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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

New R&D outcomes or trends could make our products uncompetitive, thereby adversely affecting our financial conditions and results of operations.

Technological advancement and industry standards in downstream application sectors for which our products are used may affect the application requirements of our customers and their products. If we fail to develop new products or refine our technologies to match the requirements of customers, our business, financial condition and results of operation may be adversely affected.

The industry in which we operate is highly competitive.

The PCB industry is highly competitive, and we face pressure from competitors with similar products at lower prices or possess greater financial resources, technological capabilities or broader customer bases. If we are unable to respond effectively to technology, industry standards, customer demand or regulatory requirement changes, our competitive position may weaken. Failure to compete effectively, or to incur significant costs to do so, could materially and adversely impact our business, financial condition, and results of operations.

Factors that adversely affect the application sectors where our end customers operate may adversely impact our business, financial condition and results of operations.

Our products are offered to customers in industries including data communications, smart vehicles and industrial control. Factors that adversely affect these industries, including decline in demand, tax treatment reduction, changes in regulatory requirements, materially and adversely affect our business, financial condition, results of operations and prospects. If we fail to adjust to changes in the market condition of our downstream application sectors, our business, financial condition, results of operations and prospects will be adversely affected.

Our success depends on the collaboration with customers.

Our products are customized to the customers' specifications. We cannot assure that efforts in maintaining relationships with customers will result in orders or long-term business relationships. Customers may impose tight development timelines and demand extensive localized technical support, and we may need to allocate a significant portion of our limited resources to customer services, which could divert attention from or delay critical development projects. Any such delays or failure to meet customer expectations or timely adapt to evolving requirements could harm customer relationships and adversely affect our business, financial condition, results of operations, and future prospects.

We have been and intend to continue investing significantly in R&D activities, which may not generate the expected results.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our R&D expenses were RMB538.9 million, RMB789.6 million, RMB1,140.9 million, RMB212.8 million and RMB417.0 million, respectively, accounting for 6.0%, 5.9%, 6.0%, 5.3% and 6.7% of our total revenue for the respective periods. R&D activities are inherently uncertain, and we cannot guarantee that our efforts will succeed or deliver the expected. Rapid technological advancements may render our products obsolete before market launch, preventing recovery of related expenses and adversely affecting our revenue, profitability and market share. New products may not achieve commercial success due to factors beyond our control, which could materially and adversely affect our business, financial position and results of operations.

Insufficient production capacity or failure to achieve expected capacity utilization rates could adversely affected our results of operations.

If we are unable to secure sufficient production capacity to meet customer demand, we may be unable to fulfill customer orders, potentially leading to sales loss, damage to customer relationships, and market share decline. If production capacity fails to match current or future customer demands, our facilities would be underutilized, our sales may not fully cover operating costs, and we would be less likely to achieve expected gross margins. If the utilization rate falls short of expectations, we may not be able to achieve the expected economies of scale, which would materially impact our profit margins. See "— Risks Relating to Our Business and Industry — We may not be able to operate our Thai production base as efficiently as those in the PRC" in this section for more details.

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

Our revenue increased by 49.3% from RMB8,938.3 million in 2023 to RMB13,341.5 million in 2024, and further increased by 42.0% to RMB18,945.2 million in 2025. Our revenue increased by 53.9% from RMB4,037.6 million for the three months ended in March 31, 2025 to RMB6,214.2 million for the three months ended in March 31, 2026. We may not be able to continue growing at the same rate or at all. The execution of our future expansion plans may require significant investment of capital and management attention, and we may face challenges in implementing them effectively or within the expected time frame. If we are unable to successfully execute our strategies, or if the benefits we realize are less than estimated, our business, financial condition and results of operations may be adversely affected.

We may not be able to maintain quality control over our products.

Our product quality depends on the effectiveness of quality control protocols, which may not always prevent or resolve deviations from our quality requirements. In the event of quality issues, we may face customer complaints, product liability claims, recalls, or significant returns or exchanges, and we may not be able to obtain indemnification. Resolving such issues, including through potential legal proceedings, could be time-consuming and costly regardless of outcome, and may materially and adversely affect our business, financial condition, results of operations, market acceptance of our products, and future prospects. Any product liability claim could result in significant expense, divert the efforts of R&D and management personnel. In addition, certain product liability claims may result from defects from components provided by raw material suppliers. Such suppliers may not indemnify us for losses resulting from defects and product liability claims in full or at all. Our insurance coverage might be insufficient to fully cover damages sought and the claiming process might be prolonged.

