An investment in our H Shares involves risks. You should carefully consider all of the information in this document, including our consolidated financial statements and related notes before making an [**REDACTED**] *in our H Shares.*

Our business, financial conditions, results of operations and prospects could be materially and adversely affected by any of these risks, some of which are beyond our control. Other risks and uncertainties that we are not currently aware of or that are not disclosed or implied below, or which we do not currently believe to be material, may also be detrimental to our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including those discussed in this section. The [**REDACTED**] *price of our H Shares may decline due to any of these risks, and you may lose all or part of your investment. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks described below and elsewhere in this document.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

China's agriculture sector is undergoing a significant transformation toward modernization. We may fail to adapt to the trend effectively.

In recent years, China's agriculture sector is undergoing a significant transformation toward modernization. In 2023, 2024 and 2025, our sales generated from intelligent offerings was RMB1,833.8 million, RMB5,445.5 million and RMB7,852.8 million, respectively. However, we may face challenges and risks in keeping pace with this transformation, including misaligned market or technological judgments, constraints in attracting and retaining talent, insufficiently adapted sales, service and technical support capabilities and intensified competition that may lead to pricing pressure and margin erosion, as well as inadequate technical service capabilities for delivering software updates and data analytics that may degrade customer experience and retention. Failure to address the foregoing risks may result in increased R&D and customer acquisition costs, unsatisfactory market expansion and delays in optimizing our product portfolio, which could materially and adversely affect our business, financial conditions and results of operations.

We compete with both domestic and foreign companies in agricultural machinery and the smart agriculture industry.

The industry in which we operate is rapidly evolving and is characterized by dynamic market conditions, technological advancements and a competitive landscape. We compete with both domestic and foreign companies in the design and development, manufacturing and sales of agricultural machinery and smart agriculture services. In China, we primarily target the mid-to-high agricultural machinery market. In 2025, we ranked first in the agricultural machinery industry in China in terms of revenue. We ranked seventh in terms of global agricultural machinery sales revenue in 2025, accounting for a market share of approximately 1.3%. Compared to international benchmark brands, our products are primarily positioned in the mid-range market overseas. As we seek to expand into the high-end segment, we continue to face challenges in areas such as product readiness and brand awareness. There remains room for improvement in the reliability, comfort and intelligence of our products. There is no assurance that we will succeed in capturing rapid growth in the global market, as leading international enterprises have long prevailed in this market and established a solid foundation.

Moreover, some of our competitors, particularly foreign companies possess greater financial, technical and operational resources than we do. These competitors may allocate more resources than we can, engage in or withstand intense price competition and leverage established operational history to cultivate stronger relationships with customers, enabling them to secure market share or negotiate more favorable contract terms. If we fail to anticipate shifts in market demand and technological trends, our competitive position could be weakened or we may incur significant costs to maintain market position. Any of the foregoing incidents may lead to reduced sales volumes, pricing pressures and margin erosion.

We may not be able to launch new products, upgrade existing products or continuously provide a full product portfolio range in a cost-effective manner.

The agricultural machinery and smart agriculture industry in which we operate is characterized by rapid technological evolutions. If we fail to keep pace with technological trends, we risk falling behind our competitors and losing our relevance in the market. Moreover, as customer expectations evolve, the pressure to diversify and enhance our product offerings intensifies. If we fail to align our product portfolio with market demand and technological trends, we may lose our competitive edge in the market, leading 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 costs, our financial performance will be exposed to constraints. Furthermore, failure to anticipate or respond to market shifts could result in obsolete inventory, missed sales opportunities and reputational harm. Our upgraded or newly launched products may not generate positive cash flows or become profitable within a short period of time or at all, eventually affecting our profitability.

Our continuous efforts in R&D may not generate the results as expected.

