An [**REDACTED**] *in our Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the* [**REDACTED**] *of our Shares could decline, and you may lose all or part of your* [**REDACTED**]. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section titled "Forward-Looking Statements" of this document.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we fail to develop new products or services that address customer preferences and achieve market acceptance in a timely and cost-effective manner, our results of operations could be adversely affected.

We primarily provide plating chemicals and plating services during the Track Record Period. Our customers are constantly seeking new products and services with more features and functionality at lower cost, and our success relies heavily on our ability to continue to develop and provide our customers with new and innovative products and services and improvements of existing products and services. In order to gain market share and remain at the forefront of the industry, we must constantly introduce new and innovative products and services and respond to new and evolving customer demands. The success of a new offering depends on a variety of specific implementation factors, including timely development of new technologies and adaption to changes in existing technologies; timely and cost-effective processing and mass production to accommodate new product and services, while ensuring functionality, performance and reliability; effective marketing, sales and services to gain market share; and strong and sustainable market demand.

Product and service development, innovation and iteration is often a complex, time-consuming and costly process involving significant investment in R&D with no assurance of return on investment. There can be no assurance that we will be able to develop and introduce new and enhanced products and services in a timely or efficient manner or that we will continue to achieve technological breakthroughs and successfully commercialize such breakthroughs through our R&D activities. Failure to timely develop new technologies or to react quickly to changes in existing technologies could materially delay our development of new and enhanced products and services. Our investments in R&D activities may not generate sufficient revenue to offset liabilities assumed and expenses associated with these investments.

In addition, we may not be able to optimize our production procedures and the ability to mass produce in a cost-effective manner. We may also encounter lower manufacturing yields and longer delivery schedules in delivering new products and services that we introduce, which could increase our costs and disrupt our supply of such products and services. Further, if initial sales volumes for new or enhanced products and services do not reach anticipated levels within the time periods we expect, we may be required to engage in additional marketing efforts to promote such products and services and the costs of developing and commercializing such products and services may be higher than we predict. To the extent that we fail to timely develop new products and services or to quickly achieve market acceptance in a cost-effective manner, our results of operations could be materially and adversely affected.

We depend on growth in the end markets that adopt our products. Any slowdown in the growth of these end markets could adversely affect our business, financial condition and results of operations.

Our products and services are adopted in the product offerings of customers operating across various industries, including semiconductor and PCB industries. Demand for our products and services largely depends on growth within the markets for the end products, which is impacted by factors beyond our control. Factors affecting these markets include: (i) the inability of customers to dedicate the resources necessary to promote and commercialize their products; (ii) the inability of our customers to adapt to changing technological demands resulting in their products becoming obsolete; (iii) the failure of our customers' products to meet evolving industry requirements; (iv) the failure of our customers' products to achieve market success and gain broad market acceptance; (v) delays and project cancellations as a result of design flaws in the products developed by our customers; (vi) increased costs associated with potential disruptions to our customers' supply chain and other manufacturing and production operations; (vii) the deterioration of our customers' financial condition; and (viii) the effects of catastrophic and other disruptive events at our customers' offices or facilities including, but not limited to, natural disasters, telecommunications failures, cyber-attacks, terrorist attacks, pandemics, epidemics or other outbreaks of infectious disease, breaches of security or loss of critical data.

If the end product markets cannot maintain robust growth, our business and profitability may be adversely affected. We may incur significant R&D costs as well as production costs that may not ultimately achieve market acceptance. As we offer more products and services to new and existing customers, potentially expand our supply relationships and enter new markets, we may encounter yield rate and reliability issues, and any such issues could lead to customer complaints, damage our reputation or adversely affect our financial results. No assurance can be given that future reliability issues will not have a material effect on financial results in any given period. If our customers discover flaws, defects or errors in their products, or if they experience changing market requirements, failed evaluations or field trials, or incompatible deliverables from other vendors, they may delay, change, or cancel a project, and we may have incurred significant additional costs and may not be able to recover our costs, which in turn would adversely affect our business, financial condition and results of operations.

Our business growth and prospects are affected by our ability to continuously innovate and upgrade our technologies and production procedures and to penetrate new markets.

Our future success depends on our ability to continue to innovate and upgrade our technologies and production procedures. The technological advancement in the downstream industries has been accelerating continuously, and the downstream market is constantly proposing higher requirements and demands for upgraded technologies and procedures. There can be no assurance that we will be able to develop and introduce new and upgraded products and services in a timely or efficient manner or that new and upgraded products and services, if developed, will achieve market acceptance and generate sufficient revenue to offset costs incurred for such development and further achieve profitability. Failure to timely innovate and upgrade our technologies and production procedures could materially delay our development of new and enhanced products and services, which could result in loss of competitiveness and market share. Our growth is also dependent on our ability to identify and penetrate new markets where we have limited experience yet require significant investments, resources and technological advancements in order to compete effectively. Our success in these markets is subject to a number of factors such as marketing and selling efforts, competitiveness of our existing and new products and services, customer preference and acceptance of our products and end products in which our products are used, and competitive landscape. There can be no assurance that we will achieve success in these markets and that the markets we serve and/or target based on our business strategy will grow in the future.

The wet process plating chemicals market is highly competitive. If we are not able to compete successfully, our business, results of operations and future prospects will be harmed.