Disruptions and suspension of our production lines can significantly impact our production volume, and our business, financial condition and results of operations can be affected as a result.

During the Track Record Period, we produced all of our products at our production bases in the Chinese Mainland and Thailand. Any disruption or suspension of production, even if temporary, caused by adverse weather, natural disaster or other unanticipated catastrophic event, including, without limitation, power interruptions, water shortage, storms, fires, earthquakes, terrorist attacks and wars, or delay in delivery could significantly impair our ability to produce our products and operate our business.

We may not be able to operate our Thai production base as efficiently as those in the PRC.

Operating an overseas facility, such as our Thai production base, exposes us to various risks, including political and economic instability, local employment conditions, trade barriers, potential governmental expropriation and business practice differences, which may lead to higher costs, delivery delays, or operational disruptions and result in lost revenues. In addition, production ramp-up involves uncertainties related to equipment installation, yield rates, workforce recruitment and training, and supplier and raw material qualification; failure to meet planned timelines or targets could impair ability to fulfill customer orders and harm customer relationships and reputation. Our operation in Thailand is subject to supply chains that may not be as stable as those in China. Any disruptions, may result in increased costs, reduced manufacturing efficiency, and ultimately a negative impact on our financial performance.

We are subject to environmental, fire prevention, health and safety laws and regulations and production standards and it may be onerous and costly to comply with such regulations and standards.

Our operations are subject to government regulation, including environmental, health and safety laws and regulations. For further details, see "Regulatory Overview — Regulations Relating to Construction and Environmental Protection." The manufacture of PCBs requires compliance with extensive city, county, national, and foreign environmental, health, and safety laws governing the storage, use, handling, and disposal of hazardous materials, as well as wastewater and air quality standards, which are critical because our processes use and generate hazardous substances. We may incur financial liabilities for the investigation and remediation of contaminated sites, including those used for waste disposal, and violations of environmental laws or permit requirements could result in fines, penalties, permit revocations, production limitations or shutdowns, and costly, time-consuming litigation, even if we ultimately prevail. Environmental regulations have become more stringent, particularly in developing countries, which may increase both compliance costs and risks and penalties associated with violations. Changes or restrictions on discharge limits, emissions, or the storage, handling, or disposal of materials could require significant unplanned capital investment, compliance measure expansion, or relocation to locations with less restrictive regulations. As a result, ongoing compliance with regulatory requirements could materially increase costs and adversely affect our business, financial condition, and results of operations.

We rely on certain key suppliers.

We rely on certain key suppliers for raw materials and equipment. In each year/period during the Track Record Period, the aggregate purchases from our five largest suppliers were RMB2,179.0 million, RMB3,936.1 million, RMB5,972.7 million and RMB2,179.4 million, respectively, accounting for 41.3%, 40.5%, 42.2% and 41.6% of our total purchase, respectively. See "Business — Our Supply Chain." Accordingly, if any of our suppliers, fails to provide raw materials or equipment in a timely and satisfactory manner, or terminates relationship with us, and if we are unable to timely secure alternative sources, our business and results of operation may be adversely affected. In addition, if any of these suppliers loses its qualification eligibility, recover from natural disasters and disruptions, or subject to trade protection measures, and we are unable to obtain alternative resources in a timely manner, our business and results of operations may be adversely affected.

We may be subject to risks associated with international trade policies, geopolitics and trade protection measures.

Our operations are subject to changes in political and economic relations among countries and sanctions and export controls administered by government authorities in the countries in which we operate, and other geopolitical challenges. In particular, the U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. In recent years, the United States increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**") administered by the Bureau of Industry and Security ("**BIS**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**BIS Entity List**"). The export, re-export and/or in-country transfer of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar restrictions or regulations that may be imposed by the U.S. or other jurisdictions, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. During the Track Record Period, certain of our customers or suppliers were listed on the BIS Entity List and were subject to restrictions from sourcing or selling technologies, software, or components from or to us. See "Business — Business Activities Subject to U.S. Export Controls and Sanctions."