We have consistently allocated resources to our R&D efforts and expect to continue making capital investment in this area to advance our technologies and product portfolio. However, R&D activities are capital-intensive, time-consuming and subject to unpredictable outcomes. We may encounter significant technical challenges, or delays in completing the development of new and enhanced technologies, which would require us to invest significant resources in R&D to develop modular and reusable technologies deployable across multiple product lines, attract and equip talent, maintain collaborations and adapt to technological advancements of our competitors. We cannot guarantee that our R&D 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. Our operating cash flow and profitability may be adversely affected due to our substantial investment in R&D activities, while revenue from newly launched products might fail to offset these expenses. Additionally, new technologies could render our developed technologies, technological infrastructure, products or services obsolete or unattractive, limiting our ability to recover related development costs and affecting profitability.

We may fail to execute capacity expansion plans or fully utilize our production bases.

The feasibility of our production expansion plan is limited by various factors, such as (i) timely and cost-effective land acquisition and 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 equipment and production capabilities. We may invest significant resources in expansion-related activities such as land acquisition and facility planning. However, our expansion efforts are subject to a variety of operational or financial risks, including disruptions caused by incidents beyond our control or delays or cancellations that may give rise to disputes, penalties or liabilities. Any of the aforementioned factors could render our efforts to expand our production capacity unable to achieve the expected benefits, leading to insufficient resource allocation and long-term underperformance of our production facilities.

Disruption in our production facilities may interrupt our production schedule.

Our production relies on the stable operation of our manufacturing facilities and bases. The stability of our production cycle is vulnerable to several risks. 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. 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, our production activities could be halted or delayed. If prolonged, such interruptions could cause us to fail to meet our contractual obligations to customers and cause our production capacity to be under-utilized, which may subject us to liabilities or legal proceedings and affect our reputation and relationships with our customers.

Unsatisfactory performance of our products, or failure to maintain quality management system may lead to product returns or potential warranty and production liability claims.

Under the current warranty schedules, 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 defects in our design and production process could expose us to significant liabilities. We calculate the provisions based on historical claims experience and management's estimates of future repair and replacement costs. However, these estimates are inherently uncertain and may require material adjustments to our warranty reserves. Therefore, our warranty reserves may be insufficient to cover actual warranty claims, and our suppliers and subcontractors may fail to honor the underlying warranties that we pass through to our own customers. Furthermore, defects in our products or those of our suppliers and subcontractors may also result in product liability claims, returns or recall that may incur additional costs and lead to a decreased sales. Further, defective products may trigger other compliance issues or relevant laws and regulations which could subject us to administrative proceedings or penalties, causing damage to our brand.

We may be subject to liability in connection with accidents that occur during the production process at our production bases.

We are required to comply with the applicable production safety laws and regulations in relation to our production. In the event of a safety incident, we could be held liable for personal injury or death, and bear any resulting monetary losses suffered by our employees. We may also face administrative penalties including fines, orders to rectify non-compliance within a specified timeframe, or suspension or cessation of operations, which may also lead to reputational damage and increased scrutiny. Additionally, we may be subject to civil claims or legal proceedings initiated by our employees or their families, particularly when injury or casualty has occurred, which may result in compensation obligations and additional legal expenses.

We may encounter difficulties in maintaining or expanding our sales network.

We generate a vast majority of our revenue from our distribution partners and rely on our distribution network. Our revenue generated from our distribution partners represented 98.2%, 98.8% and 98.7% of our total revenue in 2023, 2024 and 2025, respectively. Our performance is dependent on the effective management and coordination of our distribution partners. However, we are exposed to inherent risks associated with our distribution network including violations of distribution agreements or non-compliance by distribution partners, unauthorized or improper use of trademarks or promotional activities, unauthorized sales outside prescribed geographic areas, inconsistent marketing execution and service delivery, unregulated sub-distribution through secondary channels, loss of competitive positioning by distribution partners and challenges in expanding distribution coverage and identifying and recruiting qualified distribution partners. Any of the foregoing events could disrupt our ability to manage or expand our distribution network. In addition, we also generate revenue from direct sales customers which mainly include large-scale agricultural enterprises. Failure to maintain business relationships with existing direct sales customers or to attract new direct sales customers could adversely affect our brand, business and financial performance.