The wet process plating chemicals market is characterized by rapidly changing technologies as well as technological obsolescence. Significant technological advancements could render our existing or future products uncompetitive, obsolete or otherwise unmarketable, and may materially and adversely affect our business and prospects in ways we cannot currently anticipate. In addition, the introduction of new products and technologies by our competitors, the market acceptance of new and enhanced products and services, or our failure to anticipate or timely develop new or enhanced products or technologies in response to changing market demand, whether due to technological shifts or otherwise, could result in loss of customers and reduced competitiveness. Moreover, some of our direct and indirect competitors may have greater resources and certain advantages. If we are unable to stay competitive or compete successfully with our competitors, we may experience decreases in market share and sales volume, and may have to reduce our prices or make other concessions, thereby adversely affecting our profitability, business, financial condition and results of operations.

Our business depends substantially on the efforts of our management and highly skilled R&D personnel, and our operations may be disrupted if we lost their service.

Our future performance depends on the service and contribution of our management to oversee and execute our business plans and identify and pursue new opportunities and product innovations. Any loss of service of our management can delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results. From time to time, there may be changes in our management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them into our existing teams also require a significant amount of time, training and resources, and may impact our existing corporate culture. Additionally, competition for highly skilled personnel is often intense, and we may incur significant costs to attract and retain highly skilled personnel in our R&D team. We cannot guarantee you that we can be successful in hiring and retaining highly skilled employees with appropriate qualifications in competition with other companies, particularly in research and development. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and prospects could be adversely affected.

Undetected defects, failures or reliability issues in our products or services could reduce the market adoption of our products, damage our reputation or expose us to product liability and other claims.

Our customers generally have stringent specifications for quality, performance and reliability that our products and services must meet. However, our products may contain undetected defects or failures when first introduced or after commencement of commercial shipments, which might require product replacement or recall. If defects and failures occur in our products, we could experience lost revenue, increased costs, including warranty expenses and costs associated with after-sales services, cancellations or rescheduling of orders or shipments, and product returns or discounts, any of which would harm our operating results. These problems may be difficult to detect at an early stage of the production process and often are time-consuming, expensive or impossible to correct. They may also result in claims against us by our customers or others, and subject us to liabilities and damages. Our reputation may be damaged as a result of these problems and customers may be reluctant to buy our products, which could adversely affect our ability to retain existing customers and attract new customers and could adversely affect our business, financial condition and results of operations.

We may be subject to product liability or warranty claims that could result in direct or indirect costs, which could adversely affect our business and results of operations.

Product liability or warranty claims may arise if any of our products are deemed or proven to be unsafe, ineffective, defective. There can be no assurances that we will not become subject to product liabilities claims or that we will be able to successfully defend ourselves against any such claims. If a product liability claim is brought against us, it may result in damage to our reputation, breach of contract with our customers, decreased demand for our products, costly litigation, product recalls, loss of revenue and the inability to commercialize our products. If we are unable to defend ourselves against such claims, among other things, we may be subject to civil liability and criminal liability. Any product liability insurance may be prohibitively expensive, or may not fully cover our potential liabilities. Any business disruption, litigation or natural disaster might result in substantial costs and diversion of resources. Any product liability insurance, when obtained, may be prohibitively expensive, or may not fully cover our potential liabilities. The inability to obtain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could have a material and adverse effect on our business and results of operations.

Any disruption to the operation of our production sites could restrict our ordinary business operations and materially and adversely affect our financial condition and results of operations.

As of the Latest Practicable Date, we had three production sites. The operation of our production sites may be disrupted by physical damage from fires, floods, earthquakes, typhoons, power outages, mechanical breakdowns, telecommunications failures, loss of licenses, certifications and permits, changes in governmental planning for the underlying land, and the regulatory development, many of which are beyond our control. As part of our production operations, we are engaged in certain inherently risky activities. The risks relating to production can result in personal injuries, damage to or destruction of properties or production facilities, and pollution and other environmental damages. Any of these consequences, if significant, could disrupt the operation of our production sites and result in business interruption and legal liability, and materially and adversely affect our financial condition and results of operations.

Failure to successfully execute capacity expansion plans and our equipment maintenance and upgrades or to effectively utilize our production sites may have a material adverse effect on our growth prospects.

Our growth prospects and future profitability depend on, among other things our ability to upgrade the production capability and increase production capacity, either generally or with respect to demand from customers for particular products.

To successfully upgrade our production capability and expand production capacity, we need to make cost-effective and efficient upgrade and expansion plans, expand and construct new facilities, maintain and purchase production equipment, and hire and train professionals necessary to operate such facilities or equipment, all of which may be affected by several factors including, but not limited to (i) availability of working capital for constructing facilities or purchasing equipment; (ii) delays in completion of construction and shortages or delays in the delivery of equipment; (iii) difficulties or delays which may arise in installing the equipment; and (iv) implementation of new production procedures. We cannot guarantee that our upgrade or expansion plan, if implemented, will be operationally or financially successful and substantiated by sufficient market demand for or profit margin of our products. Moreover, the depreciation and amortization charges will increase upon the completion of the construction of new production facilities with the use of proceeds, which may further affect our profitability. If we are unable to implement the upgrade or expansion plan cost-effectively and efficiently, our business and profitability may be adversely affected. In addition, if we do not receive sufficient orders from our customers to effectively utilize our production sites, we may be subject to low utilization rates of production capacity or over-capacity for our production sites, which may hurt our profitability and results of operations. Furthermore, if market demand declines in the future, we may not be able to recoup the costs incurred for construction of any new production sites or expansion of any existing facilities and maintenance of expanded production capacity. Further, we have entered, and may in the future enter, into agreements for our expansion plans. Any delay or cancellation of our expansion plan or any failure to fulfill related commitments could also subject us to penalties or disputes with various counterparties.

