in jurisdictions where we do business;
- strict foreign exchange controls and cash repatriation restrictions;
- inflation and/or deflation, and changes in interest rates;
- trade customer insolvency and the inability to collect accounts receivable;
- misconduct by our customers beyond our control, including but not limited to breaching the agreements with them and laws and regulations of various jurisdictions that are applicable to them;
- labor disputes and work stoppages at our operations and suppliers; and

- increased costs associated with maintaining the ability to understand local markets and follow their trends.

Facing these uncertainties and risks, our overseas expansion strategy may not progress as expected and could develop more slowly, or on a smaller scale, than we expect.

In addition, as we operate in many different jurisdictions, we have conducted cross-border related party transactions in our ordinary course of business, which may result in an increased likelihood of tax audits, possibly leading to challenges in relation to, amongst other things, tax residence, permanent establishment and transfer pricing.

Failure to maintain our brand and reputation and the negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and results of operations may be negatively affected.

We believe that maintaining and enhancing our brands is of significant importance to the success of our business. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate globally in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brand will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we receive from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot guarantee that these activities are and will be successful or that we can achieve the brand promotion effect we expect. In addition, negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners, or the industry in which we operate as a whole may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the products provided by us, thereby resulting in reduced sales volumes and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills.

In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management's attention, and governmental investigations or other forms of scrutiny, which may have a material and adverse effect on our business, financial condition and results of operations.

Our historical results may not be indicative of business, financial condition and results of operations, and we may not be able to manage future growth effectively.

We recorded net profit for the year of RMB1,541.6 million, RMB2,018.1 million and RMB2,472.9 million in 2023, 2024 and 2025, respectively. See "Financial Information — Period-to-period Comparison of Results of Operations." Our future growth and profitability are affected by a number of factors, such as our ability to optimize and enrich our product portfolio, our ability to successfully implement our business development strategies and our ability to effectively manage our costs and expenses and continuously improve operational efficiency. Accordingly, you should not rely on the revenue and profit of any prior year as an indication of our future performance. We may also incur unforeseen expenses, or encounter difficulties, complications or delays in deriving revenue or achieving profitability. If we are unable to generate adequate revenues and manage our expenses effectively, we may not maintain the same level of profitability, or achieve profitability at all.

Increases in labor costs and other labor-related matters may adversely affect our business operations.

We may be subject to labor related issues, such as strikes and other work stoppages, which could cause significant disruption of our operations and have an adverse effect on our business, financial condition and results of operations.

In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our production costs. Factors contributing to rising labor costs include inflationary pressures, changes in minimum wage laws and increased demand for skilled workers. Additionally, regulatory changes or enhanced employee benefits mandated by law could further exacerbate these costs. The competition for skilled labor in our industry is intense and we may be required to offer more attractive compensation packages to retain and attract qualified personnel. We may not be able to pass on these increased costs to customers by increasing the selling prices of our products in light of competitive pressure in the markets where we operate. In such circumstances, our profit margin may decrease and our business, financial condition and results of operations may be materially and adversely affected.

Failure to maintain optimal inventory levels could increase our inventory holding costs and cause us to lose sales.

In order to operate our business effectively and meet our consumers' demands and expectations, we maintain a certain level of inventory to meet the customer needs and ensure timely delivery of our products. As of December 31, 2023, 2024 and 2025, we had inventories of RMB3,259.9 million, RMB3,696.5 million and RMB4,789.3 million, respectively. In 2023, 2024 and 2025, our inventory turnover days were 69 days, 57 days and 59 days, respectively. We determine our level of inventory based on historical sales data, customer order volumes, demand forecasts and supply chain capacity fluctuations. However, such assessment is inherently uncertain. We cannot assure that we are able to always maintain optimal inventory levels in the future. If we fail to accurately assess the demand, we may experience inventory obsolescence and inventory shortage risk. Inventory levels in excess of demand, or substantial decrease in the expected market price of our products, may result in inventory write-downs or write-offs and we may sell the excess inventory at discounted prices, which would have an adverse effect on our profitability. Furthermore, if we underestimate the demand for our products, we may not be able to have a sufficient number of products to meet such unanticipated demand, which could result in delays in the delivery of our products and negatively affect our reputation.