Our business is highly dependent upon the cycle of the agricultural market.

The agricultural industry has constantly been cyclical and subject to various economic and environmental factors. Demand for agricultural machinery depends on factors such as farm income, land values, debt levels and financing costs, which are influenced by crop prices, global grain supply fluctuations, weather conditions and government support programs (for example, the amount of the subsidy and the time required for the funds to be credited). These uncertainties create challenges in forecasting demand, managing costs and predicting outcomes. Prolonged downturns and negative conditions in the agricultural industry driven by the aforementioned factors may cause weakened demand for our products machinery.

We may experience delay or interruptions in supply, or the quality of raw materials supplied may not meet our required standards.

We rely on a diverse range of raw materials, parts and components, and indirect materials during production. We had material costs of RMB11,580.7 million, RMB13,758.3 million and RMB13,823.6 million in 2023, 2024 and 2025, respectively, representing 91.0%, 91.2% and 89.4% of our total cost of sales in the same respective periods. Specifically, a substantial portion of the engines used in our production have been procure from Weichai Power Group, accounting for approximately 69.8%, 83.1% and 80.3% of our total engine purchases in 2023, 2024 and 2025, respectively. Such procurement is set out on normal commercial terms, which are not less favorable than those for transactions between our Group and Independent Third Parties under the same conditions.

Our production efficiency and continuity depend on a timely and stable supply of high-quality raw materials, and any delays or interruptions in supply, insufficient inventory or lack of alternative sources may disrupt our production and delivery schedules. In such cases, we may incur additional costs to secure alternative supplies, which would increase our cost of sales and affect our sales and profitability. There is no assurance that we will be able to retain and secure sufficient supplies on comparable terms in a timely manner if any supplier relationship is terminated, and any incident associated with raw material supply or our relationships with suppliers could lead to increased costs, supply shortage and reputational damage. The quality of raw materials also directly affects the quality of our finished products, and we cannot guarantee that all raw materials meet our standards. Substandard materials may lead to product defects or recalls, which could damage our brand and customer's trust.

Additionally, prices of raw materials and components fluctuate with market conditions and factors beyond our control, such as supply and demand dynamics, inflation and government policies, and we may not be able to procure stable, high-quality raw materials at reasonable prices at all times. Any substantial price increase in raw materials may have a materially adverse effect on our profitability, and raising product prices to offset higher cost of sales may reduce customer demand. Any of the foregoing may result in delays or interruptions, quality concerns or pricing fluctuations in the supply of raw materials and components.

We may fail to accurately forecast market demand and maintain optimal inventory level.

Accurately forecasting market demand can be challenging. As of December 31, 2023, 2024 and 2025, our inventories and other contract costs were RMB3,642.2 million, RMB2,832.0 million and RMB3,093.9 million, respectively. Our inventories and other contract costs turnover days in 2023, 2024 and 2025 were 86.5 days, 79.9 days and 71.1 days, respectively. Overestimation may result in inventory exceeding our actual need, potentially leading to inventory write-downs or write-offs and/or discounted sales. Conversely, underestimation could result in shortages in raw materials or delayed deliveries, damaging customer relationships. Demand forecasting and inventory management are further complicated by factors beyond our control, such as raw material shortages, rapidly changing market trends and natural disasters. Failure to forecast demand and maintain balanced inventory levels or to adapt to unforeseen events could result in increased inventory obsolescence, decline in inventory value or inventory write-downs.

We may encounter improper warehousing or handling of our products, delivery delay or material changes in warehousing and logistics-related costs.