If we fail to maintain adequate inventory, or if we mismanage our inventory, we could lose sales or incur high inventory-related expenses, which could negatively affect our financial condition and results of operations.

Our inventories mainly include raw materials, finished goods, and dispatched goods and contract costs. As of December 31, 2023, 2024 and 2025, we had inventories of RMB54.4 million, RMB90.3 million and RMB120.2 million, respectively. Our business model requires us to manage our inventories efficiently. We depend on our demand forecasts to make purchase decisions for raw materials and consumables and to pace our production progress to manage our inventories. Such demand, however, can change from time to time and we may not always be able to accurately make predictions. Demand may be affected by general market conditions, end market conditions, new product launches, pricing and discounts, and not all of them are within our control. The acquisition of certain types of raw materials and consumables may require certain lead time and prepayment and they may not be returnable. Furthermore, as we plan to continue expanding our product offerings, we expect to include a wider variety of raw materials and consumables, which will make it more challenging for us to manage our inventory and logistics effectively.

We cannot guarantee that our inventory levels will be able to swiftly meet the demands of customers, which may adversely affect our revenue. We also cannot guarantee that all of our inventory can be sold as products within a reasonable period of time. If we fail to manage our inventory effectively, we may be subject to increased inventory storage costs, a heightened risk of inventory obsolescence, a decline in inventory value and inventory write-offs. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply in a timely manner, we may experience inventory shortages, which might result in diminished customer base and lost of revenue, any of which could harm our business, financial condition and results of operations.

If we are unable to manufacture or deliver high quality products or services on schedule and on a large scale, our business may be materially and adversely affected.

Mass production and delivery of our plating chemicals and plating services is crucial to our future financial prospects. We control the entire production process to timely meet our customers' orders. However, we may face difficulties managing our production facilities and meeting our delivery deadlines when there is a surge in customer demand. If any of our production facilities experiences interruptions, delays or disruptions in supplying products, our ability to deliver products to customers would be impeded. Failure to fulfill customers' requirements and quality control problems that occur in the manufacturing process could prevent us from meeting the stipulated delivery deadline. We may also experience delays in delivery caused by our third-party logistic service providers. These delays or product quality issues could have an immediate and material adverse effect on our ability to fulfill orders and damage our reputation, affecting our business, results of operations and financial condition. Further, if our production facilities or suppliers experience any difficulties or shortages of raw materials, or if our suppliers are otherwise unable or unwilling to continue to provide raw materials in required volumes or at all, our supply may be disrupted, and we may be required to seek alternate sources of supply. The process would be time-consuming and could be costly and impracticable. Interruptions to supply will have an adverse effect on our ability to meet scheduled product deliveries and subsequently lead to the loss of sales.

Our reputation is integral to our success. If we fail to effectively maintain, promote and enhance our reputation, our business and competitive advantage may be harmed.

We believe that maintaining and enhancing our well-recognized reputation is crucial to the success of our business and sustaining our market position. We operate in a highly competitive market characterized by rapid technological evolution, swift changes in customer demands and preferences, frequent introduction of new products and services, and the constant emergence of new industry standards and practices. In addition, the successful promotion of our reputation will depend on the effectiveness of our marketing efforts and word-of-mouth referrals we receive from satisfied customers. We may incur extra expenses in promoting our reputation. The results of such initiatives may not cover the costs of the increased investment. We cannot guarantee that our marketing efforts will be successful, or that they will yield significant benefits that justify the costs. Any such failure may result in our declining market recognition and position, and materially and adversely affect our business, financial condition and results of operations.

An increase in prices of raw materials or shortage in supply may disrupt our supply chain, increase our production costs and delay deliveries of our products to customers.

We depend on third-party suppliers to provide a variety of metals, such as gold, copper, or nickel for our plating products and services. Our production costs depend on our ability to source key raw materials at competitive prices. However, the raw materials we use are subject to price volatility caused by external factors, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation and governmental regulations and policies. We typically negotiate prices with our suppliers on an annual basis or through a bidding process, and we set out the terms in framework agreements that generally span a period of either one or three years. We have set up price adjustment term in certain cases with our customers, which allows us to renegotiate our selling price when the fluctuation of raw material prices exceeds certain threshold. However, we may not be able to fully pass on the increase in the raw materials to our customers in a timely manner and may not be able to adjust our prices to fully offset the increased costs of raw materials, which will adversely affect our profit margins, result of operations and financial condition. Any shortages or delay in the supply of our raw materials could result in occasional price adjustments or cause delays in our production and delivery to customers. We may in the future experience price fluctuations and supply shortages of certain raw materials, and the predictability of the availability and pricing of these materials may be limited. If we are unable to keep up with demand for our products because of failing to obtain the materials needed to successfully manufacture and deliver our products in a timely manner, our business could be materially impaired, and market acceptance for our products could be adversely affected.

