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## RISK FACTORS

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*An [REDACTED] in our Shares involves various 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 occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisers regarding your prospective [REDACTED] in the context of your particular circumstances.*

### RISKS RELATING TO OUR BUSINESS AND INDUSTRY

**Our future growth is dependent on the demand for, and customers’ willingness to adopt, our robotics solutions.**

Our future growth relies on the demand for, and upon the end users’ willingness to adopt, our robotics solutions. Both the acceptance of our robotics solutions and their integration into the relevant industries, including agriculture and livestock farming, construction and facility management, may encounter delays or progress at a slow pace, due to various factors such as: perceptions about the cost, quality, design, safety, performance and lifespan of our robotics solutions, compared to their traditional counterparts, including manual labor; the market penetration of robotics solutions; the accessibility of repair and maintenance services, electricity and alternative power sources for robotics solutions; the occurrence of negative incidents, or the perception of such incidents, involving our or our competitors’ products or solutions, leading to adverse publicity and affecting customer perceptions of the industries; and macroeconomic factors.

As a result of the foregoing, the adoption of our robotics solutions might not progress as rapidly as we originally anticipated, which may negatively impact our business, results of operations, financial condition, and prospects.

**Any economic slowdown or decrease in industrial or economic activities may adversely affect the industries in which our end users operate, which may reduce the market demand for our robotics solutions.**

Our sales and profitability depend significantly upon the economic conditions, industrial activities and market demand in our end industries, including agriculture and livestock farming, construction and facility management. Any economic downturn or uncertainty can reduce customer demand for our robotics solutions. Our operating results are directly affected by the economic and market conditions in each of the geographic areas in which we operate and/or sell our products, and the uncertainty in global economic conditions varies by geographic regions. This makes forecasting challenging, especially given our global customer base, and could impact our operations if we fail to adapt timely to market changes. Adverse macroeconomic changes, such as economic recession and credit disruptions, may cause the end users of our robotics solutions to cut or delay spending, resulting in order cancellations or reductions from our distributors, thereby materially and adversely affecting our business, results of operations and financial condition.

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**Our agriculture and livestock farming robotics solutions business depends upon the agricultural industry and are subject to seasonality. Factors that adversely affect the agricultural industry could affect our performance.**

The success of our agriculture and livestock farming robotics solutions depends heavily on the vitality of the agricultural industry. Historically, the agricultural industry has been cyclical and subject to a variety of economic and other factors. Sales of agricultural and animal husbandry robotics solutions, in turn, also are cyclical and generally reflect the economic health of the agricultural industry. The economic health of the agricultural industry is affected by numerous factors, including farm income, farmland values and debt levels and financing costs, all of which are influenced by levels of commodity and protein prices, acreage planted, crop yields, agricultural product demand, farm input costs, government policies, tariffs and government subsidies. The economic health of the agricultural industry also is influenced by general economic conditions, interest rate and exchange rate levels, and the availability of financing for retail customers, including government financing subsidies to farmers. Trends in the agricultural industry, such as farm consolidations, may affect the agriculture and livestock farming solutions market. In addition, adverse weather conditions, such as floods, heat waves or droughts, and livestock diseases, pervasive livestock or crop diseases affect farmers' buying decisions. Downturns in the agricultural industry due to these or other factors, which could vary by market, can result in decreases in demand for our agriculture and livestock farming solutions, which would adversely affect our performance. The unpredictable nature of many of these factors and the resulting volatility in demand make it difficult for us to accurately predict sales and optimize production, thereby materially and adversely affecting our business, results of operations and financial condition.

Our agricultural and livestock farming business is aligned with the agriculture industry. Therefore, seasonal fluctuations in agricultural activities, such as livestock farming cycles, can significantly impact the demand for our agriculture and livestock farming. However, the intensity of these seasonal fluctuations may vary from year to year due to shifting industry conditions and other factors, which makes it difficult for us to predict precisely the level of demand. Our interim financial results may not align with full-year trends due to these seasonal variations. Therefore, comparisons of our operational results between different quarters within a single fiscal year or across different fiscal years are not necessarily meaningful and should not be relied on as indicators of performance.

**We compete with both domestic and foreign companies in the robotics solutions industry. If we fail to compete successfully, our business, financial condition and results of operations would be adversely affected.**

We operate in the robotics solutions industry. The industry in which we operate is relatively new, rapidly evolving and constantly changing, something that is characterized by dynamic market conditions and technological advancements. Thus, our success will depend, in part, on our ability to respond to these changes and advancements in a cost-effective and timely manner. We compete with both domestic and foreign companies across our operations in the design and development, manufacturing and sales of agricultural machinery and the supply of smart agriculture solutions, including, among others, the comprehensiveness and adaptability of our products and solutions, brand recognition and ability to continuously iterate or innovate our products and solutions to meet evolving market demands.

Some of our competitors have developed mature, diversified robotics solutions portfolios and more advanced technologies, and may possess greater financial, technical and operational resources than we do. These competitors may (i) allocate significantly more resources than we can to the development, production and sales of their products and solutions; (ii) engage in or withstand intense price competition, a strategy we will not pursue due to our long-term commitment to sustainable growth, potentially diminishing our price competitiveness and market appeal in such situations; and (iii) leverage established operational history to cultivate stronger relationships with distribution partners and customers, enabling them to secure market share or negotiate more favorable contract terms. In some

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markets, we compete with smaller regional competitors with significant market share in a single country or group of countries. Additionally, the agriculture and livestock farming industry that we operate in is attracting technology-focused companies and start-up ventures as technology increasingly impacts all aspects of the crop and livestock farming cycle, which may further intensify competition in the industry.

Furthermore, our ability to maintain our competitive advantages and the future growth of our business depend on many factors, including our ability to maintain our market position, to maintain and expand our distribution network and to expand our global footprint. We cannot guarantee that our product offerings can continue to satisfy our customers’ evolving needs in the future. If our competitors managed to develop more advanced robotics solutions or technologies, or if alternative solutions emerge, such solutions may be more competitive and in turn cause the demand for our robotics solutions to decrease. As a result, we cannot predict with certainty the demand for our products or the future growth rate and size of the global robotics solutions market. If there is a reduction in demand for our services caused by weakening economic conditions, technical challenges, data security or privacy concerns, relevant regulations and policies, competing solutions or services or otherwise, our revenue and profit margins would be adversely affected, which would in turn materially affect our business, results of operations, financial condition, and prospects.

In addition, favorable government policies may lead to an increase in new market entrants and more intensive efforts to expand market share from existing market players. Geopolitical factors may also lead to governments increasing support for domestic players in the precision agriculture solution industry and accelerating domestic substitution over imported products, which may make it more challenging for us to enter into or expand our market share in global markets. If we fail to anticipate shifts in market demand and technological trends, and our competitors’ products eventually become more favored than ours, whether due to lower costs or superior technology, our competitive position could be weakened, which could lead to reduced sales volumes, pricing pressures and margin erosion. Furthermore, while we strive to differentiate our offerings from other competitors, there is no assurance that we can compete effectively or maintain our market position without incurring significant costs. Any failure to preserve our competitive position may materially and adversely affect our business, financial condition and results of operations.

We maintain an independent dealer and distribution network in the markets where we sell products. The financial and operational capabilities of our dealers and distributors are critical to our ability to compete in these markets. In addition, we compete with other providers of precision agriculture solutions for dealers. If we are unable to compete successfully against other precision agriculture solution providers, we could lose dealers and their retail customers, therefore negatively affecting our business, results of operations and financial conditions.

**We may fail to introduce new products that adapt to the latest market trends and keep up with the latest technological advancements in the industry, which may adversely affect our market position and render our products in production or under research and development uncompetitive or obsolete.**

Our long-term competitiveness and market leadership depend substantially on our ability to continuously deliver a comprehensive and competitive product portfolio that meets the evolving needs of the robotics solutions market. This includes not only the timely launch of new products but also regular upgrading or iteration of existing offerings to incorporate the latest technological advancements and responding to shifting customer preferences. The robotics solutions industry in which we operate is characterized by rapid innovation and constant technological evolutions. Emerging technologies such as artificial intelligence are transforming the way robotics solutions are designed, manufactured and used. If we fail to keep pace with the technological trends, we risk falling behind our competitors and losing our relevance in the market.

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Moreover, as customer expectations evolve, the pressure to diversify and enhance our product offerings intensifies. There is a growing demand for robotics solutions that is more user-friendly and highly intelligent. Customer preferences are also increasingly influenced by the introduction of new and innovative products in the market. If we fail to align our product portfolio with market demand and technological trends, whether due to limitations in our research and development capabilities, resource constraints or strategic misalignment, we may lose our competitive edge in the market. This could lead to reduced customer satisfaction, loss of market share and erosion of brand value.

In addition, the cost of developing and maintaining a full product portfolio can be substantial. If we are unable to manage these costs effectively, our financial performance can be exposed to considerable constraints. Furthermore, failure to anticipate or respond to market shifts in a timely manner could result in obsolete inventory, missed sales opportunities and reputational harm. There is no assurance that our upgraded or newly launched products will generate positive cash flows or become profitable within a short period of time or at all. If we are unable to bring upgraded or new products to the market in a timely and cost-effective manner, our profitability, results of operations and business prospects may be adversely affected.

**We derive the vast majority of our revenue from our distributors, and distributorship is expected to remain a major part of our sales network. If our distributors are not able to operate successfully, our business, financial conditions and results of operations could be materially and adversely affected.**

Our distributors are vital to our business. In 2023, 2024 and 2025, revenue generated from our distributors accounted for approximately 95.9%, 94.6% and 96.1% of our total revenue, respectively. We expect that distributorship will remain an important component of our sales network. Our distributors may not be able to market and sell our products successfully or maintain their competitiveness as a result of various factors. For example, our distributors may not be able to maintain their business relationships with existing customers and they may not be able to attract new customers, which may adversely affect their operations and competitiveness. If the sales volumes of our robotics solutions are not maintained at a satisfactory level, our distributors may not place new orders for our products, or they may reduce orders or request discounts on the purchase price. The loss of our distributors or reduced orders from them could adversely affect our access to end users and lead to decreases in our sales volume and revenue.

In addition, failure to manage inventory level may strain our distributors’ financial resources and impair their liquidity, which may lead to their reluctance or inability to purchase new products from us. If they experience decreased profitability or suffer losses as a result, they may quit our distribution network. Also, distributors may, with or without any merit, blame their slow turnover on us, harming our relationship with such distributors and potentially damaging our reputation among distributors. If any of such incidents happens to our distributors, the stability of our distribution network may be severely impaired, and our business, financial condition and results of operations may be materially and adversely affected. Furthermore, we may not be able to accurately track our distributors’ sales and inventory level. This could in turn lead to our inability to correctly predict sales trends and accurately forecast customer demand, resulting in excess inventory levels or a shortage of products. If our distributors fail to operate successfully in any way, our ability to effectively sell our products could be negatively impacted, which could in turn adversely affect our financial condition and results of operations.