During the Track Record Period, we utilized a combination of self-owned warehouses and leased warehouses to store our products and inventory. We cannot guarantee that our warehousing facilities will consistently maintain optimal conditions or that our products will not be improperly handled. Additionally, leased warehouse costs are subject to volatility due to market demand fluctuations or rental rate increases. 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, inventory management disruptions and production schedules delays. During the Track Record Period, we engaged in independent third-party logistics service providers to transport our products to customers, and their operations remain outside our direct control, exposing us to risks such as product damage, delivery delays and potential breaches of contractual obligations. Additionally, costs of third-party logistics services may fluctuate due to reasons including fuel price hikes or transportation market pressures, which could increase our cost of sales. Furthermore, we may not be able to identify substitute eligible logistics service providers on commercially reasonable terms, or at all, eventually impacting order fulfillment timelines.

Our business may be subject to seasonality, in alignment with the agriculture industry, and may result in certain periods when our results of operations fall short of expectations.

Our operations are aligned with the agriculture industry. Therefore, seasonal fluctuations in agricultural activities, such as planting and harvesting cycles, can impact the demand for our products and services. During the Track Record Period, our revenue and cost of sales were generally higher in the second and third quarters, with revenue in each quarter typically contributing approximately 30% of our annual total, aligning with preparations for peak farming seasons, while the fourth quarter tended to be lower and typically contributing less than 20%. See "Financial Information — Major Factors Affecting Our Results of Operations

— Specific Factors — Seasonality." However, the intensity of these seasonal fluctuations may vary from year to year due to shifting industry conditions and other factors, making it difficult to predict demand accurately. Furthermore, our interim financial results may not align with full-year trends due to 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 may be subject to risks inherent in international operations, including operational risks, complex compliance and regulatory requirements, in particular, uncertainties associated with international trade policies, trade protection measures, economic or trade sanctions and export control measures and geopolitical tensions.

In 2023, 2024 and 2025, the revenue generated from our overseas markets was RMB1,257.2 million, RMB1,725.0 million and RMB2,383.7 million, respectively. As we continue to expand our global footprint, we are increasingly exposed to a wide range of risks and operational challenges, including difficulties in gaining in-depth understanding of local markets and cultures, intensified competition, complex distribution logistics, increased expenses associated with staffing and managing international and cross-border operations, difficulties in maintaining relationships with or seeking new distribution partners, customers and local stakeholders, which could potentially harm our brand and reputation if we fail to deliver high-quality products and services or effectively manage our operations. Additionally, we may be subject to risk to comply with foreign laws and regulations, which include trade protection measures, economic or trade sanctions, export controls requirements, anti-dumping policies, anti-corruption laws, anti-money laundering laws, environmental and labor laws and regulations, restrictions on foreign investment and anti-competition rules. In recent years, rising geopolitical tensions and national security concerns have led to stricter international trade policies, trade protection measures, economic or trade sanctions and export control measures and their interpretation, enforcement and future developments may impose new restrictions or uncertainties on our business and subject us to higher costs to comply with such laws and regulations. Furthermore, our international operations are subject to local political and economic conditions, as well as the wider geopolitical environment. Changes in government leadership, regulatory priorities, or macroeconomic indicators such as inflation, currency fluctuations, or interest rate shifts could reduce consumer demand and investment confidence. Heightened political tensions may also disrupt global trade, investment and technological exchange, potentially affecting us, our business partners, suppliers and/or customers, hindering access to critical technologies, systems or components. We cannot assure you that we will be able to anticipate and mitigate all such risks as we continuously expand our business.

We may be affected by changes in international trade policies and tariffs.

Our operations are subject to risks arising from unpredictable political, trade and regulatory developments in the jurisdictions where we operate, particularly those influenced by U.S. government policies. Shifts in international trade policy including tariffs, retaliatory measures and evolving bilateral or multilateral agreements could materially and adversely affect the global economy, trade relations and our business. For instance, in February and April 2025, the U.S. government introduced tariffs targeting major trading partners such as Canada, China, the EU and Mexico, with a baseline duty on all countries and additional individualized tariffs on nations with significant trade deficits relative to the U.S. (the U.S. Reciprocal Tariffs). Following a series of escalations, in May 2025, a 90-day suspension of certain higher additional tariffs on their respective goods imports was announced, although the U.S. retained certain existing tariffs, including those imposed on particular sectors. Pursuant to Executive