Any of the above may materially and adversely affect our business, results of operations and financial condition.

We are subject to credit risk associated with our trade and bills receivables.

Our trade and bills receivables were RMB7,182.0 million, RMB9,670.7 million and RMB10,020.0 million as of December 31, 2023, 2024 and 2025, respectively. Our trade and bills receivable turnover days were 98 days, 111 days and 110 days in 2023, 2024 and 2025. There is no assurance that all such amounts due to us will be settled in a timely manner. The operating performance of our customers could also affect their ability to settle with us. Accordingly, we face credit risk associated with the trade and bills receivables. During the Track Record Period, we primarily recognized impairment losses on our trade and bills receivables on a collective basis. For customers whose credit conditions deteriorated and for whom there were specific indications of default or heightened credit risk, we assessed the recoverability of the relevant receivables individually and made provisions where appropriate. As a result, we recorded impairment of trade and bills receivables of RMB507.5 million, RMB723.2 million and RMB739.2 million as of December 31, 2023, 2024 and 2025, respectively. See "Financial Information — Selected Balance Sheet Items — Trade and Bills Receivables." If our business partners or related parties delay or default on their payments, we may have to make more provision for impairment, write-off the relevant receivables and/or incur legal costs in order to enforce our rights. Our business, financial condition and results of operations may be materially and adversely affected if a significant portion of our trade and bills receivables are not settled on time, or at all.

If we fail to perform our obligations regarding contract liabilities under customer contracts, our business, financial condition and results of operations may be materially and adversely affected.

Our contract liabilities comprise advances received from our customers. We may require our customers to pay the consideration for their purchases from us upon or prior to the delivery of the products. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB345.0 million, RMB501.5 million and RMB1,005.3 million, respectively. See "Financial Information — Selected

Balance Sheet Items — Contract Liabilities." Our recognition of contract liabilities as revenue is subject to future performance of contract obligations and may not be representative of revenue for future periods. As a result of disruption to any of our suppliers, we may fail to fulfill our contract obligations or meet market demand for our products, and our business, results of operations, liquidity and financial condition could be adversely affected.

Fair value change of financial assets at fair value through profit or loss may affect our results of operations.

Our financial assets at fair value through profit or loss primarily consist of equity investment and wealth management products. As of December 31, 2023, 2024 and 2025, we had financial assets at fair value through profit or loss of RMB289.9 million, RMB245.0 million and RMB4,208.0 million, respectively. Changes in the fair value of the investments in equity securities and wealth management products are reflected in our consolidated statements of profit or loss. See note 21 to "Appendix I — Accountants' Report." The methodology that we use to assess these financial assets involves management judgment and is inherently uncertain. We cannot assure you that market conditions and regulatory environment will create fair value gains on those financial assets or that we will not incur any fair value losses on those financial assets in the future. If we incur such fair value losses, our results of operations and financial condition may be adversely affected.

Our financial results may be affected by government grants.

We recorded government grants of RMB301.2 million, RMB294.7 million and RMB290.7 million in 2023, 2024 and 2025, respectively. Not all of the government grants are recurring in nature. See "Financial Information — Principal Components of Results of Operations — Other Income and Gains." Government grants we received are uncertain and are subject to certain criteria and procedures stipulated by the local government. In addition, the development focus of local government may shift to other industries over time. We cannot assure you that we will be able to receive any such government grants in the future. If we are unable to receive the government grants in the future at the same level as we had during the Track Record Period, our financial condition and results of operations for the period may be adversely affected.

The unavailability of tax preferential treatments may materially adversely affect our business, financial condition and results of operations.