Our business depends on our ability to protect our intellectual property rights, and we may be subject to intellectual property infringement and other claims by third parties in the PRC or other jurisdictions, which, if successful, could cause us to pay damages and incur other costs.

We rely primarily on a combination of our patents, trade secrets, trademarks, the confidentiality agreements signed by the employees, and confidentiality agreements signed with third parties to protect our intellectual property rights. There is no assurance that we are able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future, as such applications may be expensive and time-consuming. Unauthorized parties may be able to obtain and use information that we regard as proprietary. Under such circumstances, to protect our intellectual property rights and maintain our competitive advantages, we may initiate legal proceedings against parties who we believe are infringing our intellectual property rights, which are often costly and may divert management attention and resources away from our business. In certain situations, we may have to initiate such legal proceedings in foreign jurisdictions, in which case we are subject to additional risks as to the result of the proceedings, the amount of damages that we can recover, and the enforcement process.

Our success is also subject to our ability to use, develop and protect our technology and trade secrets without infringing the intellectual property rights of third parties. Others may hold or obtain patents, copyrights, trademarks, or other proprietary rights used in our products and service. This might prevent, limit, or interfere with our production, use, development, sales, or marketing, and could therefore disturb our daily operations and distract our management. From time to time, we may receive communications from intellectual property rights holders regarding their proprietary rights. Companies holding patents or other intellectual property rights may, in the PRC or other jurisdictions, bring suits alleging infringement of such rights or otherwise assert their rights and urge us to obtain licenses. We may also be subject to liability due to the misconduct of our employees in relation to third party IP rights. Our use of intellectual property rights could be found to infringe upon existing intellectual property rights owned by others. In addition, if we are found to have infringed upon a third party's intellectual property rights, we may be required to (i) cease selling products that involve the challenged intellectual property rights owned by others, (ii) pay damages to the rights holders or to customers who purchased our products, (iii) redesign our products or establish and maintain alternative branding for our products, and so on.

We may not be able to achieve the benefits we expect from future acquisitions, and future acquisitions may have an adverse effect on our ability to manage our business.

We may invest in or acquire assets, technologies and businesses that are complementary to our existing business. Our investments or acquisitions may not yield the results we expect. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, amortization expenses related to goodwill or intangible assets and exposure to potential unknown liabilities of the acquired business. Such investments and acquisitions may also require our management team to devote a significant amount of attention. Moreover, the cost of identifying and consummating investments and acquisitions, and integrating the acquired businesses into ours, may be significant, and the integration of acquired businesses may be disruptive to our existing business operations. We may also have to obtain approval from the relevant PRC governmental authorities for the investments and acquisitions and comply with any applicable PRC rules and regulations, which may be costly. In the event that our investments and acquisitions are not successful, our results of operations and financial condition may be materially and adversely affected.

Higher labor costs in the PRC may adversely influence our business, financial conditions and results of operations.

The cost of labor in the PRC has been steadily increasing over the past years as a result of economic development, government-mandated wage increases and other changes in PRC labor laws, as well as competition for talents and qualified employees among peer companies. Unless we are able to pass on these increased labor costs to our customers by increasing the prices of our products, our financial condition and results of operations may be adversely affected. Many aspects of our strategies and business growth may require us to have additional employees. We may also have additional employees as a result of organic growth of our business. If we implement such strategies but fail to realize the benefits and efficiencies we anticipate, we may be unable to offset the corresponding increases in our staff costs, which adversely affect our revenues and profitability.

We rely on third-party service providers and business partners to provide products and services to us and our customers.

We work with a broad range of third-party service providers and business partners, including logistic service providers and others. These third parties are also subject to their own risks relating to business interruption, systems and employee failures, and cybersecurity and data protection, and are also subject to their own 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 and in accordance with the terms agreed upon or applicable laws. In addition, while we have procedures in place for assessing risks along with selecting, managing and monitoring our relationships with 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, results of operations and financial condition 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 may be adversely affected.

If our internal risk management and control system is not adequate or effective, and if it fails to detect potential risks in our business as intended, our business, financial condition and results of operations could be materially and adversely affected.

We have an internal control system in place to monitor and control potential risk areas relevant to our business operations. However, due to the inherent limitations in the design and implementation of our internal control system, our internal control system may not be sufficiently effective in identifying, managing and preventing all risks if external circumstances change substantially or extraordinary events take place. Further, integration of various business operations from potential future acquisitions may give rise to additional internal control risks that are currently unknown to us, despite our efforts to anticipate such issues. If our internal control system fails to detect potential risks in our business as intended, or is otherwise exposed to weaknesses and deficiencies, our business, financial condition and results of operations could be materially and adversely affected. Our risk management and internal controls also depend on effective implementation by our employees. There can be no assurance that such implementation by our employees will always function as intended, or such implementation will not be subject to human errors, mistakes or intentional misconduct. If we fail to implement our policies and procedures in a timely manner, or fail to identify risks that affect our business with sufficient time to plan for contingencies for such events, our business, financial condition and results of operations could be materially and adversely affected, particularly with respect to the maintenance of our relevant approvals and licenses granted by the relevant authorities.