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### **Our distributors may fail to comply with certain terms in their distributorship agreements with us.**

We rely on a vast network of distributors. As of December 31, 2023, 2024 and 2025, we engaged 2,087, 2,224 and 2,564 distributors, respectively. Non-compliance with the distributorship agreements by any of our distributors could disrupt our sales and may even affect our results of operations. For instance, cannibalization among distributors may be resulted if our distributors conduct sales beyond the designated sales area(s) or channel(s) as specified in the relevant distributorship agreement we enter into with them. Further, unfair competition may also be resulted if our distributors disregard our pricing system and sell our products at a price significantly lower than the suggested selling price. We also could be liable for damages or fines due to defects or spoilage on the products marketed and sold by our distributors, which may have an adverse effect on our financial condition.

As a considerable portion of our revenue is derived from our sales to distributors, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition and results of operations: reduction, delay or cancellation of orders from one or more of our distributors; failure to renew distributorship agreements and maintain relationships with our major existing distributors; failure to establish relationships with new distributors on favorable or standard terms; and inability to timely identify and engage additional or replacement distributors upon the loss of one or more of our distributors.

We may not be able to successfully manage our distributors, and the cost of any consolidation or further expansion of our distributor network may exceed the revenue generated from these efforts. Further, although we require our distributors to comply with their distributorship agreements with us, non-compliance with the distributorship agreements by any of our distributors could disrupt our sales, undermine our pricing discipline, weaken brand perception, and impair our ability to execute our business strategy, among other things. The occurrence of any of these events — whether individually or in combination — could materially and adversely affect our sales volume, revenue stability, and overall financial condition and results of operations. There can be no assurance that we will be successful in detecting any non-compliance by our distributors with the provisions of their distributorship agreements. In addition, non-compliance with distributorship agreements by any of our distributors could also undermine the effectiveness of our measures to mitigate the risk of cannibalization and channel stuffing among our distributors. The cost of any consolidation or further expansion of our distributorship network may exceed the revenue generated from these efforts. If the sales volumes of our products to consumers are not maintained at a satisfactory level, our distributors may not place orders for new products with us, reduce orders, or ask for discounts on the purchase price. Additionally, if our distributors fail to distribute our products to their customers in a timely manner, overstock or carry out actions which are inconsistent with our business strategy, it may affect our future sales. We could also be liable for damages or fines due to defects or quality issues in the products marketed and sold by our distributors, which may have an adverse effect on our financial condition and results of operations. The occurrence of any of the aforesaid events could adversely affect our financial condition and results of operations.

Our business and future growth are in part dependent on the ability of our distributors to maintain and expand their distributor coverage. If we fail to successfully maintain our relationships with a significant number of distributors or our distributors fail to operate successfully, our ability to effectively sell our products could be negatively impacted. These and similar actions could also negatively affect our corporate and product image, possibly resulting in loss of customers and a decline in sales. We cannot assure you that the expansion of our distributorship network will continue to be successful or will generate income as expected. The occurrence of any of these factors could result in a significant decrease in the sales volume of our products and therefore adversely affect our financial condition and results of operations.

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### **Our solutions may face risks associated with GNSS and RTK signals.**

Our solutions rely on Global Navigation Satellite System (“GNSS”) and Real-Time Kinematic (“RTK”) positioning technologies to deliver precision guidance and automated steering functions. The availability, stability and accuracy of such technologies may be affected by weather conditions, terrain, signal interference, network disruptions or geopolitical events. As such, our solutions depend on continuous transmission of correction data and on components sourced from a limited number of suppliers. Any interruption in signal reception, data transmission or component supply, or any changes in satellite system policies or export controls, may result in reduced positioning accuracy, operational disruption or increased costs, which could adversely affect our product performance, reputation and business operations.

### **We may not be able to renew or maintain important alliances and distribution relationships with our distributors.**

Generally, we do not enter into long-term contracts with a term more than one year with our distributors. Instead, we typically sell our products to (i) distributors through short-term distributorship agreements with a term of one year; and (ii) other customers through a mix of short-term framework contracts with a term of one year or less, and individual purchase orders on an order-by-order basis. We cannot assure you that we will be able to renew the contracts with our customers including distributors, or our customers will continue to place orders with us in the future in the same or comparable volume as compared with the previous periods. If our customers (including distributors) choose not to renew their contracts with us, or significantly reduce their purchase quantity from us, there is no assurance that we will be able to find replacement customers or orders at comparable or better commercial terms or at all. In such event, our business, results of operations and financial condition would be materially and adversely affected.

### **We face risks associated with our international operations and the sales of our products in global markets, including compliance with local laws and regulations, international trade policies, tariff regulations and geopolitical tensions.**

We have international business operations and heavily relied on local distributors to sell our products in global markets. Our geographic coverage have reached over 110 countries as of December 31, 2025. In 2025, 53.7%, 30.2% and 11.8% of our total revenue was generated from Europe, Asia and Americas, respectively. We intend to continue expanding our operations and exploring business opportunities in selected global markets. Business operations in and sales to foreign countries and territories expose us to various risks, including but not limited to: political risks, including risks of loss due to civil unrest, acts of terrorism, acts of war, regional and global political or military tensions, and strained or altered foreign relations with China or other relevant countries; economic, financial and market instability, and credit risks, including, for example, those relating to the potential deterioration of credit markets and other economic conditions in our global markets and other countries; changes in foreign government regulations or policies; dependence on foreign governments or entities controlled by foreign governments for electricity, water, transportation and other utility or infrastructure needs; unfamiliarity with local operating and market conditions; lack of understanding of local corporate, foreign investment, environmental protection, taxation, customs, foreign exchange and other laws, regulations, standards and requirements, which might result in non-compliance with such laws and subject us to potential fines and penalties, and damage to our reputation; risks associated with obtaining and maintaining the necessary approvals, licenses, permits and filings to operate our business in foreign countries and regions; risks and uncertainty associated with using foreign agents or distributors in connection with our international operations and sales; preferential treatment or corrupt business practice; foreign currency controls and fluctuations; tax increases or adverse tax policies; trade barriers, such as tariffs or embargoes; discrimination against ethnic Chinese or protectionism against Chinese companies; competition from other international and local companies; adverse labor conditions or

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employee strikes; stringent environmental protection laws; potential disputes with foreign partners, customers, subcontractors, suppliers or local residents or communities; expropriation and nationalization of our assets in foreign countries; and lack of all-developed or independent legal system in certain countries in which we have operations, which may create difficulties in the enforcement of contractual rights.

Among those factors, it is noteworthy that our operations may be negatively affected by trade policies, sanctions, tariffs and export controls regulations administered by the government authorities in the countries in and with which we operate, including, but not limited to, regulation of economic and labor conditions, increased duties, taxes and other costs. In addition to trade policy measures, the United States and certain other governments have imposed sanctions and export controls measures that directly or indirectly affect China-based companies. These types of laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future. We will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which requires significant resources and efforts.

Furthermore, potential national security and foreign policy concerns may prompt governments to impose trade or other restrictions, which could make it more difficult to sell our products in, or restrict our access to, certain markets. Various trade laws and regulations, export controls, and economic sanctions may affect our businesses. For instance, in recent years, the United States has expanded sanctions and export controls restrictions on China through the Export Administration Regulations (the “**EAR**”), administered by the Bureau of Industry and Security of the United States Department of Commerce (the “**BIS**”). In addition, BIS maintains lists of persons that are subject to enhanced export control restrictions. One such list, the Entity List, includes a list of foreign persons on which certain trade restrictions are imposed, including business, research institutions, government and private organizations, individuals and other types of legal persons. The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations. In addition, certain foreign jurisdictions, including the European Union and the United Kingdom, impose economic sanctions against countries and specific entities and individuals as part of their national security policies, which may prohibit or restrict our ability to conduct activities or dealings in or with certain targeted countries and territories or involving certain targeted persons or otherwise affect our business.

In addition, countries have announced plans for and/or have already implemented new or modified tariffs. In particular, the United States announced broad tariffs on imports from all countries, comprising a 10% baseline tariff and varying reciprocal tariffs on certain trade partners, including a 125% tariff for most goods from China. In response, China and other countries have announced retaliatory actions or plans for retaliatory actions. On April 9, 2025, the United States implemented a 90-day pause on the varying reciprocal tariffs except for those on Chinese goods, leaving the 10% baseline tariff in place. On May 12, 2025, China and the United States jointly announced a 90-day suspension of certain of their trade restrictions, so that the United States will impose tariffs of 30% on most Chinese imports during this period, while China will impose tariffs of 10% on U.S. imports. On July 29, 2025, China and the United States jointly announced a 90-day extension of the tariff suspension. The two sides agreed to continue negotiations during this period. During the Track Record Period, we have made sales into the United States. Given ongoing discussions between the United States and its trade partners, including China, there remains significant uncertainty about whether the United States may further change the scope, level and interpretation of tariffs it imposes. The tariffs imposed by the United States have led and may in the future lead to retaliatory measures taken by other

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countries. We continually monitor the global trade environment for new and changing tariffs, retaliatory actions, trade agreements, export restrictions, sanctions or other restrictions that may impact us or our supply chain or customers.

As our distributors and end users are located worldwide and may deploy our solutions in different countries and regions, any additional tariffs and trade barriers imposed by the United States or other countries that affect our products may reduce demand for our products, therefore materially and adversely affecting our business, financial condition and results of operations.

If new sanctions and export controls measures were to include a complete or more restrictive ban on products sales to certain entities, it could impact not only our ability to continue supplying our products to affected customers, but could also negatively affect our customers’ demand for our products, and could even lead to changes in supply chains of our products, to the extent they involve the use of items subject to the EAR or other applicable regulations. Even if our products are not directly targeted by these types of sanctions and export controls, we may nonetheless face higher costs and expenses in our supply chain due to new sanctions and export controls measures as our customers and business partners may be negatively affected by sanctions and export controls measures directed at China.

If any of the risks described above materialize, or if we are unable to manage these risks effectively, our ability to manage or grow our international business would be undermined, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects.

**We may be unable to continuously expand globally with our customers, which may adversely affect our business, results of operations and financial condition.**

We aim to expand our global presence with our customers. However, our success will depend on a number of factors, including but not limited to our ability to continue offering innovative products that are well received by end customers, our ability to maintain and expand our business relationships with our distributors, and the entry barriers, market competition, and regulatory restrictions in different geographical markets. Many markets have established competitors with strong local networks, brand recognition, and customer loyalty, which may make it difficult for us to gain a foothold or expand our market share. Regulatory restrictions, such as import/export controls, tariffs, and compliance with local laws and standards, may also impose additional costs and operational challenges, further hindering our global expansion efforts. If we are unable to continue growing our international business, enter into new geographical markets, or expand our market share in the global markets where we have already established presence, our business, results of operations, financial conditions, and future prospects may be adversely affected.