During the Track Record Period, we and certain subsidiaries were subject to certain preferential tax rates. See "Financial Information — Principal Components of Results of Operations — Income Tax Credit/(Expense)," and note 10 to "Appendix I — Accountants' Report." We cannot assure you that the relevant policies on preferential tax treatments will not change or that the current preferential tax treatments we enjoy or will be entitled to enjoy will not be canceled. Moreover, we cannot assure you that our company and PRC subsidiaries will be able to renew the same preferential tax treatments upon expiration. If any such change, cancelation or discontinuation of preferential tax treatment occurs, we or the relevant subsidiaries will be subject to the standard enterprise income tax on taxable income, or would cease to benefit from the reduction or refund of other relevant taxes. As a result, the increase in our tax charge could lead to a material and adverse impact on our results of operations and financial condition.

Fluctuations in exchange rates may adversely affect our results of operations.

The value of RMB against the HKD, the USD and other currencies fluctuates depends to a large extent on domestic and international economic and political developments and is subject to changes resulting from the PRC government's policies as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the HKD, the USD or other currencies in the future.

During the Track Record Period, we had cash and cash equivalents that were denominated in several foreign currencies, including, but not limited to, USD, HKD, EUR and SGD. We also conducted transactions for overseas procurement, in foreign currencies, mainly USD. As a result, any appreciation of such currency against the RMB may result in exchange losses and negatively impact our operating results. The [REDACTED] from the [REDACTED] will be received in HKD and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the HKD may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the RMB against the HKD may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

We have awarded and may continue to award equity instruments under equity incentive plans, which may cause shareholding dilution to our Shareholders and result in increased share-based compensations.

We adopted the Share Incentive Plans during the Track Record Period. See "Appendix IV — Statutory and General Information — Share Incentive Plans." In 2023, 2024 and 2025, we recorded share-based compensations of RMB130.5 million, RMB67.0 million and RMB94.6 million, respectively. To further incentivize our employees, we may adopt other equity incentive plans and award additional equity incentives in the future. Issuance of Shares with respect to our equity incentive plan may dilute the shareholding of our existing Shareholders and incur substantial share-based compensations that could have a material and adverse impact on our results of operations.

We may make acquisitions, establish joint ventures and conduct other strategic investments, which may expose us to risks and uncertainty.

To further expand our business and strengthen our market position, we may form strategic cooperation or make strategic investments and acquisitions to fuel business growth. Acquisitions involve numerous risks, including difficulties in integrating the operations and personnel of the acquired companies, distraction of management from overseeing our existing operations, difficulties in executing new business initiatives, entering markets or lines of business in which we have no or limited direct prior experience, the possible loss of key employees and customers and difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity or other benefits we expected. These transactions may also cause us to (i) significantly increase our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition or investment, (ii) issue Shares that would dilute our current Shareholders' percentage ownership, or (iii) incur asset write-offs and restructuring costs and other related expenses. Acquisitions, joint ventures and strategic investments involve numerous other risks, including potential exposure to unknown liabilities of acquired or invested companies and restrictions under regulations relating to anti-monopoly. There can be no assurance that our acquisitions, joint ventures and other strategic investments will be successful and will not have a material and adverse impact on our business, results of operations and financial condition.

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 subject to various litigation, arbitration, legal or contractual disputes, claims, or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our consumers, suppliers, customers, business partners and other third parties. Ongoing or threatened litigation, arbitration, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. Furthermore, any litigation, arbitration, legal or contractual disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and have a material and adverse impact on our business, results of operations and financial condition.

There is no assurance that we will not be subject to any litigation, arbitration, other legal and contractual disputes, claims and administrative proceedings in the future. If any of those happens, our business, results of operations and financial condition may be materially and adversely affected.

Our insurance coverage may be insufficient to cover all of our potential losses.

We maintain insurance policies to cover product liabilities. In addition, we have purchased a number of property-related insurance policies covering our facilities, machinery, equipment, inventories and other assets. We cannot assure you that our insurance will provide adequate coverage for all the risks in connection with our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we could suffer significant costs and diversion of our resources, which could have a material and adverse impact on our business, results of operations and financial condition.

We face risks in relation to inability to obtain and maintain the approvals, licenses and permits required for our operations.

We are required to maintain various approvals, licenses and permits in order to operate our business. See "Business — Licenses, Permits and Approvals." These approvals, licenses and permits are granted upon satisfactory compliance with, among other things, the applicable laws and regulations. Also, they may be valid only for a fixed period of time and subject to renewal and accreditation.