During the Track Record Period, our products were offered to our customers in China and overseas. However, we cannot assure you that our customers will not engage in the export of their goods incorporating our products into the U.S. or other countries and regions, and that such export will not be subject to the restrictions introduced by the U.S. or other states and political entities. We have no control over the countries to which the customers will sell their end products. If the export sales of the customers' end products are restricted, prohibited or made subject to any trade conditions under any international export controls or economic sanctions policies imposed by any jurisdictions, the customers' demand for our products may drop significantly. In addition, the Department of the Treasury of the U.S. (the "**U.S. Treasury Department**") issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "**OISP Final Rule**") targeting investments by U.S. persons involving persons and entities associated with "countries of concern," including China, that engaged in activities in sectors such as semiconductors, microelectronics, quantum information technologies or artificial intelligence. See " Business — The U.S. Outbound Investment Restrictions." As advised by our legal advisor as to the OISP Final Rule, our Directors are of the view that, neither (i) the subscription of H Shares by U.S. persons in the Global Offering, nor (ii) the purchase and trading of H Shares by U.S. persons on the Hong Kong Stock Exchange following Listing, constitutes a covered transaction under the outbound investment rule or is subject to any prohibition or notification obligation thereunder. However, we cannot rule out potential amendments to the outbound investment rule that further restrict U.S. person's investment, while the America First Investment Policy is likely to expand the scope of the outbound investment rule. We cannot guarantee that the U.S. Treasury Department will not adopt a different interpretation and treat an equity [**REDACTED**] in our H shares by a U.S. person as a covered transaction that requires notification or is prohibited. Such uncertainties may reduce the interest of U.S. [**REDACTED**] in our equity securities, which could in turn adversely affect the prevailing market price and liquidity of our H shares and have a detrimental impact on our business, financial condition and prospects.

Our business and prospects depend on our ability to maintain reputation, which could be harmed by negative publicity.

We may not be able to maintain or enhance our reputation. Any loss of trust in products could harm our reputation, which could reduce our revenue and profitability. Any negative publicity about us, our Directors, employees, brand, products, whether warranted or not, may adversely affect reputation and business. If our reputation is damaged, we may face challenges in maintaining current business relationships with customers and in entering into new markets, which may adversely affect our business, financial condition, results of operations and prospects.

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

Our raw material costs represent a substantial portion of our total cost of sales. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, raw material costs accounted for 55.8%, 56.5%, 60.7%, 63.8% and 62.3% of our cost of sales for the respective periods. We are subject to commodity price volatility as prices of raw materials may fluctuate due to factors beyond our control, including economic conditions, industry cycles, and geopolitical conflicts, such as recent regional conflicts involving the U.S., Israel and Iran. In particular, we are subject to fluctuations in the prices of copper-related materials, including copper foil and copper anodes, which are directly linked to global copper commodity prices. We may not be able to pass through raw material cost increases to customers by raising product price, as our ability to do so is subject to market conditions, competitive dynamics and customer negotiations; while if product price increase significantly, we may lose competitive advantage in the market, in either case affecting our results of operations. See "Business — Our Supply Chain."

We may not be able to obtain or maintain adequate intellectual property ("IP") rights protection for our products, or the scope of such IP rights protection may not be sufficiently broad.

Our success depend largely on our ability to protect proprietary technology and products from competition by obtaining, maintaining and enforcing IP rights, including patent rights. The IP application process may be expensive and time-consuming, and we may not be able to file and prosecute all necessary IP applications at a reasonable cost or in a timely manner. IP applications may not be approved in a form that will provide meaningful protection from competition. Patent issuance is not conclusive as to its inventor, scope, validity or enforceability, and our patents may be challenged in China and other jurisdictions. Further, if we fail to extend patent life, we may face competition once the patent life has expired for the product.

We may be subject to IP infringement claims or other IP disputes, which could be costly, time-consuming, and may disrupt our business.

Our competitors may claim that products or manufacturing processes infringe upon their IP rights. Defending against such claims, can be expensive, time-consuming, and divert management's attention from core business operations. We could be required to pay substantial damages, enter into royalty or licensing agreements on unfavorable terms, or cease the sale of and redesign the infringing products if we fail to defend these claims. Any adverse outcome in any IP litigation could result in our patents being invalidated, held unenforceable, or interpreted narrowly, thereby diminishing the scope of our proprietary protection, which could have a material adverse effect on our business, financial condition, and results of operations.

We may not be able to protect our trade secrets.

We rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect products and competitive position. If a competitor gains access to and use such information, our competitive position will be compromised. In addition, to the extent that our employees or business partners use IP owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. If we fail in prosecuting or defending any such claims, we may pay charges and lose IP rights.