Order 14334 of August 11, 2025, the U.S. government extended the suspension of the higher additional tariff on Chinese goods which was originally set to be reinstated after the initial 90-day period. On October 30, 2025, a new bilateral deal was announced that would further extend the reciprocal tariff rate suspensions, among various other trade-related concessions. Subject to new developments, the Fentanyl-related tariff will remain at 10% until further modified, and the Reciprocal tariff rate on U.S. imports from China will remain at 10% until November 10, 2026. The scope, interpretation and administration of these measures remains uncertain and subject to ongoing negotiations.

Our direct revenue from the U.S. amounted to RMB0.1 million, RMB1.1 million and RMB0.9 million in 2023, 2024 and 2025, respectively. Future adjustment to U.S. trade policies could lead to retaliatory measures by affected countries, disrupting global supply chains. Tariffs imposed on Chinese imports may lead to increased transaction costs and diminished price competitiveness for our products in overseas markets. The existing tensions and further deterioration in relationships between the U.S. and China and between other countries may also have a negative impact on the economic, political and social conditions around the globe, which could strain our ability to manage operational costs or adapt to market shifts.

We may fail to provide high-quality after-sales services that meet customer expectations.

We implement various measures to ensure delivery of high-quality after-sales service including warranty arrangements. As such, we may incur certain costs in relation to the warranty we provide, see "Financial Information — Critical Accounting Policies and Estimates — Significant Accounting Judgments and Estimates — Estimation Uncertainty — Warranty", and we cannot guarantee that we will consistently meet customer expectations across all regions and at all times. Challenges such as limited service capacity, difficulties in expanding our after-sales team and the need for ongoing training, may hinder our ability to provide timely and effective support. Additionally, as a majority of our end users are professional machine operators who frequently work across multiple regions, they often require cross-regional technical assistance. If we fail to provide high-quality after-sales service or maintain an extensive after-sales network, we could face dissatisfaction, negative reviews and a decline in brand loyalty. Dissatisfied customers 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 our resources, customer relationship and reputation.

There may be significant interruption in services on our information technology systems, online platforms and websites, including events beyond our control.

The availability and stability of our IT systems, online platform and websites are directly tied to any given user's experience, and any disruptions may adversely affect user satisfaction. Our IT systems, online platforms and websites may be vulnerable to damage or interruption from circumstances beyond our control, such as hardware or software malfunctions, cyber-attacks, computer viruses, acts of hacking, vandalism, power outages or other unforeseen events, leading to operational delays, loss of data and reduced productivity, while security breaches may compromise sensitive information, leading to potential legal liability and reputational damage. There is no guarantee that we can completely prevent such incidents. Any system failures, interruptions or security breaches could result in transaction errors, process inefficiencies and loss of sales. Rapid technological changes may render our existing systems and infrastructure insufficient before realizing sufficient returns to recover any investment costs. This could result in significant losses and adversely affect our operating performance. Furthermore, any failure by internet infrastructure and telecommunications providers to deliver necessary bandwidth could impair the speed and availability of our websites.

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 ("**Third-Party Payment Arrangements**"). See "Business — Third-Party Payment Arrangements." We were exposed to Third-Party Payment Arrangements associated risks during the Track Record Period, including: (i) third-party payers who are not contractually obligated debtors may seek reimbursement of funds from us, despite our having typically entered into the Written Delegation with both the relevant customers and third-party payers; (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 or legal proceedings.

We may be subject to complex and evolving laws and regulations regarding privacy, data protection and cybersecurity, which may lead to increased compliance costs.