**Our research and development is subject to risks and uncertainties and may not generate the results we expect, which may negatively affect our business, financial condition and competitiveness.**

Technological advancements are critical to our long-term growth and market competitiveness. We have consistently allocated resources to our research and development efforts and expect to continue making a certain amount of capital investment in this area to advance our technologies and product portfolio. We incurred research and development expenses of RMB269.6 million, RMB232.1 million and RMB231.0 million in 2023, 2024 and 2025, respectively, accounting for 50.9%, 40.7% and 31.2% of our total revenue in the same years, respectively. However, research and development activities are capital-intensive, time-consuming and subject to unpredictable outcomes which may be unfavorable. We may encounter significant unexpected technical challenges, or delays in completing the development of new and enhanced technologies that can be incorporated effectively into our robotics solutions in a

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cost-effective manner, which would require us to invest significant resources in research and development to: proactively identify shifts in customer preferences and industry dynamics to guide early-stage research and development planning, development of modular and reusable technologies that can be efficiently deployed across multiple product lines, improving development efficiencies that differentiate us from our competitors; attract and retain talents in critical fields such as software and hardware development as well as algorithm designs, and to equip our R&D team with advanced research and development tools to optimize their productivity and output quality; and monitor and adapt effectively to technological advancements and new products and solutions announcements by our competitors.

However, we cannot guarantee that our research and development investments and efforts will yield commercially viable technologies and achieve market recognition as expected. Development activities are inherently uncertain, and resource limitations including funding, talent retention or access to collaborations could disrupt development timelines or compromise output quality. Even if we succeed in such research and development as expected, our operating cash flow and profitability may be adversely affected due to our substantial investment in it in the short to medium term, while revenue from newly launched products might fail to offset development expenses. Additionally, new technologies could also render our developed technologies, technological infrastructure, products or solutions that we are developing or scheduled to develop in the future obsolete or unattractive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenues, profitability and market share.

### **We may not be successful in implementing our future business plans and strategies.**

We strive to achieve sustainable growth and further strengthen our competitiveness in the markets in which we operate by implementing our business strategies. For details, see “Business — Our Strategies.” Nonetheless, our business plans and strategies are based on 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, there can be no assurance that our business plans and strategies will be implemented successfully as scheduled or at all. The success of our future expansion plans depends on a number of factors that are beyond our control, such as the availability of low-cost skilled agricultural workers, changes in local laws, regulations and government policies, the development of new technologies and changes in market demands. In addition, our development of new solutions and technologies and any attempt to expand into new businesses may be subject to unforeseeable delays, which may, among other effects, increase our operation costs, strain our production capacity, cause delays in delivery of customer orders and decrease our operational efficiency. Accordingly, we may not be able to achieve the expected expansion of our operations or manage our growth in a timely or cost-effective manner.

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 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 that may prevent us from achieving desirable and profitable results. Our business, financial condition, results of operations and growth prospects may be materially and adversely affected if our future business plans and strategies fail to achieve positive results.

### **Our strategic acquisitions, joint ventures or other investments may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions.**

As part of our business strategy, we from time to time evaluate potential acquisitions, investments and alliances, including joint ventures, minority equity investments and strategic investments. These transactions involve numerous risks, including but not limited to: the failure to achieve the expected

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benefits of the acquisition, investment or alliance; difficulties in, and the cost of, integrating operations, technologies, services and personnel; write-offs of investments or acquired assets; non-performance by, or conflicts of interest with, the parties with whom we enter into investments or alliances; limited ability to monitor or control the actions of other parties with whom we enter into investments or alliances; misuse of proprietary information shared in connection with an acquisition, investment or alliance; and depending on the nature of the acquisition, investment or alliance, exposure to new regulatory risks.

The realization of any of these risks could materially and adversely affect our business. In addition, if we finance acquisitions by issuing equity or convertible debt securities, our existing shareholders may be diluted. Furthermore, we may fail to identify or secure suitable acquisition, investment and other strategic opportunities, or our competitors may capitalize on such opportunities before we do, which could impair our ability to compete with our competitors and adversely affect our growth prospects and results of operations.

**Any quality issues associated with our products may lead to product liability and warranty claims, product returns or product recalls, harm our reputation and cause our sales and market share to decline.**

The success of our business depends on our ability to consistently deliver products with high quality and reliability. However, we cannot guarantee that our products do not have any defects or are always of high quality and reliability. For example, our products may contain defects that are not detected until after they are shipped or inspected by our distributors or end users. As our distributors sell our robotics solutions to end users, we are also exposed to potential product liability claims, including class action lawsuits, from downstream end users of our products in the relevant jurisdiction in the event that the use of our products has resulted in any health or safety issue or damage. In addition, certain product defects may result from raw materials and components purchased from third-party suppliers. Such third-party suppliers may not indemnify us for defects as to such raw materials and components or would only provide us with limited indemnification that is insufficient to cover our damages resulting from the product liability claim. Moreover, as some of our manufacturing processes employ or create various hazardous substances, any defects or improper performance of our products may directly or indirectly result in environmental harm and may be detrimental to human health and safety. Furthermore, we are unable to control how end users choose to use our products. Misuse of our robotics solutions by end users may significantly and adversely affect their health and safety, which may in turn subject us to consumer complaints and product liability claims. If the quality or performance of any of our products deteriorates for any reason, we may be faced with, among others, returns or cancellations of orders, customer complaints or product recalls. We may incur substantial costs associated with returns, replacements or recalls of our products. Our credibility and market reputation could be harmed, and our sales and market share may be adversely affected. In addition, as a result of defective products, we may encounter additional compliance issues that could subject us to administrative proceedings and unfavorable results such as production rectification. Such proceedings and unfavorable results could have a material adverse effect on our business, financial condition and results of operations. Moreover, we may be subject to product liability claims from time to time. Product liability claims, with or without merit, may be costly and time-consuming to resolve, bring about negative publicity that could damage our reputation and result in higher scrutiny by the government or stricter regulation, all of which could materially and adversely affect our business, financial condition and results of operations.

As the majority of our robotics solutions are used in rural, outdoor and harsh areas, the success of our business depends heavily on our ability to provide high-quality products and provide reasonable warranty schedules constantly. To address potential quality concerns, we generally offer a one- to two-year product warranty. Under the warranty, we are obliged to carry out all necessary repairs and/or replacements at no cost to the customer during the applicable warranty period. As such, any flaws or

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defects in our design and production process could expose us to significant liabilities under our warranty commitments. We calculate the provisions based on the level of historic claims incurred and our management’s best estimates of repair and replacement costs under product warranties and their projections of the nature, frequency and costs of potential future claims under performance warranties. However, these estimates are inherently uncertain, and any changes to our estimates, especially with respect to new products and solutions, may require us to make material adjustments to our warranty reserve policies in the future. If our warranty reserves prove insufficient to cover actual warranty claims, or if our suppliers and subcontractors fail to honor the underlying warranties that we pass through to our own customers, our business, financial condition, results of operations and prospects could be materially and adversely affected.

**If we or our distributors fail to provide high-quality after-sales services to meet the expectations of our customers, our business and reputation may be adversely affected.**

Providing high-quality after-sales services, including hardware repair and maintenance and user training, is crucial in maintaining end user satisfaction, fostering brand loyalty and differentiating ourselves in a competitive market. As the initial after-sales services are provided mostly by our local distributors, we implement various measures to ensure that our distributors provide high-quality after-sales services, including providing our distributors with comprehensive training and technical support. See “Business — Sales, Distribution and After-Sales Service.” As such, we may incur additional costs, and we cannot guarantee that we or our distributors will consistently meet end user expectations across all regions and at all times. Challenges such as limited service capacity and difficulties in expanding after-sales teams may hinder our distributors’ ability to provide timely and effective support. If we or our distributors fail to provide high-quality after-sales services to our end users, we could face dissatisfaction, negative reviews and a decline in brand loyalty. Dissatisfied end users may choose to switch to our competitors, leading to a potential loss of market share and revenue. Moreover, unresolved service issues can escalate into product complaints, warranty claims or even legal disputes, further straining resources and damaging our reputation. Any failure to provide high-quality after-sales service and maintain and expand a responsive, well-trained and accessible service network could potentially affect our brand image, lead to reduced orders from our distributors, which in turn could impose material and adverse effect on our business, financial condition and results of operations.

**Developments in alternative technologies and products may adversely affect the demand for our products.**

Our robotic solutions are a form of robotic automation built to work safely alongside human workers in many application scenarios, such as agriculture and livestock farming, construction, and facility management. Development of alternative technologies and products which provide similar functions may materially and adversely affect the growth prospects of the industries in which we operate. It is possible that new technologies or non-robotic solutions may emerge as preferred alternatives. Such new technologies and products may be more efficient, user-friendly and affordable than our robotic solutions and may also render the use of our robotic solutions obsolete and unnecessary in certain use cases. Any failure by us or the industry in which we operate as a whole to develop new or enhanced technologies or products to react to such alternative products could result in the loss of competitiveness of the industry, decrease in market expansion opportunity, decreased revenue, loss of talents and loss of market share to competitors. As a result, our business, results of operations and financial condition may be materially and adversely affected.

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**We may be subject to liability in connection with accidents that occur during the production process at our production bases due to, among others, failures to comply with various safety laws.**

We are required to comply with the applicable production safety laws and regulations in relation to our production, such as Production Safety Law of the PRC (《中華人民共和國安全生產法》). We have established internal safety protocols and require all employees to strictly adhere to the safety measures and procedures outlined in our internal policies. Nevertheless, there is no assurance that our safety measures or relevant legal requirements will be consistently followed by our employees. As a result, there remains a risk of industrial accidents at our production sites. In the event of a safety incident, we could be held liable for personal injury or death, as well as for any resulting monetary losses suffered by our employees.

In addition, we may also face administrative penalties including fines, orders to rectify non-compliance within a specified timeframe, or even a mandatory suspension or an instruction to cease operations in certain production sites. These legal consequences could be accompanied by reputational damage and increased scrutiny from regulatory authorities. Additionally, we may be subject to civil claims or legal proceedings initiated by our employees or their families, particularly in cases involving injury or casualty. Such claims could also result in compensation obligations, additional legal expenses and further reputational harm. As such, any failure to comply with applicable safety regulations or prevent workplace incidents could materially and adversely affect our business, financial condition and results of operations.