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

Our continued success depends and will continue to depend to a significant extent on our abilities to retain key management team members, and their continuing services to formulate and execute our business plan and to identify and pursue new opportunities. The loss of services of any of these individuals, or the ineffective management of any leadership transitions, could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition, results of operations and prospects. In addition, our success depends on our ability to attract and retain a large number of other qualified employees, especially senior R&D personnel and skilled engineers, who we rely on to develop core technologies and products. In order to compete for talent, we may need to offer higher compensation, better training, more attractive career opportunities and other benefits to our employees, which may be costly. We cannot assure you that we will be able to attract, develop or retain the qualified personnel necessary to support future growth, or that we will be able to train new employees to meet our growing business demand.

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

As of December 31, 2023, 2024, 2025 and March 31, 2026, our trade receivables were RMB2,717.7 million, RMB4,092.6 million, RMB5,599.3 million and RMB6,566.1 million, respectively. In 2023, 2024, 2025 and the three months ended March 31, 2026, our average trade receivables turnover days were 99 days, 91 days, 91 days and 87 days, respectively. Fluctuations and extension of trade receivables turnover may adversely affect cash flow and liquidity. See "Financial Information — Selected Balance Sheet Items" for details. If the credit-worthiness of our customers deteriorates or if our customers fail to settle trade receivables for any reason, we may incur additional impairment loss, and our business, financial condition and results of operations may be adversely affected.

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

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue was RMB8,938.3 million, RMB13,341.5 million, RMB18,945.2 million, RMB4,037.6 million and RMB6,214.2 million, respectively. We may encounter risks and difficulties relating to our operations and industries. As a result, our past performance may not be indicative of our business, results of operations, and financial condition, and we may not be able to effectively manage our future growth. See "Business — Our Strategies."

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

According to the applicable PRC tax regulations, the statutory corporate income tax rate in the PRC is 25%. Certain of our Group members enjoyed preferential income tax rates during the Track Record Period. See Note 11 to the Accountant's Report in Appendix I to this document. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by PRC tax authorities, it could adversely affect our business, financial condition and results of operations. In addition, during the Track Record Period, we benefited from government grants. We recorded government grants under other income of RMB75.4 million, RMB70.0 million, RMB85.0 million and RMB30.2 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Any discontinuation, reduction or delay of any government subsidies would have an adverse impact on our business, financial condition and results of operations.

We may be subject to inventory obsolescence risk.

As of December 31, 2023, 2024, 2025 and March 31, 2026, we had inventories of RMB1,548.4 million, RMB2,274.3 million, RMB4,091.7 million and RMB4,913.4 million, respectively. Failure to adequately manage inventory risks may lead to inventory obsolescence, decline in inventory value or inventory write-offs. In 2023, 2024, 2025 and the three months ended March 31, 2026, our average inventory turnover days were 87 days, 76 days, 91 days and 100 days, respectively. Any fluctuation and extension of inventory turnover may adversely affect our cash flow and liquidity. See "Financial Information — Selected Balance Sheet Items — Current Assets/Liabilities — Inventories" for details. In addition, it may be difficult to accurately forecast demand and determine the appropriate inventory level. If the actual demand is lower than forecast, we may be subject to overstock, resale of inventories at less favorable terms, or write-downs of inventories.

Failure to fulfill our obligations in respect of contract liabilities could adversely affect our liquidity and financial condition.

Our contract liabilities were RMB22.6 million, RMB28.9 million, RMB65.8 million and RMB82.0 million as of December 31, 2023, 2024, 2025 and March 31, 2026, respectively. See "Financial Information — Selected Balance Sheet Items — Current Assets/Liabilities." If we are not able to fulfil obligations to our contract liabilities, such contract liabilities will not be recognized as revenue and we may have to refund the advance payment by our customers, affecting our liquidity and financial condition.

We have granted and may continue to grant share-based awards.

We have established the 2020 Share Option Incentive Plan and the 2024 Share Option Incentive Plan. The fair value of shares granted to employees is recognized as an expense over the vesting period, being the period over which all of the vesting conditions are satisfied. In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, we recognized expenses arising from equity-settled share-based payments of RMB34.5 million, RMB77.1 million, RMB252.1 million, RMB63.8 million and RMB62.4 million, respectively. See Note 26 to the Accountant's Report in Appendix I to this document. We may continue to grant share-based awards in the future, and our financial performance and ownership interests of our Shareholders may be affected by the share-based compensation as the expenses associated with share-based compensation will decrease our net profit and the establishment of a new share incentive plan may potentially dilute the ownership interests of our Shareholders.

If we determine our intangible assets to be impaired, our business, financial condition and results of operations may be adversely affected.