We may experience difficulties, delays, or failures in obtaining the necessary approvals, licenses and permits for our businesses. In addition, there can be no assurance that we will be able to obtain or renew all of the approvals, licenses and permits required for our existing business operations in a timely manner, or at all. If we fail to obtain and/or maintain required approvals, licenses, or permits, our ongoing business could be interrupted, and our expansion plan may be delayed.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses, and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which could have a material and adverse impact on our business, results of operations and financial condition.

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

We collect and store business and transaction data generated during or in connection with our business operations, including our business and transactions with our customers, suppliers and other business partners. We process data in compliance with the applicable legal requirements to ensure data security. See "Business — Data Privacy and Cybersecurity." Our operations are subject to a variety of laws and regulations concerning data privacy and security. Failure to comply with the increasing number of data protection laws in the PRC, as well as the data security and privacy laws in other jurisdictions where we operate, could result in significant reputational damage and adversely affect our business performance. Our efforts to ensure the compliance with those laws, regulations and standards may not always be sufficient or effective. Any improper handling of our business and transaction data as a result of any misconduct by our employees or any information leakage due to external factors, such as unauthorized access to our database by hackers, could result in non-compliance with relevant laws and regulations, and in turn result in civil or regulatory liabilities which may subject us to significant legal, financial and operational consequences. The unauthorized access, loss, or misuse of data could lead to increased security costs, damage to our reputation, regulatory proceedings, litigation, fines, investigations, remediation efforts, indemnification expenditures, and disruptions to our business activities. Such incidents may also result in additional costs associated with defending against legal claims. Concerns from our customers, employees, and third parties, even if unfounded, may also have a detrimental impact on our reputation and operations.

If we fail to comply with the PRC Social Insurance Law and the Regulation on the Administration of Housing Provident Funds or other PRC labor related regulations may subject us to fines and other legal or administrative penalties.

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance and housing provident funds. Employers that fail to fully comply with such requirements may be required to pay the outstanding amount, and could be subject to late payment penalties or enforcement application made to the court. The requirement and implementation of employee benefit plans may vary, and employers who fail to make adequate payments as required by the local competent authorities may be subject to late payment fees, fines and/or other penalties. During the Track Record Period and up to the Latest Practicable Date, we had not received any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. However, we cannot assure that our historical and current practice with respect to the contribution of social insurance plans and housing provident fund will at all times satisfy the requirement of government authorities in Chinese Mainland mainly due to the evolving interpretation and implementation of these laws and regulations. Also, there can be no assurance that any new laws and regulations, or more stringent interpretation and implementation of existing and new laws and regulations will not lead to extra employee benefit plan costs, which may adversely affect our results of operations and financial condition. Given the magnitude, complexity and continuous amendments to these laws and regulations, compliance therewith may be onerous and may involve substantial financial resources as well as other resources to establish efficient compliance and monitoring systems. The liabilities, costs, obligations and requirements associated with these laws and regulations may therefore be substantial.

Our legal right to some properties may be challenged.

As of December 31, 2025, we leased 19 properties in China mainly used as our offices, plants and employee dormitories. See "Business — Properties — Leased Properties." Under the PRC laws and regulations, lease agreements in general are required to be registered with the local land and real estate administration bureau. We had not registered and filed the lease agreements of 16 leased properties with relevant PRC authorities in accordance with PRC laws and regulations. Such registrations also require the collaboration of the lessors. We may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. If we receive notice from the relevant PRC government authorities requiring us to complete the registration within the prescribed time frame and if we fail to do so, the maximum aggregate amount of potential administrative penalties we would be subject to for the 16 lease agreements is RMB160,000. 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. Furthermore, among the 19 leased properties, four lessors had not provided the property ownership certificates of four leased properties as of the Latest Practicable Date. We cannot guarantee that the lessors from whom we leased the properties have the right to lease such properties to us. The relevant rightful title holders or other third parties may challenge our use of such leased properties and we may be required to seek alternative properties for lease on short notice. However, we cannot guarantee to find alternative properties that are suitable for our use in a timely manner and at reasonable costs, or at all.