**Any failure to successfully execute production capacity expansion plans or effectively utilize our production bases may materially and adversely affect our business, financial condition and results of operations.**

We aim to expand our production capacity in line with the growth of our business to meet the growing market demand for our robotics solutions, supporting our long-term strategic development. The feasibility of our production expansion plan is limited by various factors, such as (i) timely and cost-effective compliance with local regulatory requirements; (ii) the availability of sufficient management and financial resources; (iii) the ability to hire, train and retain skilled personnel, and (iv) the capacity to upgrade existing equipment and enhance production techniques and acquire new production facilities. We may invest significant resources in facility planning, site selection, contract negotiations and construction. However, our expansion efforts are subject to a variety of operational or financial risks, including: risks of demand misalignment, for example, ineffective implementation of our production expansion plan could constrain our production capacity, causing us to fail to meet market demand, while overexpansion of our production capacity may negatively impact our capacity utilization rates and increase our production costs, in turn affecting our profitability; disruption by incidents including natural or manmade disasters, such as fires, floods, storms or IT system breaks, power and water suspensions, most of which are out of our control; and delays or cancellations of our expansion plans that could subject us to disputes with various counterparties such as general contractors and subcontractors, equipment suppliers, financiers and relevant government authorities, which could result in financial penalties or legal liabilities.

Any of the aforementioned factors could render our efforts to expand our production capacity unable to achieve the expected benefits, or result in demand misalignments, leading to insufficient resource allocation and long-term underperformance of our production facilities. We cannot give assurances that such investments will generate positive cash flows promptly, or at all. Such situations could have a material and adverse impact on our business, financial condition and results of operations.

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### **Operational disruption and machinery breakdown in our production facilities may interrupt our production schedule, which could adversely impact on the fulfillment of contracts.**

Our production relies on the stable operation of our manufacturing facilities and bases, particularly machinery and equipment for key processes. During the Track Record Period, we operated three production bases. See “Business — Our Production — Production Capacity.” The stability of our production cycle is vulnerable to numerous risks, some of which are beyond our control. Strikes, work slowdowns and other forms of industrial action, as well as deteriorating employee relations or shortages of skilled labor, particularly during peak production periods, could disrupt workflow and output timelines. In addition, our access to sites and equipment could be subject to unforeseen interruptions including fires, earthquakes, floods and other natural disasters. If any of these events occur and we fail to promptly identify and remediate them, our production activities could be halted or delayed. If prolonged, such interruptions could cause us to fail to meet our contractual obligations to customers in relation to delivery of products and cause our production capacity to be under-utilized, something that may further subject us to liabilities or legal proceedings and affect our reputation and relationships with our customers.

### **We are subject to various risks relating to the Third-Party Payment Arrangements.**

During the Track Record Period, some of our customers settled payments with us through bank accounts that were not held by the contractual parties specified in the corresponding sales agreements (the “**Third-Party Payment Arrangements**”). In 2023, 2024 and 2025, the number of distributors and end customers who settled payments through Third-Party Payment Arrangements was 171, 219 and 331, respectively, and the aggregated amount they settled under the Third-Party Payment Arrangements was RMB14.5 million, RMB28.7 million and RMB44.3 million, respectively, representing approximately 2.7%, 5.1% and 6.0% of the total payments we received from all customers, respectively, in the same years. We have been managing and rectifying the Third-Party Payment Arrangements. See “Business — Third-Party Payment Arrangements.”

We were exposed to several risks related to these Third-Party Payment Arrangements during the Track Record Period, including: (i) third-party payers who are not contractually obligated debtors may seek reimbursement of funds from us; (ii) potential claims from liquidators of third-party payers; and (iii) potential risks arising from our limited visibility into the source and intended use of funds by third-party payers. If any claims are made by third-party payers or their liquidators, or if any legal proceedings are initiated or brought against us regarding any third-party payments, we may need to allocate additional financial and management resources to address these claims.

### **Any shortage or price fluctuations in raw materials or disruptions to our supply chain may have a material and adverse effect on our business, financial condition and results of operations.**

The raw materials and components used in our production primarily include electronic components, electrical components, and structural components. We procure most of raw materials and components from suppliers in China. We also procure certain components from overseas suppliers. See “Business — Our Supply Chain — Procurement.” We may face supply chain risks associated with factors out of control such as natural disasters and shortage of labor force. Any shortage, price fluctuations or disruption of supply of raw materials and components we procure may cause a disruption in production and result in our inability to provide adequate products to meet market demand for our products that leads to loss of sales. We may also be exposed to the possibility of increased costs, which we may not be able to pass on to customers.

In addition, we cannot guarantee that our examination over raw materials and components used in our production that we procure suffices to identify all apparent or hidden defectives. Any quality issue of raw materials and components used in our production may result in defects in our products and

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subject us to potential liabilities and claims. Such potential liabilities and claims may impair our brand reputation and materially and adversely affect our business, financial condition and results of operations.

**Any improper warehousing or handling of our products, delivery delay or material changes in warehousing and logistics-related costs could materially and adversely affect our business and results of operations.**

During the Track Record Period, we utilized a combination of self-owned warehouses and leased warehouses to store our products and inventory, adhering to internal storage standards and procedures designed to minimize the risk of damage. However, we cannot guarantee that our warehouses and rental warehouses will consistently maintain optimal conditions to store our products and inventory, or there is no improper handling by our employees during the process. Additionally, leased warehouse costs are subject to volatility due to market demand fluctuations or rental rate increases, and this may negatively affect our profit margins. We may have to turn to alternative storage service providers if a leased warehouse provider unexpectedly terminates services or we are unable to secure or renew warehousing arrangements under commercially viable terms, potentially incurring unplanned costs, the disruption of inventory management and delays in production schedules, which could adversely affect our business, financial condition and operational results. During the Track Record Period, we engaged independent third-party logistics service providers to transport our products from manufacturing bases to warehouses, and from warehouses to our distributors. While we maintain collaborative relationships with third-party logistics service providers, their operations remain outside our direct control, exposing us to risks such as product damage from mishandling, delivery delays due to labor shortages or extreme weather and potential breaches of contractual obligations. Additionally, costs of third-party logistics services may fluctuate due to various reasons, such as fuel price hikes or transportation market pressures, which may lead to an increase in our cost of sales. Furthermore, we may not be able to identify substitute logistics service providers capable of supplying logistics services on commercially reasonable terms, or at all, thereby potentially impacting order fulfillment timelines, which could pose a negative impact on our business, financial condition and results of operations.

**Our business operations and expansion depend upon the retention of our senior management and key R&D personnel, as well as our ability to attract and retain qualified and experienced employees.**

Our business development and competitive advantages rely heavily on our senior management and R&D capabilities. Our sustainable growth relies on our ability to maintain a highly skilled senior management and technical team. If we are unable to attract, train, and retain qualified talent, particularly research and development personnel, our ability to sustain growth and remain competitive may be adversely affected. To compete for talent, we may need to offer higher compensation, better training, more attractive career development, and other benefits to our employees, which may cause us to incur additional costs. However, we cannot guarantee we will be able to attract or retain the skilled employees needed to achieve our strategic objectives or meet the demand of our growing business in a timely manner, or at all. In addition, due to intense competition for talent, we may face risks of losing core management and technical personnel.

**Our business is dependent to a large extent on the awareness of our brands. If we can not maintain or enhance our awareness, our businesses, financial condition and results of operation may be adversely and materially affected.**

We have successfully established brand awareness. We believe that it is vital to maintain and enhance our brand for sustaining our competitive advantages. However, our ability of maintaining our brand awareness depends on various factors, some of which are beyond our control. Whether we can continue to maintain and enhance our brands and images successfully highly depends on our ability to

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maintain and further develop our unique portfolio and our ability to adapt to any changes of competitive circumstances in the industry. Failing that, our brand value and image will be undermined, our businesses and results of operation may be adversely and materially affected. While we are expanding our scale and enlarging the geographical coverage, it will become more difficult for us to maintain quality and consistency of products and services, and we cannot assure you that customers’ trust in our brand will not decline.

Any events that will harm our reputation, such as liability claims, litigation, customers’ complaints, or other negative publicity of our name; or any violation acts by our competitors as a result of using our brands illegally, may have a negative effect on the our brand.

During the Track Record Period and as of the Latest Practicable Date, we are not aware of any material customer complaints or other claims which may cause a material and adverse effect on business and results of operation. We cannot assure that we will not receive any complaints or claims, which may cause a material adverse effect on our future operation. Any damage to or violation of our reputation or brands may result in adverse impact on our operation and financial condition.

**We collect and access certain personal information of end users of our robotics solutions through our systems. Any actual or perceived failure to comply with cybersecurity, data security and personal information protection laws, or concerns regarding our practices or policies in collecting, using, storing, transmitting, disclosing or otherwise processing such data could expose us to potential liabilities.**

We collect and access personal information of end users registered on our online platforms and mobile apps. We process such personal information of our robotics solutions through our systems and online platforms. Any actual or perceived failure to comply with data privacy, cybersecurity or data protection laws, including, where applicable, the Hong Kong Personal Data (Privacy) Ordinance, the PRC Cybersecurity Law, the PRC Data Security Law, the PRC Personal Information Protection Law, the European Union General Data Protection Regulation (GDPR) and various U.S. federal and state data privacy and cybersecurity regulations, or concerns regarding our practices or policies in collecting, using, storing, retaining, transmitting, disclosing or otherwise processing such data, could expose us to potential liabilities. Our data processing activities are subject to applicable laws and regulations domestically and abroad concerning cybersecurity, data security and personal information protection. We have adopted various measures to ensure legal compliance. See “Business – Information Security and Privacy” for more information. However, the laws and regulations regarding cybersecurity, data security and personal information protection continue to develop and may vary from jurisdiction to jurisdiction. As such, we cannot assure you that our cybersecurity, data security and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. Complying with emerging and changing overseas requirements, such as GDPR and U.S. state privacy regimes, as well as any new cybersecurity legislation expected in Hong Kong, may cause us to incur substantial costs or require us to change our business practices. We cannot guarantee full compliance with such laws and regulations at all times due to potential employee misconduct, misinterpretation of legal requirements, changes or further interpretations of applicable laws and regulations or actions by third parties. Any failure to comply with such laws and regulations in the collection, use or disclosure of personal information, whether collected by us or accessed through our systems or cybersecurity infrastructure may result in legal action or enforcement measures by government authorities or other parties. Such actions may lead to substantial penalties, negative publicity, required changes to our business practices, increased costs and significant disruption to our operations, as well as damage to customer trust, loss of business contracts and potential restrictions on our ability to provide services to customers in Europe or the United States. We rely on certain third-party service providers, including cloud hosting, cross-border data-transfer partners and data-storage vendors, to process, transmit and store data, and their failure to maintain adequate security may also expose us to risk. We cannot assure you that unauthorized third parties will not successfully

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gain access to personal information related to any end users of our solutions. Such information may also be exposed due to hacking, human error, malfeasance, system error, faulty security management or other non-compliance incidents. Any unauthorized access to personal information or compromise of our system security could adversely affect our business, financial condition and results of operations. Although we maintain insurance coverage for certain cybersecurity risks, such coverage may not be adequate, may be subject to limitations and exclusions, or may not fully cover liabilities arising under GDPR, U.S. laws or other foreign regulatory regimes.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (網絡安全審查辦法, the “**Cybersecurity Review Measures**”), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review. See “Regulatory Overview — Laws and Regulations Related to the Protection of Cybersecurity and Data Protection” for more information. On July 30, 2025, we and our PRC Data Compliance Legal Adviser conducted a consultation through telephone on a namely basis with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心) (the “**CCRC**”), which is delegated by the CAC to accept applications for cybersecurity review and therefore the competent organization for such consultation. During the consultation, the staff of CCRC confirmed that a [REDACTED] in Hong Kong does not fall within the scope of the term of “[REDACTED]” under the Measures for Cybersecurity Review. Given that (i) CCRC has confirmed that [REDACTED] in Hong Kong does not constitute a [REDACTED]; (ii) as of the Latest Practicable Date, we have not received any official notification from relevant regulatory authorities designating our network facilities and information systems as Critical Information Infrastructure (“**CII**”), and therefore we are not deemed as a CII operator; and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, therefore, our PRC Data Compliance Legal Adviser is of the view that as of the Latest Practicable Date, we were not required to file cybersecurity review under the Measures for Cybersecurity Review for our proposed [REDACTED].