As of December 31, 2023, 2024, 2025 and March 31, 2026, our intangible assets were RMB115.3 million, RMB107.9 million, RMB129.8 million and RMB127.1 million, respectively. Our intangible assets may be subject to impairment. Please see Note 16 to the Accountant's Report in Appendix I to this document. If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected.

Our revenue and cost of sales are subject to foreign exchange fluctuations.

We sell to customers in various overseas countries, which results in transactions and balances denominated in currencies other than the functional currency of the Company, being RMB, which exposes us to foreign exchange risks. As of December 31, 2023, 2024, 2025 and March 31, 2026, our USD denominated financial assets amounted to RMB2,809.0 million, RMB4,329.8 million, RMB5,702.1 million and RMB6,788.2 million, accounting for 17.5%, 20.4%, 20.2% and 20.7% of our total assets, respectively. Meanwhile, our USD denominated financial liabilities amounted to RMB1,801.5 million, RMB2,540.7 million, RMB2,968.7 million and RMB4,320.9 million, accounting for 29.1%, 27.4%, 22.6% and 27.1% of our total liabilities, respectively. Any significant fluctuations in the exchange rates between foreign currencies and RMB may materially and adversely affect our results of operations. In 2024 and the three months ended March 31, 2025, we incurred net foreign exchange gains of RMB97.1 million and RMB8.7 million, respectively. In 2023, 2025 and the three months ended March 31, 2026, we incurred net foreign exchange losses of RMB15.5 million, RMB1.5 million and RMB148.5 million.

Fair value change in our financial instruments may adversely affect our financial condition and results of operations.

During the Track Record Period, certain of our financial instruments are subject to fair value measurement. For further details, see "Financial Information — Critical Accounting Policies and Estimates — Fair Value Measurement." We made equity investments and unlisted equity investments during the Track Record Period. Based on business intent and holding purpose for the relevant investments at initial recognition, such investments are designated as either (i) other financial assets at FVPL, or (ii) financial assets at FVOCI. As of December 31, 2023, 2024, 2025 and March 31, 2026, our other financial assets at FVPL amounted to RMB118.0 million, RMB69.9 million, RMB85.0 million and RMB85.0 million, respectively, while our other financial assets at FVOCI amounted to RMB210.9 million, RMB430.3 million, RMB486.8 million and RMB1,037.9 million, respectively. Any net change in the fair value of such assets is recorded in our statements of comprehensive profit or loss and other comprehensive income and therefore may adversely affect our results of operations.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the jurisdictions where we operate.

During the Track Record Period, we engaged in cross-border intra-group transactions among our entities in the Chinese Mainland, Hong Kong, Singapore and Thailand, primarily comprising (i) intra-group sales and purchases of finished products, (ii) intra-group provision of sales agency services, (iii) intra-group contract processing arrangements, and (iv) other intra-group transactions. In 2023, 2024 and 2025, our intra-group transactions amounted to RMB6,505.0 million, RMB10,368.5 million, and RMB13,268.1 million, respectively. Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. See "Business — Cross Border Intra-group Transactions." If relevant tax authorities determine that our cross-border intra-group transactions are not conducted on an arm's length basis, they may adjust the income of the relevant entities, which could result in increased tax liabilities. In addition, transfer pricing arrangements may give rise to tax recoverable in certain jurisdictions.

Rising staff costs and shortages of qualified employees may materially adversely affect our business, financial condition, and results of operations.

Our success depends on our ability to hire, train, retain and motivate our employees. If employees engage in a strike or other work stoppage, we may experience significant operational disruption and/or accept higher staff costs, adversely affecting our business, financial condition and results of operations. We have employees in various jurisdictions, and are subject to varied laws and regulation. In addition, we may incur compensation and other costs at our own expense. Such incidents could result in a deterioration of our relationship with employees and damage our reputations, which could result in production and operation disruption. In addition, there is no guarantee that we will maintain a stable and qualified work force at favorable costs. Staff costs have been increasing and may continue increasing. We may increase total compensation to attract and retain professionals required to achieve business objectives. However, these increased costs might not be passed onto customers on selling prices in light of market competition, which could adversely affect our business, financial condition and results of operations.

Our insurance coverage may not be sufficient to cover all losses or potential claims.

We cannot assure you that our insurance will be adequate to cover the associated losses and potential claims. If we are held liable for amounts and claims exceeding the limits of our insurance coverage or outside the scope of our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

We operate in a number of countries and regions, which are subject to legal, regulatory, operational and other risks inherent in internal and cross-border operations.