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

Our insurance coverage may not be sufficient to cover all potential claims arising from product liability, damage to our assets, including our plants and equipment, or injuries sustained by our employees in the course of their work. There can be no assurance that our coverage will be adequate to address all possible incidents. In the event that a liability claim, property damage, or employee injury exceeds the limits of our insurance policies or falls outside their scope, we may be required to bear significant financial costs. This could lead to an adverse impact on our financial condition and overall business operations. Furthermore, addressing such liabilities may divert critical resources, including management attention and company funds, which could otherwise be allocated to strategic initiatives, expansion efforts, or daily business operations.

Our business may be impacted by political events, war, terrorism, public health issues, natural disasters and other outbreaks of contagious diseases or business interruptions.

War, terrorism, geopolitical uncertainties, 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 suppliers, logistics service providers, and customers. 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, making it difficult or impossible for us to make and deliver products to our customers, or to receive raw materials from our suppliers, and create delays and inefficiencies in our supply chain. While our suppliers are required to maintain safe working environments and operations, an industrial accident could occur and could result in disruption to our business and harm to our reputation. In the event of a natural disaster or major public health issue, we could incur losses, require substantial recovery time and experience significant expenditures in order to resume operations.

Any failure to fully comply with present or future environmental, safety and occupational health laws and regulations in the PRC may have a material adverse effect on our business, financial condition and results of operations.

Our business is subject to certain PRC laws and regulations relating to environmental, safety and occupational health matters. Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. We cannot assure you that we will not experience any material accidents or worker injuries in the course of our production process in the future.

Our production process produces pollutants such as wastewater, solid and liquid waste. The discharge of wastewater and other pollutants from our manufacturing operations into the environment may give rise to liabilities that may require us to incur costs to remedy such discharge. We cannot assure you that all situations that will give rise to material environmental liabilities will be discovered or any environmental laws adopted in the future will not materially increase our operating costs and other expense. Should the PRC impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such new regulations at reasonable costs, or at all. Any increase in production costs resulting from the implementation of additional environmental protection measures and/or failure to comply with new environmental laws or regulations may have a material adverse effect on our business, financial condition or results of operations. In addition, we are subject to various ESG rules and regulations by governing bodies, including the [**REDACTED**] and the SFC once we become a [**REDACTED**] company, as well as regulatory authorities in China. We must also adapt to new and evolving regulatory measures under applicable laws and changing social trends concerning ESG risks. Investors are increasingly focused on ESG issues and tend to incorporate ESG performance into their investment decisions, while customers are becoming more environmentally conscious, preferring products with green and environmentally friendly design and production. Our efforts to comply with new and changing laws, regulations and social trends may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities, which may adversely affect our business, financial condition or results of operations.

Security breaches and other disruptions could compromise our confidential and proprietary information, which could cause our business and reputation to suffer.

We collect and store business data and transaction data generated during or in connection with our business operations, including our business and transactions with our customers, suppliers and business partners. The secure maintenance of such data is critical. Our IT and infrastructure may be vulnerable to breaches by hackers, employee error, malfeasance or other disruptions such as natural disasters, power losses or telecommunication failures. Any such breach could compromise our networks and the information stored therein, possibly resulting in legal and regulatory actions, disruption of operations and customer services, and otherwise harming our business, reputation and future operations.

We are subject to risks relating to overseas sales.

We have sold our products and services to foreign customers, and our overseas operations are subject to various risks, including foreign exchange controls and exchange rate fluctuations; higher costs in understanding local markets and maintaining marketing and distribution networks; challenges in providing after-sales services and managing overseas operations; compliance with different legal and regulatory requirements; failure to obtain or maintain necessary permits or intellectual property protection; changes in economic conditions and regulations; and trade barriers such as tariffs, taxes and export restrictions. The occurrence of any of these risks could adversely affect our overseas sales and our business, financial condition and results of operations.

If we fail to timely adjust our operations in response to changes in the social and economic policies, as well as the interpretation and enforcement of law, rules and regulations, our business, financial condition, results of operations and prospects may be affected.

Due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects could be affected by economic, social, and legal developments in the PRC. The overall economic growth in China could be influenced by the governmental regulations and policies in relation to monetary policies, regulations of financial services and institutions, preferential treatment to particular industries or companies and others. Any of the foregoing would affect our business, financial condition, results of operations and prospects. We shall comply with the applicable PRC laws, rules and regulations. With the social development, the relevant PRC laws, rules and regulations in force at present may evolve in the future, and their interpretation and implementation will be amended accordingly. Any non-compliance with any existing or new laws and regulations could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

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

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain various approvals, licenses, permits and certifications in order to operate our business. See "Business — Certificates, Licenses and Permits." Complying with such laws and regulations may require expenses, while any noncompliance may expose us to liability. Therefore, with the refinement of interpretations and applications of existing ones, we cannot assure you that we will not be in full compliance with evolving laws, regulations and policies. If we fail to maintain compliance with law, or otherwise fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings in any of the jurisdiction where we operate our business, we may be subject to adverse consequences. In addition, in the event that we are required to renew our existing licenses or permits or acquire new ones, whether as a result of the promulgation of new laws and regulations or otherwise, we cannot assure you that we will be able to meet the requisite conditions and requirements, or obtain all requisite approvals, licenses, permits and certifications in a timely manner. If we are unable to obtain, or experience material delays in obtaining, necessary government approvals, our operations may be substantially disrupted, which could materially and adversely affect our business, financial condition and results of operations.