Although we are not obliged to apply for a cybersecurity review pursuant to the CAC Measures with respect to our proposed [REDACTED], since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, therefore, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations.

Further, the Measures on Security Assessment of Cross-border Data Transfer (數據出境安全評估辦法), promulgated on July 7, 2022 and effective since September 1, 2022, the Provisions on Promoting and Regulating Cross-border Data Flows (促進和規範數據跨境流動規定), promulgated and effective on March 22, 2024, have provided that the transfer of personal information and important data by data handler meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border transfer of personal information or obtain a personal information protection certification. As of the Latest Practicable Date, we had not conducted any cross-border data transferring of personal information or important data. As our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such case, in order to satisfy the legal and regulatory requirements, we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business.

We expect that there will continue to be new proposed laws and regulations concerning cybersecurity, data security and personal information protection, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. If we cannot meet relevant requirements under the evolving applicable laws or regulations relating to cybersecurity, data security and personal information protection, or any compromise of security that results in unauthorized

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access, use or leakage of our customers’ personal information, we could face damage in our reputation or other negative consequences, such as investigations, fines, or suspension of our business, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, complying with various laws and regulations on cybersecurity, data security and personal information protection could cause us to incur additional costs or require us to change our business practices, including our data practices, which may significantly distract our management’s attention and adversely affect our business.

**We are subject to the risk associated with the failure or malfunction of our IT systems.**

Our business relies on the proper functioning of our IT systems, which we use to manage all aspects of our operations. We cannot provide any assurance that our IT systems will always operate without interruption. Any malfunction and mismanagement, including but not limited to cyber-attacks, unauthorized access or control, of a particular component of our IT systems may adversely affect our business and results of operations. In addition, we need to constantly upgrade and improve our IT systems to keep up with the continuous growth of our operations and business. We may not always be successful in installing, running or implementing new software or advanced IT systems as required by our business development. All of these may have a material and adverse impact on our business, financial condition and results of operations.

**Our insurance may not sufficiently cover all losses or potential claims that could affect our business, results of operations, and financial condition.**

We face various risks in connection with our business and maintain insurance policies to safeguard against these risks and unexpected events related to our operations. Our robotics solutions may carry the risk of injuries. Should our solutions be involved in an accident leading to injuries or property damage (even due to the misuse by the end customers), we may face legal claims or reputational harm. The insurance coverage we have may not be adequate, or it might not cover all potential incidents. Our current insurance coverage, which primarily includes property-related insurance, cargo transportation insurance, employer liability insurance, and export trade credit insurance, complies with mandatory requirements under applicable laws and regulations and aligns with industry practice. For details, see “Business — Insurance.” However, there can be no assurance that our insurance coverage will be adequate to fully protect against all our risk exposures and prevent us from incurring losses. In addition, there is no guarantee that we will be able to successfully claim on our current insurance policies in a timely manner or at all, due to possible exclusions and limitations on coverage. If our insurance coverage is unavailable or insufficient to address any such exposures, we may face substantial costs and resources diversion, which, in turn, could materially and adversely affect our business, results of operations, and financial condition.

**Any unexpected disruptions to our business operations, future force majeure events, natural disasters, acts of war or terrorism, the outbreak of any pandemics, or the occurrence of other incidents that are beyond our control may adversely affect our business, results of operations, and financial condition.**

Our business may be adversely affected by the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events especially in the areas where we operate. In addition, any outbreak of a contagious disease could disrupt our operations with respect to our global supply chain, production, delivery and sales, as well as the operations of our distributors. Such events could decrease the demand for our products, impact the productivity of our workforce, make it difficult or impossible for us to manufacture and deliver products in a timely manner, or to receive materials and equipment from our suppliers. Should major public health emergencies, including pandemics, arise, we could be adversely affected by more stringent employee travel restrictions, additional requirements in freight, relevant policies affecting the movement of products between

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regions, delays in the ramp-up of the production capacity and disruptions in the operations of our suppliers. In the event of a natural disaster, we could incur significant losses, which could require substantial recovery time and result in significant expenditures in order to resume operations.

### **RISKS RELATING TO OUR FINANCIAL PERFORMANCE**

**We have incurred in the past, and may incur in the future, losses.**

We have incurred losses in the past. We recorded net loss of RMB471.1 million, RMB333.5 million and RMB281.1 million in 2023, 2024 and 2025. We recorded adjusted net loss (Non-IFRS measure) of RMB268.6 million and RMB57.2 million in 2023 and 2024, respectively, and recorded adjusted net profit (Non-IFRS measure) of RMB10.1 million in 2025. We will need to maintain increased revenue levels and reduce proportionate costs and expenses in future periods to achieve profitability, and even if we do, we may not be able to maintain or increase profitability.

**We may not be able to realize revenue increase continuously, and our historic results of operations may not be indicative of our future performance.**

Our revenue was RMB529.6 million, RMB569.8 million and RMB739.9 million in 2023, 2024 and 2025, respectively. We recorded net loss of RMB471.1 million, RMB333.5 million and RMB281.1 million in 2023, 2024 and 2025, respectively.

There can be no assurance that we will be able to maintain our product sales and our historic growth rate, or achieve a higher growth rate in the future. Our ability to maintain and improve business operations depends on successfully executing certain strategies in order to achieve our future plans, including: achieving technological breakthroughs in R&D and effectively commercializing such innovations to market-ready products and solutions; expanding and optimizing our distribution network through broader distribution channel integration; scaling our production facilities to meet growing demand; managing costs and operating expenses in anticipation of business expansion; attracting and retaining qualified professionals and employees; and addressing and responding to new market opportunities and challenges.

Our ability to carry out the foregoing strategies may significantly affect our future performance. Any failure to address them could hinder our future success and adversely impact revenue and profitability. Furthermore, while our historical operational results provide valuable insights into our past performance, they may not necessarily be indicative of our future growth and returns. Various factors, including changes in market conditions, shifts in customer preferences, technological advancements and competitive dynamics, can significantly impact business outcomes. Additionally, unforeseen events such as economic downturns, regulatory changes and disruptions in supply chains may alter our operational landscape. As a result, relying solely on historic data may not provide a comprehensive understanding of our future prospects.

**We recorded net operating cash outflows historically and there can be no assurance that we will not have net operating cash outflow in the future.**

We recorded net operating cash outflows of RMB170.1 million and RMB27.6 million, respectively, in 2023 and 2024 primarily attributable to our loss before taxation. We recorded net operating cash inflows of RMB92.6 million in 2025, primarily attributable to increase in trade and bills payables. For a more comprehensive discussion of our liquidity and capital resources, see “Financial Information — Liquidity and Capital Resources — Net Cash Flow from Operating Activities” for further details. We cannot guarantee that prospective business activities of our Group and/or other matter beyond our control (such as market competition and changes to the macroeconomic environment) will not adversely affect our operating cash flows and lead to net operating cash outflows

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in the future. If we encounter long-term and continuous net operating cash outflow in the future, we may not have sufficient working capital to cover our operating costs, and our business, financial position and results of operations may be materially and adversely affected.

**We had net current liabilities and net liabilities position in the past and may not be able to achieve or maintain net assets and net current assets position in the future.**

We had net current liabilities of RMB1,459.8 million and RMB1,803.0 million as of December 31, 2024 and 2025, respectively. The major components of our current liabilities during the Track Record Period were preferred shares. As of December 31, 2023, 2024 and 2025, we recorded net liabilities of RMB1,144.8 million, RMB1,465.5 million and RMB1,733.6 million, respectively. The fluctuations in our net liabilities throughout the Track Record Period were primarily due to the fluctuations in the fair value of preferred shares. Although the preferred shares will cease to be classified as liability, and will be reclassified as equity upon the completion of the [REDACTED], which will result in the change from a net liability position to a net asset position, there is no assurance that we will not record net liabilities in the future. Having significant net liabilities could constrain our operational flexibility and adversely affect our ability to expand our business. If we do not generate sufficient cash flow from our operations to meet our present and future liquidity needs, we may need to rely on additional external borrowings for funding. If adequate funds are not available, whether on satisfactory terms or at all, we may be forced to delay or abandon our growth plans, and our business, financial condition and results of operations may be materially and adversely affected.

**We may need additional capital, and we may not be able to obtain it on favorable terms or at all.**

We primarily relied on cash flow generated from operating activities and financing activities to fund our business operations during the Track Record Period. We may, however, require additional cash resources due to changed business conditions or other future developments, including any launch of new products and solutions, exploration of new businesses, expansion into new countries and regions, various R&D activities and marketing initiatives or investments we may decide to pursue. If we fail to obtain sufficient cash flow from operating activities, we may need to obtain additional equity or debt financing. If such financing is not available to us on satisfactory terms or in a timely manner, our ability to operate and expand our business or to respond to competition could be adversely affected. In addition, our indebtedness may subject us to relevant covenants that restrict our operations and our ability to effectuate certain corporate decisions for our business, and will require interest and principal payments that could create additional cash demands and financial risk for us. Failure to satisfy any of these covenants, or otherwise could not address or waive the breach of such covenants in a timely manner or if at all, could adversely impact our business, financial condition and operational results.

**Failure to accurately forecast market demand for our solutions and maintain an optimal inventory level may materially and adversely affect our business, financial condition and results of operations.**

Effective inventory management is critical in guaranteeing stable production and timely delivery to our customers. Our inventory primarily consists of raw materials, semi-finished goods and finished goods. As of December 31, 2023, 2024 and 2025, our inventories were RMB133.8 million, RMB114.6 million and RMB186.0 million, respectively. Our average inventories turnover days were 203 days, 224 days and 217 days in 2023, 2024 and 2025, respectively. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Inventories.” Accurately forecasting market demand can be challenging. Overestimating demand may result in inventory exceeding our actual need, potentially leading to higher inventory holding costs, inventory write-downs or write-offs, and discounted sales, and could negatively impact our financial performance. Conversely, underestimating demand could result in shortages in raw materials or delayed deliveries, damaging our

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relationships with distributors and customer relationships and causing us to lose sales opportunities. Our business, financial condition and operational results may be materially and adversely impacted if we fail to accurately forecast market demand and maintain optimal inventory levels.