In 2023, 2024, 2025 and the three months ended March 31, 2025 and 2026, our revenue generated from overseas sales was RMB7,217.5 million, RMB11,104.1 million, RMB15,554.8 million, RMB3,330.8 million and RMB5,250.3 million, respectively, representing 80.7%, 83.2%, 82.1%, 82.5% and 84.5% of our total revenue, respectively. Having operations in multiple jurisdictions and expanding into new markets may subject ourselves to the following risks: (i) challenges in providing products and customer support, recruiting and managing sales channels effectively; (ii) challenges in commercializing products in new markets; (iii) differences in accounting treatment in different countries and jurisdictions, uncertainties in interpretation and application of tax laws and regulations, onerous tax obligations and unfavorable tax conditions and foreign exchange losses; (iv) exposure to litigation or third-party claims, difficulty in obtaining or enforcing legal rights and judgments overseas; (v) instability or unavailability of international transportation or logistics services; (vi) changes in laws, regulations and policies as well as political, economic and market instability, geopolitical risks or civil unrest in the relevant countries and jurisdictions; and (vii) unfavorable market conditions, intense competition, downward pressure on our selling price.

Acquisitions, investments or strategic alliances may fail and materially and adversely affect our business and results of operations.

We may make acquisitions of, or investments in, businesses or technologies in the future. The process of identifying and consummating acquisitions, investments, and the subsequent integration of new assets, businesses or brands into existing business, requires attention from management and could result in a resource diversion from existing business, which could have an adverse effect on operations. Investments, acquired assets or businesses may not generate expected financial results, strengthen competitive position or achieve goals and business strategy, including anticipated benefits, synergies, cost savings, or efficiencies, particularly where market conditions change or the acquired business underperforms. In terms of valuation risks, acquisitions or investments could require significant cash and result in dilutive issuances of equity securities, goodwill impairment charges, amortization expenses for other intangible assets and exposure to unknown liabilities of the acquired business or investment. In addition, our due diligence may fail to identify all of the problems, liabilities of an acquired business. We may be subject to litigation or other claims in connection with the acquired company or face retention or cultural challenges, in which case our business, financial condition and results of operations may be adversely affected.

We may not be able to obtain additional capital when desired, on favorable terms.

We may need to raise additional capital in the future to expand our business. We may raise additional funds through the issuance of equity or debt securities, or through obtaining credit from financial institutions. Our ability to obtain additional capital is impacted by factors including, but not limited to, our market position, future profitability, financial position, and the general macroeconomic condition in China. We may not be able to raise additional funds on favorable terms. Debt securities may contain terms that require significant interest payments, covenants that restrict our business, or other terms unfavorable to us. In addition, to the extent we raise funds through the issuance of additional equity securities, our shares will experience additional dilution.

We may be involved in legal proceedings and commercial or contractual disputes.

We may be subject to claims, litigation and disputes, various legal and administrative proceedings, and any resulting damages. In addition, agreements we entered into may include indemnification provisions which may subject us to costs and damages in the event of a claim against an indemnified third party. Legal and administrative proceedings may be costly and time consuming and may divert our management attention, and may adversely affect our business, financial condition and results of operations.

Failure to comply with the PRC Labor Contract Law, PRC Social Insurance Law, Regulation on the Administration of Housing Provident Funds, or other PRC labor related regulations and rules may subject us to legal or administrative sanctions.

Employers in the PRC are subject to various requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. See “Regulatory Overview — Regulations Relating to Labor, Social Insurance and Housing Provident Fund.” During the Track Record Period, we and our PRC subsidiaries did not make full contributions to social insurance and housing provident fund for all employees in accordance with the Regulations on Administration of Housing Provident Fund (《住房公積金管理條例》) and the Social Insurance Law of the PRC (《中華人民共和國社會保險法》). See “Business — Employee — Social Insurance and Housing Provident Fund.”

Our use of some leased properties could be challenged by third parties or government authorities, which may affect our operations.

We lease properties mainly for office purposes. As of March 31, 2026, we had not completed the lease registration for all of our seven leased properties relating to production and business operations across China with the relevant land and real estate administration authorities. As advised by our PRC Legal Advisor, failure to complete the registration and filing of lease agreements does not affect the validity of the lease agreements. However, we may be subject to fines ranging from RMB1,000 to RMB10,000 for each lease if we fail to rectify within the prescribed period after receiving notices from the relevant PRC government authorities. For further details, see “Business — Properties — Lease Properties.”