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could result in negative publicity.

We may from time to time become a party to various litigation, legal disputes, claims, administrative proceedings or other administrative measures arising in the ordinary course of our business. Any litigation, legal disputes, claims, administrative proceedings or other administrative measures may divert our management's attention and consume their time and our other resources. Negative publicity arising from litigation, legal disputes, claims, administrative proceedings or other administrative measures may damage our reputation and adversely affect the image of our products. In addition, if any verdict or award is rendered against us or we are imposed any fines or penalties, we could be required to pay damages, assume other liabilities and even to suspend or terminate the related business ventures or projects. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

Our legal right to use certain leased properties could be challenged or restricted.

Lessors had not provided title certificates of 16 properties we leased as of December 31, 2025. Despite the lack of certain title certificates of our leased properties, those leased properties are easily replaceable and do not serve as the primary production and operation sites for us. According to the relevant PRC laws and regulations and as advised by our PRC Legal Adviser, our rights as occupant of these properties may be adversely affected due to the absence of the relevant building ownership certificates. For details, see ''Business — Properties'' in this document. We cannot assure you that the landlord of these properties have the right to lease the relevant property to us. As advised by our PRC Legal Adviser, we may not be able to continue to use such property if the ownership of the property we have leased and/or the validity of such lease is challenged by third parties. In such a scenario we will have to relocate to other premises, which may result in additional costs. Should disputes arise due to title encumbrances to such properties or government action, we may encounter difficulties in continuing to lease such properties and may be required to relocate in the future.

Failure to make full contribution to social insurance and housing provident funds for our employees in accordance with relevant PRC laws and regulations may subject us to penalties.

We are required by PRC labor laws and regulations to pay various statutory employee benefits, including pensions insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing fund, to designated government agencies for the benefit of our employees. Companies registered and operating in China are required under the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Provisional Regulations for the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) and the Regulations on Management of Housing Fund (《住房公積金管理條例》) to apply for social insurance registration and housing fund deposit registration within 30 days of their establishment and to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they are incorporated. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations.

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for some of our employees with the relevant social insurance or housing provident funds authorities in the PRC. See "Business — Employee — Social Insurance and Housing Provident Fund" in this document. We cannot assure you that any new laws and regulations or any changes in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall or impose late payment penalties on us retroactively, thereby adversely affecting our financial condition and results of operations.

We are subject to the PRC laws and regulations in respect of currency conversion.

Currently, the conversion and remittance of foreign currencies from RMB are subject to PRC foreign exchange regulations. 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 control system, foreign exchange transactions under the current account conducted by us 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. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE. 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, the foreign exchange policies regarding payment of dividends in foreign currencies may change from time to time in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements. If we fail to obtain approval from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our capital expenditure plans, and even our business, operating results and financial condition, may be materially and adversely affected.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management based on Hong Kong or other foreign laws.

We are incorporated under the laws of the PRC, and all of our assets are located in the PRC. In addition, a majority of our Directors and senior management personnel reside within the PRC, and substantially all their assets are located within the PRC. As a result, it may not be possible to effect service of process within the United States or elsewhere outside the PRC upon us or our Directors and senior management personnel. In 2006, the Supreme People's Court of the PRC and the government of Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "Arrangement") which was taken into effect on August 1, 2008. Pursuant to the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a mainland court is expressly selected as the court having sole jurisdiction for the dispute.

In 2019, the Supreme People's Court and the Hong Kong SAR Government 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), or the New Arrangement, which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong SAR and the Chinese Mainland. The New Arrangement does not include the requirement for a choice of court agreement in writing by the parties. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court and the completion of the relevant legislative procedures in the Hong Kong SAR. The New Arrangement will, upon its effectiveness, supersedes the Arrangement. Therefore, before the New Arrangement becomes effective, it may be difficult to enforce a judgment rendered by a Hong Kong court in China if the parties in the dispute do not agree to enter into a choice of court agreement in writing.

RISKS RELATING TO OUR FINANCIAL POSITION

We may be exposed to credit risk arising from our trade and bills receivables.

The average turnover days of our trade and bills receivables for the years ended December 31, 2023, 2024 and 2025, were 189 days, 178 days and 158 days, respectively. As of December 31, 2023, 2024 and 2025 our trade and bills receivables less allowance for credit losses were RMB172.0 million, RMB227.5 million and RMB315.6 million, respectively. As a result, we may be exposed to credit risks. We cannot assure you that we can properly assess and respond in a timely manner to changes in their credit profile. If our customers' cash flows, working capital, financial condition or results of operations deteriorate, they may be unable, or they may otherwise be unwilling, to pay trade receivables owed to us promptly or at all. Any substantial defaults or delays could materially and adversely affect our cash flows, and we could be required to terminate our relationships with our customers in a manner that may adversely and materially affect our cash flows and operations.