**We may fail to recover our trade receivables in a timely manner, which may negatively affect our liquidity and financial condition.**

As of December 31, 2023, 2024 and 2025, our trade and bills receivables, amounted to RMB109.9 million, RMB115.4 million and RMB130.8 million, respectively. We recorded credit loss allowance of trade receivables of RMB50.7 million, RMB36.7 million and RMB38.9 million, as of December 31, 2023, 2024 and 2025 respectively. See “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position— Trade and Bills Receivables.” There can be no assurance that we will be able to maintain our trade receivables turnover days at a reasonable level. Should the credit worthiness, business operation or financial condition of our distributors and customers deteriorate, or should a significant number of our customers fail to settle their trade receivables in full for any reason, we may continue to incur impairment losses in the future and our results of operations and financial position could be materially and adversely affected. In addition, there may be a risk of delay in payment by our customers within their respective credit period, which in turn may also result in an impairment loss provision. There is no assurance that we will be able to fully recover our trade receivables from the customers or that they will settle our trade receivables in a timely manner. In the event that settlements from customers are not made on a timely manner, or at all, our financial condition and results of operations may be materially and adversely affected.

**Fluctuations in exchange rates may result in foreign exchange losses and materially and adversely affect our financial performance.**

We are exposed to foreign exchange risk through our international operations and the sales of our products in global markets along with purchases and borrowings, which give rise to cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings balances, with the majority denominated in U.S. dollars, Euros, British pounds, Japanese yen, Renminbi and Hong Kong dollar. In 2025, 53.7%, 30.2% and 11.8% of our total revenue was generated from Europe, Asia and Americas, respectively. With the global expansion of our business, we expect our exports to gradually increase, which will lead to an increased level of foreign exchange risk. Any increased costs or reduced revenues as a result of foreign currency exchange fluctuations could adversely affect our margins.

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

We had recorded relatively long inventory turnover days and accounts receivable turnover days, which may lead to delays in converting our revenue into cash. Our cash conversion cycle — a metric to measure how efficiently we manage its working capital by tracking the number of days it takes to convert our investments in inventory and other resources into cash flows from sales — was 95 days, 107 days and 79 days for the years ended December 31, 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 accounts payable turnover days.

There can be no assurance that similar performance can be sustained in future periods, particularly in light of potential fluctuations in customer payment patterns, supply chain volatility, and broader macroeconomic conditions. A long cash conversion cycle may increase our reliance on working capital or external financing to support our operations and growth. If we are unable to manage our inventory and receivables efficiently or to secure adequate financing on acceptable terms, our liquidity position, financial condition, and results of operations could be materially and adversely affected.

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**We have granted and expect to continue to grant share-based awards in the future pursuant to our Share Incentive Schemes, which may result in increased share-based compensation expenses.**

We adopted our Pre-[REDACTED] Share Award Scheme in 2021 and [adopted] the Post-[REDACTED] Equity Incentive Plan upon the completion of the [REDACTED] to provide additional incentives to Directors, Officers and employees. We account for compensation costs for all share-based awards using a fair-value based method and recognize expenses in our consolidated statements of profit or loss and other comprehensive income in accordance with IFRS. For details, see “Appendix IV — Statutory and General Information — D. Share Incentive Schemes”. In 2023, 2024 and 2025, we incurred share-based expenses of RMB10.4 million, RMB13.8 million and RMB9.0 million, respectively. We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based awards under the Pre-[REDACTED] Share Award Scheme before the [REDACTED]. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

**Any changes in or discontinuation of preferential tax treatment and government subsidies currently available to us could adversely affect our business, results of operation, and financial condition.**

During the Track Record Period, we received certain government grants and preferential tax treatment according to relevant policies. Our government grants mainly included subsidies in relation to our contributions to the local economy. In 2023, 2024 and 2025, our government grants amounted to RMB5.8 million, RMB21.2 million and RMB3.3 million, respectively. See “Financial Information — Principal Components of Our Consolidated Statements of Profit or Loss — Other Income.” These government grants were mainly non-recurring in nature, and the amounts of these grants were subject to the discretion of local governments. Certain of our PRC subsidiaries were eligible for certain preferential corporate income tax rates and tax concessions during the Track Record Period, including the 15% preferential tax treatment for high- and new-tech enterprises. We cannot guarantee that we will continue to receive such government grants and preferential tax treatment in the future, and our financial condition and results of operations may be adversely affected if we fail to maintain or obtain such government grants and preferential tax treatment in the future.

### RISKS RELATING TO OUR LEGAL AND REGULATORY REQUIREMENTS

**Changes in the political and economic policies of the geographic markets in which we operate may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.**

We operate our business in a number of geographic markets across China, rest of Asia and Europe. 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. The economies in emerging markets generally differ from developed markets in many respects, including the level of government involvement, level of development, growth rate, control of foreign exchange, government policy on public order and allocation of resources. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Some local governments also exercise significant control over the economic growth and public order in their respective jurisdictions through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policies, and providing preferential treatment to particular industries or companies. Governmental actions to control inflation and other policies and regulations have often involved, among other measures, price controls, currency devaluations, capital controls and limits on imports.

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Growth of the economy in each of our geographic markets has been uneven, both geographically and among various sectors of the economy. An economic downturn, whether actual or perceived, a further decrease in economic growth rates or an otherwise uncertain economic outlook in our geographic markets or any other market in which we may operate could have a material adverse effect on our business, financial condition and results of operations. Some of these markets have experienced, and may in the future experience, political instability, including strikes, demonstrations, protests, marches, guerrilla activity or other types of civil disorder. These instabilities and any adverse changes in the political environment could increase our costs, increase our exposure to legal and business risks, disrupt our operations or affect our ability to expand our business.

**There may be changes from time to time with respect to the legal systems of the markets where we operate, and any of our failure to comply with these laws and regulations could adversely affect us.**

The legal systems in many of our markets vary significantly from jurisdiction to jurisdiction. Some jurisdictions, including China, have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

Many of our markets have not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations, as well as the related government policies and guidance, are constantly evolving and subject to change, and the application of some of these laws and regulations to our businesses is not settled. We cannot assure you that local administrative and court authorities may interpret the statutory provisions and contractual terms the same way we do, and it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the localities in which we operate. Foreign judgements and arbitration awards may not be enforced by local courts. These circumstances may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, the regulatory changes may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

It is possible that a number of laws and regulations may be adopted or construed to apply to us in our geographic markets and elsewhere that could restrict our industries. Scrutiny and regulation of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing this regulation. Changes in current laws or regulations or the imposition of new laws and regulations regarding our industries in our geographic markets may slow the growth of our industries and adversely affect our financial condition and results of operations.

**Any legal or regulatory proceedings against us could be costly and time-consuming to defend or settle and could harm our reputation.**

Our business is subject to various litigation and legal compliance risks. The results of legal and regulatory proceedings can be difficult to assess or quantify. Regardless of merit, legal and regulatory proceedings may be both time-consuming and disruptive to our operations and could divert the attention of our management and key personnel from our business operations. Such proceedings could also generate significant adverse publicity and have a negative impact on our reputation and brand image, regardless of the existence or amount of liability. Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending ourselves in future disputes or

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proceedings may be significant and could negatively affect our results of operations. As a result, any significant disputes or proceedings could adversely affect our business, results of operations, financial condition, and reputation.

**Our business depends on our ability to protect our intellectual property rights. We may also face intellectual property infringement claims, which could be expensive to defend and may disrupt our business operations.**

We own certain intellectual property, including our trademarks, copyrights, patents, and proprietary technologies, all of which we regard as critical to our success. See “Business — Intellectual Property.” We rely on a combination of intellectual property laws and contractual arrangements, including confidentiality and non-compete agreements with our employees, to protect our intellectual property rights. However, patent applications and other filings of intellectual property rights may be time-consuming and costly. There is no guarantee that we will be able to file our application at a reasonable cost, or our application will be approved in a timely manner. Although our contracts with our employees prohibit the unauthorized use of our intellectual property rights, we cannot assure you that they will always comply with these terms. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, such as our source codes and design blueprints, limiting our ability to assert any trade secret rights against such parties, or misappropriate our intellectual property despite our protective measures. Furthermore, our intellectual property rights may be challenged by a third party or be declared invalid or unenforceable. If we are not able to adequately protect our intellectual properties, our competitors may offer products with similar features or utilize similar technologies in their products, leading to a loss in our market competitiveness. This could adversely and materially affect our business, results of operations and financial conditions.

In addition, we may be accused of infringing the intellectual property rights of others. We cannot guarantee that our operations or any aspects of our business do not, or will not, infringe upon or otherwise violate intellectual property rights held by third parties. There is no assurance that such challenges will not arise in the future. There could also be existing intellectual property rights that our products may inadvertently infringe. If we are found to have violated the intellectual property rights of others, we may be subject to liabilities, prohibited from using such intellectual property, and required to pay licensing fees or develop alternative technologies. In addition, we may incur significant expenses and be forced to divert managerial and financial resources from our business operations to defend against these infringement claims, regardless of their merits. Successful infringement or licensing claims made against us may result in substantial costs and materially disrupt our business operations by restricting or prohibiting our use of the intellectual property in question. Consequently, our business, results of operations, and financial condition could be materially and adversely affected.

**We may be affected by the U.S. Outbound Investment Rule in the future, which could adversely impact our ability to raise capital from U.S. persons.**

On October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, or the Final Rule, to implement the executive order of August 9, 2023. The Final Rule became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for certain investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain 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 in some instances prohibited altogether from making, and in other instances required to report, certain investments in Covered Foreign Persons, which are defined as “Covered Transactions.” Our products have a form of rules-based automation, but they do not autonomously perceive their operating

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environment or use any type of model inference. Instead, our products rely upon predefined rules and parameters input by human operators and GPS data. Additionally, our systems also do not operate in whole or part with any system that autonomously perceives the operating environment or uses model inference. Therefore, our legal counsel for outbound investment compliance believes that, our systems do not meet the U.S. regulatory definition of an “AI System” that is set forth in the Final Rule, and because we are not engaged in any of the Covered Activities specified in the Final Rule and are not in a relationship described in the Final Rule with any other company engaged in a Covered Activity, we are not a Covered Foreign Person and investments in us by U.S. persons are not Covered Transactions under the Final Rule. Based on our understanding of the Final Rule and our current business operations, we do not believe we are within the scope of the Final Rule. However, we cannot guarantee that the U.S. Department of Treasury might not change its regulations or interpretations in the future. If we became within the scope of the Final Rule, and if U.S. persons engaged in a “Covered Transaction” that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Final Rule. Notably, President Trump issued the America Investment Policy Memorandum on February 21, 2025, which proposes to further expand the set of technologies of concern. If we were in the future deemed to be within the scope of the Final Rule due to changes in our business operations or amendments to relevant laws and regulations or the interpretation thereof, our ability to raise capital from U.S. persons could be significantly and negatively affected, in which case the [REDACTED] of our Shares may be materially and adversely affected.