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

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, public health hazards, such as the outbreaks of widespread epidemics, public security hazards or other events, such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. Any of the foregoing events may result in the loss or corruption of data, malfunctions of software and hardware, and adversely affect our ability to manufacture our products. As a result, our business, financial condition and results of operations may be adversely affected.

RISKS RELATING TO CONDUCTING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Failure to adapt to changes in the economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in the jurisdictions where we operate could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business, financial condition, results of operations and prospects are subject to the economic, political and legal conditions in the jurisdictions where we operate. Laws, regulations and policies related to our industries will continue to evolve and undergo changes or adjustments, compliance to which may incur additional costs for us. Compliance with these laws, regulations and policies, such as requirements to obtain and maintain the requisite licenses and approvals, may require additional resources and expenditure, and our business, financial condition, results of operations and prospects may be adversely affected.

Development in the legal system of certain geographic markets in which we operate could materially and adversely affect us. The legal systems in these geographic markets vary significantly from one jurisdiction to another.

The legal systems of some geographic markets we operate are consistently evolving. The interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. 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 geographic markets where we operate. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards. Proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention. In addition, changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow industry growth and affect our business, financial condition and results of operations.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect your [REDACTED] value.

Conversion of Renminbi into foreign currency and remittance of foreign currency out of the PRC are subject to Chinese foreign exchange regulations. If there are unfavorable changes in exchange rates, or our ability to convert Renminbi into foreign currency is limited, we may not have sufficient foreign exchange. Under current PRC foreign exchange regulations, certain current account transactions such as profit distributions, interest payments and trade-related expenses can be conducted in foreign currency without prior approval from the SAFE, as long as certain procedural requirements are met. However, capital account transactions such as capital transfers, direct investments, securities investments and repayment of borrowings are subject to foreign exchange policies and require prior approval from the SAFE or registration with the SAFE or authorized banks. If we fail to obtain approvals from the SAFE to convert Renminbi into any foreign exchange for any of the above purposes, our business may be materially and adversely affected.

Fluctuations in exchange rates could result in losses.

Fluctuations in exchange rates between the Renminbi, the Hong Kong dollar, the US dollar and other currencies are unpredictable. As a result, fluctuations in exchange rates may have an adverse effect on your [**REDACTED**] in our Shares. Furthermore, during the Track Record Period, we invested in certain structured financial products, the returns on which were linked to movements in foreign exchange rates. We may continue to enter into similar arrangements in the future, and any significant adverse movements in foreign exchange rates could result in substantial investment losses, which may in turn materially and adversely affect our financial condition and results of operations.

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

Under current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares by them. We are required to withhold tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. See "Regulatory Overview — Regulations Relating to Taxation." Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your [**REDACTED**] in our H Shares may be materially affected.

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

According to the Announcement on Value-Added Tax and Consumption Tax Policies for Export Business (《關於出口業務增值稅和消費稅政策的公告》) issued by the MOF and the SAT on January 30, 2026, and effective from January 1, 2026, unless otherwise provided by law, export goods and services are subject to the exemption and refund of value-added tax ("VAT") policies. Subject to the relevant PRC laws, we are entitled to a rebate of VAT from the PRC tax authority in connection with our export sales for our products. The tax rebate comprised a refund of VAT incurred on the raw materials we used for production of our products in the PRC. We cannot assure you that the PRC governmental policies on tax rebate will not change or be canceled. If there is any reduction, suspension, discontinuation or cancellation of tax rebate which may adversely affect the recoverability of our VAT recoverable, our business, financial condition and profitability would be adversely affected.

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

We are a company incorporated under the laws of the PRC and a majority of our assets and subsidiaries are located in the PRC. Some of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. It may not be possible for [**REDACTED**] to effect service of process upon us or those persons inside the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom, Japan or other countries. The Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**") came into effect on January 29, 2024. Under the New Arrangement, any party concerned may apply to the relevant PRC or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases, subject to the conditions set forth in the New Arrangement. However, we cannot assure you that all final judgments will fully fall into the scope of New Arrangement and thus be recognized and effectively enforced by the relevant PRC and Hong Kong court.

Filing with the CSRC may be required in connection with our future [REDACTED], and we cannot predict whether we will be able to complete such filing.