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

We have recorded relatively long inventory turnover days and trade and bills receivables turnover days during the Track Record Period, which may cause delays in the conversion of our revenue into cash flows. Our inventory turnover days were 140 days, 113 days and 100 days in 2023, 2024 and 2025, respectively. And our trade and bills payables turnover days were 37 days, 37 days and 35 days in 2023, 2024 and 2025, respectively. Our cash conversion cycle, a metric to measure how efficiently we manage our working capital by tracking the number of days we take to convert our investments in inventory and other resources into cash flows from sales, was 292 days, 254 days and 223 days in 2023, 2024 and 2025, respectively. The cash conversion cycle is calculated by adding inventory turnover days and trade and bills receivables turnover days, then subtracting trade and bills payables turnover days. A prolonged cash conversion cycle may increase our reliance on working capital or external financing to support our operations and future growth. If we are unable to manage our inventory levels and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position may be negatively impacted, which could in turn materially and adversely affect our business, financial condition and results of operation.

We recorded net operating cash outflows during the Track Record Period and may need to obtain additional financing to fund our operations which may not be obtained on favorable terms or at all.

We recorded net cash flows used in operating activities of RMB42.1 million in 2025. We expect to continue to spend substantial amounts of capital on conducting research and development activities, commercializing our products and services and responding to unforeseen circumstances. We have historically funded our cash requirements additionally with capital contribution from shareholders and financing through bank borrowings. In the event that our existing capital resources fail to sufficiently cover our overall cash needs, we will need further funding through public or private [**REDACTED**], debt financing, governmental subsidies, and/or other sources. Our ability to obtain additional capital in the future is, however, subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry and macro-economic and other conditions in China and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected. Accordingly, you should not rely on our historical results of operations as an indication of our future performance. We also expect our costs and expenses to significantly increase in future periods as we continue to expand our business and operations. In addition, we expect to incur substantial costs and expenses as a result of being a [**REDACTED**] company. If we are unable to generate adequate revenues and manage our costs and expenses, we may continue to have significant cash outflows in operating activities in the future or even to incur net losses, and we may not be able to achieve or subsequently maintain profitability.

We may face exposure to fair value change for financial assets at FVPL and valuation uncertainty due to the use of unobservable inputs.

We recorded financial assets at fair value through profit or loss ("FVTPL") of RMB71.4 million, RMB20.0 million and nil as of December 31, 2023, 2024 and 2025, respectively. We managed and evaluated the performance of investments on a fair value basis in accordance with our business needs and investment strategy. Details of the fair value measurement of financial assets at FVPL, particularly the fair value hierarchy, the valuation techniques and key inputs, including significant unobservable inputs, and the relationship of unobservable inputs to fair value are disclosed in Note 22 to the Accountants' Report in Appendix I to this document. The fair value of our financial assets measured at fair value through profit or loss is subject to potential fluctuations. The valuation of these assets involves the use of unobservable inputs, which can be inherently subjective and may not accurately reflect market conditions. Changes in assumptions or methodologies used in the valuation process could lead to substantial variations in the reported fair value of these financial assets. Consequently, any adverse changes in the fair value of these assets could materially and adversely affect our financial condition and results of operations.

We are uncertain about the recoverability of our deferred tax assets, which may affect our financial position in the future.

As of December 31, 2023, 2024 and 2025, our deferred tax assets amounted to RMB4.8 million, RMB3.3 million, and RMB3.3 million, which primarily consist of losses available for offsetting against future taxable profits. For details of the movement of our deferred tax assets during the Track Record Period, please see Note 20 to the Accountants' Report in Appendix I to this document. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. As such, this requires significant judgment on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial position in the future.

The discontinuation of any of the government incentives or preferential tax treatment currently available to us could adversely affect our financial condition, results of operations and prospects.

We enjoy certain tax incentives and government subsidies pursuant to relevant law and regulations, including reduced enterprise income tax rates. For example, under the Enterprise Income Tax Law ("EIT Law") and its implementation rules, the statutory enterprise income tax rate is 25%. However, the income tax of an enterprise that has been determined to be a high and new technology enterprise can be reduced to a preferential rate of 15%. We and our subsidiary Jiangsu Xizhi Semiconductor Technology Co., Ltd., Zhuhai Chuangzhi Chenggong Technology Co., Ltd. were subject to a preferential income tax rate of 15%, as they were qualified as High-New Technology Enterprises (the "HNTE") during Track Record Period. In 2023, 2024 and 2025, we recognized government grants in other income and gains of RMB0.3 million, RMB0.2 million and RMB0.8 million, respectively, which were awarded by the local governments to support our operations. Any increase in the enterprise income tax rate applicable to us, or any discontinuation, retroactive or future reduction or refund of any of the preferential tax treatments and local government subsidies currently enjoyed by us, could adversely affect our business, financial condition and results of operations. Further, in the ordinary course of our business, we are subject to complex income tax and other tax regulations, and judgement is required in the determination of a provision for income taxes. Although we believe our tax provisions are reasonable, if the PRC tax authorities successfully challenge our position and we are required to pay tax, interest and penalties in excess of our tax provisions, our financial condition and results of operations would be materially and adversely affected.

We may not be able to fulfil our obligations in respect of contract liabilities, which may have a material and adverse impact on our results of operations and financial condition.