In addition, as of December 31, 2025, we had not obtained the property ownership certificates of three owned properties. See "Business — Properties — Owned Properties and Land Use Rights." We may face the risk that no real property rights will take effect and that such rights cannot be asserted against third parties. However, we have obtained the "Construction Land Planning Permit," "Construction Engineering Planning Permit," and "Construction Engineering Work Permit," and have completed the construction project acceptance inspection for such owned properties. The process for obtaining the property ownership certificates is currently underway. According to the PRC Legal Advisor, these title defects are not expected to have a material adverse effect on our normal production and business operations. See "Business — Properties — Owned Properties and Land Use Rights."

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

War, terrorism, geopolitical tensions, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our customers and suppliers. Our business operations are subject to interruption by, among others, natural disasters, whether as a result of climate change or otherwise, fire, power shortages and other industrial accidents, terrorist attacks and other hostile acts, labor disputes, public health issues, demonstrations or strikes and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive materials from our suppliers, and create delays and inefficiencies in our supply chain. In the event of a natural disaster or major public health issue, we could incur significant losses, require substantial recovery time and experience significant expenditures in order to resume operations.

We are subject to environmental, handling of hazardous substances, fire prevention, health and safety laws and regulations and production standards and any inability to comply with such requirements and standards may subject us to liabilities.

Our production operations are subject to laws and regulations, administrative determinations, court decisions and similar constraints, especially the extensive environmental, handling of hazardous substances, health and safety laws and regulations and stringent standards in relation to the production and sale of our products in countries where we operate. Some of the countries in which we operate have laws and regulations related to water (quality and quantity), nature and greenhouse gas emissions which are becoming increasingly more stringent.

We have operations in both the PRC and overseas regions. We should comply with the environmental, health, and safety laws of the jurisdictions where we operate, including obtaining local permits, adhering to regulatory inspections, and implementing regional standards for pollution control and waste management. Non-compliance may result in penalties, operational suspensions, or other enforcement actions in those jurisdictions.

Our operations rely on complex information technology systems and networks, and our business and reputation may be impacted by information technology system failures, network disruptions or cybersecurity breaches.

We rely on our computer systems and network infrastructure to conduct and monitor the daily operations of our manufacturing facilities, and to collect accurate up-to-date financial and operating and other transaction data for business analysis. We also rely on such systems and infrastructure to collect, process and store data, such as business data and transaction data generated in connection with our business operations. Therefore, our business is dependent upon the continued maintenance and enhancement of our computer systems and network infrastructure. Such systems and infrastructure are subject to certain risks, such as malfunction, natural disasters, and also the cyber security risks. Our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial-of-service or other interruption to our business operations. In cases of ransomware attacks, we may be asked to make a large lump-sum payment in order to resume the operation of our system, which may materially and adversely impact our business and financial condition. As techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers, we may be unable to anticipate, or implement adequate measures to protect against these attacks. There is no assurance that we will not be subject to any of those cyber security issues in the future. Any failure to adequately deal with such issues would result in a material and adverse effect on our business and results of operations.

RISKS RELATING TO THE JURISDICTION IN WHICH WE OPERATE

Changes in economic, political or social conditions or government policies in the markets in which we operate could have a material adverse effect on our business and results of operations.

We operate our business in Chinese Mainland and overseas. Accordingly, our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in these markets. Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, inflation and the availability and cost of capital and credit have been and will continue to affect the markets where we operate. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Additionally, we are a company incorporated under the PRC laws and a majority of our assets are located in Chinese Mainland, our financial condition, results of operations and prospects are subject to economic, political, and legal developments in China. Any changes in the global or local economy in the markets in which we operate may materially and adversely affect our business, results of operations and financial condition.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from courts outside of Chinese Mainland.