**We may be subject to evolving PRC outbound investment regulatory requirements, including the newly promulgated Regulations on Outbound Investment, which may increase our compliance costs, delay or restrict our overseas expansion, investments or other cross-border transactions, and subject us to penalties if we fail to comply.**

On June 1, 2026, the State Council promulgated the *Regulations on Outbound Investment* (the “**PRC Outbound Investment Regulations**”), which will come into effect on July 1, 2026. The PRC Outbound Investment Regulations apply to outbound investments by investing parties within the PRC, including PRC enterprises, organizations and individual residents, and may require the completion of relevant review, approval, filing, reporting or registration procedures in connection with such outbound investments. These procedures may relate to, among others, information reporting, cross-border fund registration, foreign exchange, export control, cybersecurity, data security and personal information protection. The PRC Outbound Investment Regulations broadly define outbound investments to include activities whereby an investing party directly or indirectly obtains ownership, control, operation and management rights or other relevant rights and interests in enterprises or assets in other countries or regions by contributing assets or equity interests, or by providing financing or guarantees.

If we decide to conduct overseas expansion, acquisitions, investments, establishment of overseas subsidiaries, overseas research and development, deployment of technology, services or data, or other cross-border arrangements through our PRC onshore entities, we may be required to complete or update the relevant review, approval, filing, reporting or registration procedures. There can be no assurance that we will be able to complete such procedures in a timely manner, or at all, or that the PRC governmental authorities will not impose additional conditions, restrictions or requirements on such activities.

The PRC Outbound Investment Regulations also provide that investing parties shall not export or use goods, technologies, services or related data that are prohibited from export by the PRC, or export or use restricted goods, technologies, services or related data without the requisite approval or license. The PRC Outbound Investment Regulations further prohibit the transfer of such prohibited or restricted goods, technologies, services or related data to other countries or regions through means including cross-border dispatch of technical personnel, overseas deployment of personnel, cross-border provision of technical guidance or cross-border training arrangements, unless the required approval or license has been obtained. If any of our technologies, services, data, products or know-how, or any personnel

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deployment, training, technical support or overseas collaboration arrangements are deemed to fall within the scope of PRC export control, technology export, data export or other similar regulatory regimes, our ability to conduct overseas operations, provide support to overseas subsidiaries or business partners, pursue overseas research and development, or implement our international expansion strategy may be restricted, delayed or otherwise adversely affected.

In addition, the PRC Outbound Investment Regulations expressly provide that the specific administrative measures for outbound investments by PRC resident individuals and similar persons shall be formulated separately by the investment authority and commerce regulator of the State Council. Such specific implementing measures have not yet been promulgated, and there remains uncertainty as to the timing of their promulgation, their scope of application, and the approval, filing, reporting, foreign exchange registration, information disclosure or other procedural requirements that may be imposed on PRC resident individuals. To the extent that any of our PRC resident beneficial owners, shareholders or other relevant individuals are required to comply with such future measures in connection with their holding, acquisition, disposal or financing of overseas interests, establishment or use of offshore vehicles, reinvestment activities, or other outbound investment-related arrangements, they may be required to complete additional regulatory procedures or make additional filings, registrations or reports.

The PRC Outbound Investment Regulations also provide for an outbound investment security review regime, under which the PRC governmental authorities may conduct security review of outbound investments, as well as transfers or disposals of relevant overseas assets, equity interests or other rights and interests, that affect or may affect national security.

As the PRC Outbound Investment Regulations are newly promulgated, specific implementing measures (including with respect to outbound investments by PRC resident individuals) have not yet been promulgated, and the detailed implementation measures, review procedures, review standards and enforcement practice remain subject to further clarification and development. Accordingly, there is uncertainty as to the timing, scope and specific requirements of any such implementing measures, and as to how the relevant PRC governmental authorities will interpret and implement such requirements in practice. If any of our existing or future overseas investments, reinvestments, disposals of overseas assets or equity interests, financing or guarantee arrangements, or other cross-border transactions are deemed to affect or potentially affect national security, we may be required to undergo security review, provide additional materials, modify transaction terms, suspend or terminate the relevant transaction, or comply with other conditions imposed by the competent authorities. Any such review or regulatory action may result in delays, additional costs, uncertainty in transaction execution, or restrictions on our overseas investment and business expansion plans.

Failure to comply with the PRC Outbound Investment Regulations or related PRC outbound investment requirements may result in regulatory consequences, including orders to rectify non-compliance, confiscation of illegal gains, fines, revocation of approval or filing documents, orders to cease the relevant investment activities, orders to dispose of shares or assets within a prescribed period, restrictions on submitting outbound investment approval or filing applications, or prohibition from engaging in outbound investment activities for a period of one to three years. Responsible officers and other directly responsible personnel may also be subject to fines or other personal liabilities. If we, our PRC subsidiaries or other relevant PRC onshore persons fail to comply with the PRC Outbound Investment Regulations or any future implementing rules, or if the PRC governmental authorities take enforcement actions against us, our business operations, overseas expansion plans, use of proceeds, financial condition, results of operations and prospects could be materially and adversely affected.

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**We may experience delays or failures in obtaining and renewing necessary governmental approvals, licenses, or permits required for our business.**

We are required to obtain various approvals, permits, licenses and certificates in order to operate our business. Complying with government regulations may require substantial expense, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expense and divert substantial management time to resolving any deficiencies. We may experience difficulties or failures in obtaining the necessary approvals, licenses and permits. In addition, there can be no assurance that we will be able to obtain, renew and/or convert all of the approvals, licenses and permits required for our existing business operations upon expiration in a timely manner or at all. If we cannot obtain and/or maintain all licenses required by us to operate our business, planned new business operations and/or expansion may be delayed and our ongoing business could be interrupted. We may also be subject to fines and penalties.

**We are subject to certain regulatory requirements over foreign currency conversion and remittance.**

We receive substantial payments from our operations in mainland China in RMB and may need to convert Renminbi into other currencies to fund our business activities outside mainland China. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China are subject to certain regulatory requirements under PRC laws over foreign currency conversion and remittance. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to satisfy our foreign currency denominated obligations.

If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of mainland China or otherwise fund any future business activities that are conducted in foreign currencies.

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### **We face certain risks relating to our leased properties.**

As of the Latest Practicable Date, for some of our leased properties and leased land parcels, we have not been provided by the lessors with valid title certificates or other documents proving ownership rights of the relevant leased properties. Under the applicable PRC laws and regulations, the parties to a lease are required to register and file such lease with the relevant government authorities. As of the Latest Practicable Date, some of our leased properties had not been registered with the local authorities. While the lack of registration will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease.

In addition, as of the Latest Practicable Date, certain of our leased properties and land parcels are subject to other defects, including: (i) failure to obtain consent from not less than two-thirds of the members of villager assembly or the representatives of the villagers for certain leased properties and leased land parcels located on collectively-owned land; (ii) failure to obtain authorization from relevant authorities for certain of our leased properties located on allocated land; and (iii) failure of the relevant sublessors to obtain consent from the property owner or the holder of the right to use for certain leased properties and leased land parcel, which we subleased from the sublessors. Such defects may result in the termination of our relevant leases, and we may need to seek alternative premises and incur additional costs for relocation.

As advised by our PRC Legal Advisor, (i) the risk of material administrative penalty for any of the title defects in our leased properties and land parcels is remote; (ii) the lack of registration and filing of the leases will not affect the validity of the leases under PRC laws, but we may have a maximum penalty of RMB10,000 imposed on us for each non-registered lease if we fail to complete the lease registration and filing after we are requested to do so by the competent PRC government authorities; (iii) we may be ordered to carry out relevant remedial actions for the lack of Fire Safety Filing of the leased property and have a maximum penalty of RMB5,000 imposed on us for such lease. During the Track Record Period, we were not subject to any material administrative penalties in relation to these properties. Nevertheless, there can be no assurance that we will not be subject to challenges, lawsuits, fines and penalties imposed by government authorities or other actions taken against us with respect to the aforementioned properties leased by us. For further details, see “Business — Properties.”

In addition, a company that uses an office in a location outside its corporate residence address to conduct business operation shall, in principle, register such office as a branch company or a subsidiary with the competent local authority. As of the Latest Practicable Date, we did not register certain of the locations outside of the corporate residence addresses as branch companies or subsidiaries. Although we have not been subject to any query or investigation by any PRC governmental authorities regarding the absence of such registration, we may be subject to penalties if the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations.

### **Failure to comply with the Labor Contract Law or other labor-related laws and regulations in the PRC, as well as in other jurisdictions, may have an adverse impact on our financial conditions and results of operations.**

Pursuant to the Labor Contract law of the PRC (《中華人民共和國勞動合同法》) and its implementation rules, employers are subject to strict requirements in terms of signing labor contracts, minimum wages, paying remuneration, overtime working hours limitations, determining the term of employees’ probation and unilaterally terminating labor contracts. The Labor Contract Law of the PRC and its implementation rules may limit our ability to terminate employments or to make other labor adjustments at will.

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Companies operating in China are required to complete related registration with the competent authorities and contribute to the government-sponsored employee benefits plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based. We provide social security insurance as required by relevant rules and regulation in China, including general care and work-related injury insurance, and housing provident fund for our employees. During the Track Record Period, we did not pay social insurance and housing provident fund in full based on the actual salary level for certain of our employees as prescribed by relevant laws and regulations, primarily due to (i) certain employees ceased employment with us before completing the statutory period required for enrollment in and/or contributions to social insurance and housing provident fund schemes; (ii) certain employees were reluctant to make personal contributions based on their full salaries, as this would result in lower actual wages received after deductions; and (iii) for some newly recruited employees, the transfer procedures for their existing social insurance and housing provident fund accounts were still in progress. As a result, we may be required by competent authorities to pay the outstanding amount and may be subject to additional late payment fees. In respect of the legal consequences and the potential penalties for the failure to make full contributions to social insurance and housing provident fund, under PRC laws and regulations, the relevant competent authorities may (i) order us to pay the outstanding social insurance contributions within a certain period of time and impose an overdue fee amounting to 0.05% of the outstanding amount per day, failing to comply with which the relevant competent authorities may further impose a fine amounting to no less than one time but less than three times the outstanding amount; and (ii) order us to pay the outstanding housing provident fund contributions within a certain period of time, and an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit. We cannot guarantee you that the competent government authorities will not require us to settle the outstanding amount within a specified time limit or impose late payment penalties on us. During the Track Record Period, the shortfall of social security and housing provident funds amounted to RMB1.2 million. If the relevant authorities order us to fully contribute the social insurance and/or housing provident funds, we would make full contributions and rectification measures as soon as possible within the specified period. See also “Business — Employees”.