On February 17, 2023, the CSRC released Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and five relevant guidelines, which became effective on March 31, 2023. Pursuant to the Trial Measures, PRC domestic companies which, after the overseas offering and listing, offers subsequent securities in the same overseas market or conducts offering and listing in other overseas markets (the "**Future Offerings**"), shall complete the filing procedures of, and report relevant information to, the CSRC. See "Regulatory Overview — Regulations on Securities and Overseas Listings." It is uncertain whether we can, or how long it will take us to, complete filings procedures in connection with the Future Offerings. We may be subject to approval, filing or other requirements by other PRC government authorities under the PRC laws in the future. Any failure to complete the relevant procedures may have an adverse effect on the Future Offerings.

Taiwanese [REDACTED] may be required to obtain approvals from the Department of Investment Review of the Ministry of Economic Affairs of Taiwan (the "DIR") for investments in the Chinese Mainland.

Pursuant to applicable rules and regulations for investments made by Taiwanese persons in the Chinese Mainland (collectively "Chinese Mainland Investment Approval Regulations"), an investment in the Chinese Mainland made by individuals with Taiwan household registrations or Taiwan-incorporated entities (each a "Taiwanese Investor") requires prior approval from or post-investment report to the DIR. For details, see "Regulatory Overview — Regulations in Taiwan Relating to Investment in the Chinese Mainland" of this document. We cannot guarantee that the current practices and policies of the DIR will remain unchanged in the future, and any changes in the practices and policies may affect Taiwanese Investors' likelihood of obtaining the approval from the DIR. If any [**REDACTED**] by Taiwanese [**REDACTED**] in our Company violates the Chinese Mainland Investment Approval

Regulations, such Taiwanese [**REDACTED**] may be subject to fines ranging from NT$50,000 to NT$25,000,000. Such penalties would not be imposed on our Company or our Company's subsidiaries in the Chinese Mainland. Nevertheless, any breach of the [**REDACTED**] restrictions or the failure by Taiwanese [**REDACTED**] to obtain the requisite approval from the DIR for their [**REDACTED**] in our Group may delay or adversely affect [**REDACTED**] from Taiwanese [**REDACTED**] in our Company.

RISKS RELATED TO THE [REDACTED]

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

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange, we will be required to comply with the applicable listing rules and other regulatory regimes of both jurisdictions unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources to ensure our compliance with the listing rules of both jurisdictions. Following the [**REDACTED**], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange. Under current laws and regulations in China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible. There is no [**REDACTED**] or settlement between the H Share and A Share markets. With different [**REDACTED**] characteristics, the H Share and A Share markets have divergent [**REDACTED**] volumes, liquidity and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the [**REDACTED**] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. The historical prices of our A Shares may not be indicative of the performance of our H Shares. Therefore, you should not place undue reliance on the trading history of our A Shares when making [**REDACTED**] decision in our H Shares.

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

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

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

The [**REDACTED**] price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in the Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the price of and [**REDACTED**] volumes for our H Shares. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the [**REDACTED**] performance of our H Shares.

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

The market price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New Shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Shares controlled by our Single Largest Group of Shareholders [are subject to] certain lock-up periods beginning on the date on which [**REDACTED**] in our Shares commences on the Hong Kong Stock Exchange. While we currently are not aware of any intention of our Single Largest Group of Shareholders to dispose of significant amounts of their Shares after the expiry of the [lock-up periods], we cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of Shares by the Single Largest Group of Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares. In addition, we may have existing arrangements or agreements to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [**REDACTED**] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [**REDACTED**]. Any sale of the H Shares subscribed by such [**REDACTED**] pursuant to such arrangement or agreement could adversely affect the market price of our H Shares and any sizeable sale could have a material and adverse effect on the market price of our H Shares and could cause substantial volatility in the [**REDACTED**] volume of our H Shares.

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

Immediately upon the completion of the [**REDACTED**], without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**] or our 2024 Share Option Incentive Plan, our Single Largest Group of Shareholders will be entitled to exercise a total of [**REDACTED**]% of the voting power at general meetings of our Company. Our Single Largest Group of Shareholders will, through their voting power at the Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

There is no assurance that we will be able to declare or distribute dividends of any amount in any year in the future. Under the applicable PRC laws and regulations, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS Accounting Standards. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders' meeting. Please see "Financial Information — Dividends" for further details of our dividend policy. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets complying with CSRC requirements may not be directly comparable to the financial and operational information contained in this document. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

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

We caution our [**REDACTED**] not to rely on any information contained in press articles or other media regarding us, our Shares and the [**REDACTED**]. 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.

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

Certain facts, forecast and other statistics in this document are derived from official government sources. 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. Nevertheless, information from official government sources has not been independently verified by us, the Joint Sponsors, [**REDACTED**] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our [**REDACTED**] 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, our [**REDACTED**] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.