We are a company incorporated under the PRC laws and a majority of our assets are located in Chinese Mainland. In addition, most of our Directors and senior management reside in Chinese Mainland. As a result, it may be complex for investors to effect service of process outside of Chinese Mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside Chinese Mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in Chinese Mainland only if the jurisdiction has a treaty with Chinese Mainland or if the jurisdiction has been otherwise deemed by the courts of Chinese Mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, Chinese Mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in Chinese Mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible. On January 14, 2019, the Supreme People's Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region 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 (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 became effective on January 29, 2024. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in Chinese Mainland and those in Hong Kong.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See "Regulatory Overview — Regulations on Overseas Listing."

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.

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.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividends to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of PRC and Hong Kong.

As we are listed on the Shenzhen Stock Exchange and will be [REDACTED], we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

Our A Shares are listed and traded on the Shenzhen Stock Exchange, and the characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the [REDACTED], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [REDACTED] on the Stock Exchange. Under current laws and regulations of PRC, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no [REDACTED] or settlement between the H Share and A Share markets. With different [REDACTED] characteristics, the H Share and A Share markets have divergent [REDACTED], liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the [REDACTED] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [REDACTED] decision in our H Shares.

There has been no prior public market for our H Shares.

Prior to the completion of the [REDACTED], there has been no public market for our H Shares. There can be no guarantee that an active [REDACTED] for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] is the result of negotiations between us and the Overall Coordinators (for themselves and on behalf of the [REDACTED]), which may not be indicative of the price at which our Shares will be [REDACTED] following the completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

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

The [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the price of and [REDACTED] for our H Shares. A number of Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. The share price of some of these companies has experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment toward Chinese Mainland-based companies listed in Hong Kong and consequently may impact the [REDACTED] performance of our Shares. These factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our Shares in the public market could negatively affect the price of our Shares and our ability to raise additional capital in the future.

The [REDACTED] of our H Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our H Shares in the public market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. Equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

You will incur immediate and significant dilution and may face further dilution if we issue additional Shares in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

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

We have declared dividends in the past. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS Accounting Standards. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS Accounting Standards. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and require approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

The dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments. Pursuant to applicable regulations, domestic non-foreign-invested enterprises issuing shares in Hong Kong may generally, when distributing dividends, withhold individual income tax at the rate of 10%. However, withholding tax on distributions paid by us to non-PRC individuals may be imposed at other rates pursuant to applicable tax treaties (and up to 20% if no tax treaty is applicable) if the identity of the individual holder of H shares and the tax rate applicable thereto are known to us. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H shares through the sale or transfer by other means of H shares.

There remains significant uncertainty as to the interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT on gains derived by holders of our H Shares from their disposition of our H Shares may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shenzhen Stock Exchange.

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the PRC. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with the A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in Chinese Mainland, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. As a result, prospective investors in the H Shares should be reminded that, in making their investment decisions as to whether to purchase the H Shares, they should rely only on the financial, operating and other information included in this Document. By applying to purchase the H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

Certain facts, forecasts and statistics contained in this Document are derived from official government sources.

This Document, particularly the section headed "Industry Overview," contains information and statistics relating to the intelligent automotive solution industry in China and globally. Certain facts, forecasts, information and statistics have been derived from various official governments sources. We believe that the sources of such information are appropriate, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information and statistics from official government sources have not been independently verified by the Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the [REDACTED] [REDACTED], any of our or their respective Directors, executive officers or representatives or any other person involved in the [REDACTED] and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

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

This Document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words "aim", "anticipate", "believe", "could", "predict", "potential", "continue", "expect", "intend", "may", "might", "plan", "seek", "will", "would", "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessarily estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in this section. Accordingly, such statements are not a guarantee of future performance and investors should not place undue reliance.

You should read the entire Document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

There have been, prior to the publication of this Document, and there may be, subsequent to the date of this Document but prior to the completion of the [REDACTED], press and media coverage regarding us, our business, our industry and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. None of us, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the [REDACTED] any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media coverage, or accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication.

Accordingly, prospective [REDACTED] should not rely on any such information or publication in making their decision whether to [REDACTED] in our H Shares. Prospective [REDACTED] are reminded that, in making their [REDACTED] decisions as to whether to purchase our Shares, they should rely only on the financial, operational, and other information included in this Document. By applying to purchase our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document.