In addition, we engaged third-party human resource agencies to pay social insurance and housing provident funds for a small number of our employees during the Track Record Period. We might be subject to additional contribution, late payment fee and/or penalties imposed by the relevant authorities if the third-party human resource agencies failed to pay the social insurance or housing provident funds for the relevant employees in full amount and/or in a timely manner, or if the validity of such arrangements are challenged by relevant authorities.

Our PRC Legal Adviser has considered the following in assessing our risks relating to social insurance and housing provident fund contributions: (i) Pursuant to the Notice on Implementation of the Comprehensive Plan for Reducing Social Insurance Contribution Rates (《關於貫徹落實〈降低社會保險費率綜合方案〉的通知》) promulgated on April 28, 2019 by the Ministry of Human Resources and Social Security, Ministry of Finance and State Administration of Taxation and other relevant rules, administrative authorities are prohibited from collectively recovering enterprises’ historical social insurance arrears; (ii) we have obtained relevant credit report from the credit institutions authorized by local governmental authorities with confirmation of no violation records or administrative penalties in relation to our social insurance or housing provident fund matters during the Track Record Period; (iii) we have consulted relevant local authorities to obtain confirmations; and (iv) if we receive a notice from relevant authorities requiring us to rectify within a specified period, we will promptly comply with the requirements of such notice.

As of the Latest Practicable Date, subject to no material changes to the foregoing existing regulatory policies, enforcement and supervisory requirements of the local governments or competent authorities, and in the absence of employees’ further complaints, reports, or litigation or arbitration, the

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risk that the forgoing competent authorities for social insurance or housing provident funds will proactively require our PRC subsidiaries to centrally make retroactive payments for historical arrears for social insurance and housing provident funds and as a result, impose material administrative penalties on us, is relatively remote.

Furthermore, pursuant to the Interpretation II of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**New Judicial Interpretation**”), promulgated on July 31, 2025 and effective since September 1, 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people’s court. See “Regulatory Overview – Laws and Regulations Related to Labor Protection, Social Insurance and Housing Provident Funds – Social Insurance and Housing Provident Fund” for details.

As advised by the PRC Legal Adviser, the New Judicial Interpretation does not expand our Company’s penalty exposure or repeal the PRC social insurance laws and regulations currently in force. However, as PRC labor laws and regulatory guidance continue to evolve, we cannot assure how future developments may affect our operations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to related penalties, fines or legal fees, and our business, financial condition and results of operations could be materially and adversely affected. Furthermore, we cannot assure you that any claims or disputes initiated by employees regarding social insurance or housing provident fund will not arise in the future, and such claims or disputes may have an adverse impact on our business performance and financial condition.

During the Track Record Period, we engaged third-party employment agencies to dispatch contract workers. According to the Interim Provisions on Labor Dispatch (《勞務派遣暫行規定》) promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014 (the “**Interim Provisions**”), the number of dispatched contract workers hired by an employer shall not exceed 10% of the total number of its employees (including both directly hired employees and dispatched contract workers). Pursuant to relevant PRC laws and regulations, if an employer violates regulations related to labor dispatch, the labor administration department will order it to make corrections within a specified period. Failure to make corrections within the given period may lead to a fine ranging from RMB5,000 to RMB10,000 per person. During the Track Record Period, the total number of dispatch contract workers hired by one of our subsidiaries exceeded 10% of the total number of its employees. As of the Latest Practicable Date, all of our subsidiaries within our Group had less than 10% of dispatched contract workers. Even though we had not received any notice of warning or been subject to any administrative penalties or other disciplinary actions from relevant PRC authorities during the Track Record Period and up to the Latest Practicable Date, we cannot assure you that the relevant PRC authorities will not take actions retrospectively against us for our past practice, which may adversely affect our business, results of operations and reputation.

In addition, we may be subject to labor-related laws and regulations in jurisdictions outside the PRC, including those governing minimum wages, working hours, employee benefits, and occupational safety. If we are deemed to have violated relevant labor-related laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

### **Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.**

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of mainland China with “de facto management bodies” located in mainland China may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the

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rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Resident Enterprises on the Basis of De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (Guo Shui Fa [2009] No. 82) (the “**Circular 82**”), specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated by enterprises or enterprise groups within mainland China as major controlling shareholders under the laws of foreign countries or regions will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within mainland China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in mainland China; (iii) primary properties, accounting books, company seal, and minutes of board meetings and shareholders’ meetings are located or kept within mainland China; and (iv) at least half of the directors with voting rights or senior management reside within mainland China. The SAT has subsequently provided further guidance on the implementation of Circular 82.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries’ global income, except that the dividends they receive from our mainland China subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes “dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise.” Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a “PRC resident enterprise” for such purposes. The EIT on our subsidiaries’ global income could significantly increase our tax burden and affect our cash flows and profitability.

**We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws and regulations, and non-compliance with such laws and regulations may subject us to administrative, civil, and criminal penalties, collateral consequences, remedial measures, and legal expenses.**

We are subject to anti-corruption, anti-bribery, anti-money laundering and similar laws and regulations in various jurisdictions in which we conduct activities. We may be exposed to fraud, bribery, corruption, or other misconduct committed by our employees, customers, suppliers or other third parties. We have adopted policies and procedures designed to ensure compliance all applicable laws and regulations. We have established relevant mechanisms to ensure the implementation of such policies and procedures, such as periodic review and reporting the issues identified including those related to our employees and other parties, collecting evidence and reporting to relevant authorities if there involves violation of applicable laws and regulations of our employees and other parties. However, our policies and procedures may not be sufficient, and our directors, officers, employees, suppliers, representatives, consultants, agents, and business partners could engage in improper conduct for which we may be held responsible.

Non-compliance with anti-corruption, anti-bribery, anti-money laundering, or similar laws and regulations could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures, and legal expenses, any of which could materially and adversely affect our business, reputation, financial condition and results of operations.

**You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us or our Directors or senior management.**

Most of our assets are situated in the PRC. In addition, most of our Directors and senior management are PRC citizens. As cross-border service of process is typically cumbersome and time-consuming, it may be difficult for investors outside of mainland China to effect service of process

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upon us or our management residing in mainland China. We cannot guarantee that all judgments made by foreign courts will be recognized and enforced in the mainland China, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court.

### **RISKS RELATING TO THE [REDACTED]**

**There has been no prior [REDACTED] for our Shares, and an [REDACTED] for our Shares may not develop or be sustained.**

Prior to the [REDACTED], there was no [REDACTED] for our Shares. We cannot assure you that a [REDACTED] for our Shares with adequate [REDACTED] and [REDACTED] will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our Shares is the result of negotiations between the [REDACTED] (for themselves and on behalf of the [REDACTED]) and us, and may not be an indication of the [REDACTED] at which our Shares will be [REDACTED] following the completion of the [REDACTED]. If an active [REDACTED] for our Shares does not develop following the completion of the [REDACTED], the [REDACTED] and [REDACTED] of our Shares may be materially and adversely affected.

**The [REDACTED] and [REDACTED] of our Shares may be volatile.**

The [REDACTED] of our Shares may be subject to significant volatility in response to various factors beyond our control, including the general conditions of the securities markets in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. It is possible that our Shares may be subject to changes in price not directly related to our business performance. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the [REDACTED] of our Shares. In addition to market and industry factors, the [REDACTED] of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, results of operations, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. In addition, the volatility in the [REDACTED] of our Shares may negatively impact our ability to raise capital in the future through the issuance of additional equity securities.

**Our issuance of additional Shares or other equity securities could result in additional dilution to our Shareholders.**

As the [REDACTED] of our Shares is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], [REDACTED] of our Shares in the [REDACTED] may experience an immediate dilution. Our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible asset value per Share of their Shares. To raise additional capital, we may consider issuing additional Shares or other equity securities in the future, which may further result in further dilution for our Shareholders. In addition, holders of our Shares may experience further dilution of their interest if the [REDACTED] exercise the [REDACTED] or if we issue additional Shares in the future to raise additional capital.

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**You will incur immediate and substantial dilution if the [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share.**

The [REDACTED] of our [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, [REDACTED] of our [REDACTED] in the [REDACTED] will experience an immediate dilution. Existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible assets value per share of their shares. See Unaudited [REDACTED] Financial Information in Appendix II to this document.

**Future sales or market perception of sales of a substantial number of our Shares on the [REDACTED] could adversely affect the [REDACTED] of our Shares.**

After the completion of the [REDACTED], future sales of a substantial number of our Shares or other securities relating to our Shares on the [REDACTED], or the market perception that such sales may occur, could adversely affect the [REDACTED] of our Shares and our ability to raise future capital at a favorable time and price. We cannot predict the effect of any future sales or market perception of sales of a substantial number of our Shares on the [REDACTED] on the [REDACTED] of our Shares.

**We cannot assure you whether and when we will declare and pay dividends in the future.**

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

**Non-PRC resident holders of our Shares may be subject to PRC income tax obligations.**

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor’s jurisdiction of residence that provides for a different income tax arrangement, mainland China withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have an establishment or place of business in the PRC if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC unless a treaty or similar arrangement provides otherwise.

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC resident individuals are generally subject to a withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to a 20% income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties

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and laws in the PRC. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of Shares are generally subject to PRC individual income tax at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with mainland China are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals’ income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If mainland China income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-mainland China resident investors, the value of your [REDACTED] in our Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with mainland China may not qualify for benefits under such tax treaties or arrangements.

### **We have no experience operating as a public company.**

Since we are becoming a public company, our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to public companies, including requirements relating to corporate governance, listing standards and securities and investor relationships issues. As a public company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

### **We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.**

Our corporate affairs are governed by our Memorandum and Articles of Association and by the Cayman Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the

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Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority shareholders may be located.

As a result of all of the above, minority shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or our majority shareholder, which may provide different remedies to minority shareholders when compared to the laws of the jurisdiction in which such shareholders are located.

**We cannot guarantee the accuracy of facts, forecasts, and other statistics obtained from official government sources contained in this document.**

We have derived certain facts and other statistics in this document, particularly those relating to the general economy and the industry in which we operate, from information provided by various public sources, industry associations, independent research institutes and other third-party sources, including a report prepared by Frost & Sullivan that we commissioned. Certain facts, forecasts, and other statistics in this document are derived from various official government resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], [REDACTED], or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. 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 should be attached to or placed on such facts 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 pro-forma 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 result, 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 [REDACTED] should not place undue reliance.

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

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