We require advance payments from certain of our customers before delivery of goods or rendering of services. This will give rise to a contract liability at the beginning of a contract, until the revenue recognized on the relevant contract exceeds the amount received. Our contract liabilities amounted to RMB2.8 million, RMB10.4 million and RMB8.3 million as of December 31, 2023, 2024 and 2025, respectively. If we fail to fulfil our obligations or if our customers dispute the products or services we provided, we may not be able to reclassify the full amount of contract liabilities as revenue, and we will have to refund all or a portion of the payments made by our customers, which will adversely affect our results of operations, liquidity and financial position.

Our property valuation is based on certain assumptions which, by their nature, are subjective and uncertain and may materially differ from actual results.

Valuations of our selected property interest as of February 28, 2026 prepared by Cushman & Wakefield Limited, an independent property valuer, are set forth in the valuation report set out as Appendix III to this document. The valuations are made based on assumptions which, by their nature, are subjective and uncertain and may differ from actual results. In addition, unforeseeable changes in general and local economic conditions or other factors beyond our control may affect the value of our properties. As a result, the valuation of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realizable value or an estimation of their realizable value.

We may need additional capital and may not be able to obtain it in a timely manner or on commercially acceptable terms, or at all.

In order to further expand our presence, develop new product candidates, construct and renovate production facilities and remain competitive, we may require additional capital. We expect to satisfy such capital commitments using part of the net [**REDACTED**] from the [**REDACTED**], cash from operations and bank facilities available to us. Financing may be unavailable in amounts or on terms acceptable to us. Our ability to obtain additional capital is subject to a variety of uncertainties, including our future financial condition, results of operations and cash flows, general market conditions for capital-raising activities, and economic, political and other conditions in China and other jurisdictions where we operate. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants restricting our operations or our ability to make acquisitions or pay dividends. Any failure to raise sufficient additional capital to meet our capital requirements may materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares, and their [REDACTED] price and [REDACTED] volume may be [REDACTED].

Prior to the [**REDACTED**], there was no [**REDACTED**] for our H Shares. We cannot assure you that a [**REDACTED**] for our H Shares with adequate liquidity will develop and be sustained following the completion of [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares may not be indicative of the [**REDACTED**] of our H Shares following the completion of the [**REDACTED**]. If an active [**REDACTED**] for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares could be materially and adversely affected.

The [**REDACTED**] and [**REDACTED**] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the [**REDACTED**] and [**REDACTED**] of our Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors.

You will incur immediate and significant dilution and may experience further dilution if we [REDACTED] 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 addition, [**REDACTED**] of our H Shares may experience further dilution of their interest if the [**REDACTED**] exercise the [**REDACTED**] or if we [**REDACTED**] additional shares in the future to raise additional capital.

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

The [**REDACTED**] of our H Shares could decline as a result of future [**REDACTED**] of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**], or the [**REDACTED**] of new shares or other securities, or the perception that such [**REDACTED**] or [**REDACTED**] may occur. Future [**REDACTED**], or anticipated [**REDACTED**], of substantial amounts of our securities, including any future [**REDACTED**], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we [**REDACTED**] more securities in the future. New shares or shares-linked securities [**REDACTED**] by us may also confer rights and privileges that take priority over those conferred by the H Shares.

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

Our Controlling Shareholders have significant influence over our operations and business strategies, and may have the ability to require our Group to effect corporate actions according to their own desires by virtue of their shareholding in our Group. If the interests of any of our Controlling Shareholders conflict with the interests of other Shareholders, or if any of our Controlling Shareholders chooses to cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, our Group or those other Shareholders' interests may be adversely affected as a result. In addition, there is no guarantee that the Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the [**REDACTED**]. We cannot predict the effect, if any, of any future sales of the Shares by any of its Controlling Shareholders, or that the availability of the Shares offered by any of the Controlling Shareholders for purchase may have on the [**REDACTED**] of the Shares. Sales of a substantial number of Shares by any of our Controlling Shareholders or the market perception that such sales may occur could materially and adversely affect the prevailing [**REDACTED**] of the Shares.

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

This document contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate," "believe," "could," "estimate," "expect," "may," "ought to," "should" or "will" or similar terms. Those statements include, among other things, the discussion of our Company's growth strategy and expectations concerning our future operations, liquidity and capital resources. [**REDACTED**] of the H Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Company's control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by our Company that our plans or objectives will be achieved and [**REDACTED**] should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed "Forward-looking Statements" in this document for further details.

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

We have derived certain information and statistics in this document, particularly the section headed "Industry Overview", the report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications provided by the industry associations, independent research institutes and other third-party sources. The information from official government sources has not been independently verified by our Company, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of their respective directors, officers, agents, employees or advisers or any other party involved in the [**REDACTED**], and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. Furthermore, we cannot assure you that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

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

Our management may spend the [**REDACTED**] from the [**REDACTED**] in ways you may not agree with or that do not yield a favorable return. For further details, see "Future Plans and Use of [**REDACTED**]." However, our management will have discretion as to the actual application of our [**REDACTED**]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the [**REDACTED**] from this [**REDACTED**].

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

The [**REDACTED**] of our Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our Shares or publish negative opinions about us, the [**REDACTED**] of our Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the [**REDACTED**] or [**REDACTED**] of our Shares to decline.

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

You should rely solely upon the information contained in this document, the [**REDACTED**] and any formal announcements made by us in Hong Kong in making your [**REDACTED**] decision regarding our Shares. We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there has been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or media regarding our Shares, the [**REDACTED**] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.