We collect customer data during our sales process and have access to certain personal data submitted by users registered on our online platforms and websites including names, mobile phone numbers and agricultural machinery information. The PRC government has implemented a comprehensive regulatory framework for cybersecurity, data protection and personal information protection in recent years. See "Regulatory Overview." Such laws and regulations may affect our data collection, use, storage and other data processing activities. In particular, the Cybersecurity Review Measures that came into effect on December 28, 2021 sets out the scope of entities that are required to apply to the Cybersecurity Review Office for a cybersecurity review. As of the Latest Practicable Date and pursuant to the applicable laws and regulations of China, we have not been informed that we are identified as a CIIO by any relevant authority. On May 29, 2025, our PRC legal counsel consulted with staff at China Cybersecurity Review, Certification and Market Regulation Big Data Center ("CCRC", as authorized to provide expert guidance via the cybersecurity review consultation hotline) on our behalf and under our real name via the official hotline published by the Cyberspace Administration of China (CAC), and is of the opinion that, since Hong Kong is part of the PRC and does not fall under the definition of "to list in foreign countries" as stipulated in the Cybersecurity Review Measures, we are not required to proactively file for a cybersecurity review in connection with a [**REDACTED**] in Hong Kong. Certain provisions and implementation standards of the Cybersecurity Review Measures remain subject to further clarification and guidance, and relevant authorities retain broad discretion in its interpretation and enforcement.

Our compliance remains challenging due to the complex and evolving laws and regulations. Ensuring compliance would also become complex and resource intensive. As such, we cannot assure you that our cybersecurity, data protection and personal information protection measures will be sufficient under applicable laws and regulations. Any security breach or other unauthorized access to our systems could result in the exfiltration of confidential information for criminal purposes. We cannot assure you that unauthorized third parties will not successfully gain access to personal information related to our clients and any end users of our products and services. Such information may also be exposed due to human error or other forms of misconduct. If our security measures are compromised, or if we otherwise fail to protect the confidentiality of a user's personal data, we may suffer reputational damage, negative publicity, legal liabilities, litigation, loss of customer trust, regulatory investigations, fines and potential operational restrictions.

Our success relies on key management and other employees.

Competitive job markets, evolving employment conditions and the limited availability of skilled professionals may impact our ability to maintain a strong and capable workforce. If one or more of our key personnel are unwilling or unable to continue their employment with us, we may face challenges in finding suitable replacements, which could disrupt our operations and incur additional costs. Additionally, our key personnel may join our competitors, further weakening our competitive position. We cannot assure you that we will be able to attract and retain a qualified workforce to support our daily operations and future development promptly or at all, or that newly hired personnel will adapt effectively to our business environment. Recruitment and training of new personnel may also incur additional costs and temporarily disrupt our operations, thereby limiting our ability to execute our business strategies.

We may experience deterioration in relationships with our employees, shortage of labor or an increase in labor costs.

We may be subject to claims, investigation and negative publicity in relation to workplace safety and occupational hazards, particularly where our employees, third-party service providers or members of the public suffer injuries or casualties at any of our facilities, which may adversely affect labor relations. Furthermore, recruitment activities require additional expenditure, and rising wage levels may limit our ability to offer competitive compensations, which may lead to the resignation of our employees or a shortage of labor. In addition, the use of temporary or dispatched workers may present challenges such as variability in technical proficiency and complexities in contractual coordination. If we fail to secure sufficient labor, especially during peak production seasons, whether due to recruitment challenges, deteriorated employee relations or wage competition, our production timelines may be delayed, impairing our ability to meet market demand and eroding customer trust.

Our business operation and project construction are subject to various permits, licenses, approvals and/or qualifications.

Any lapse in securing, updating or retaining these permits, licenses, approvals or qualifications may lead to operational interruptions, increased costs, contractual breaches and potential legal liabilities. There is no assurance that we can update or renew our licenses, complete required filings or obtain new approvals in a timely manner new approvals in a timely manner. Considerable uncertainties exist regarding the interpretation and implementation of existing and future laws, regulations and policies governing our business activities, and procedural delays or evolving documentation standards could hinder timely compliance. Failure to align with all regulatory requirements to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings may expose us to various penalties including confiscation of revenues, fines and suspension or restriction of operations.

We may be subject to changes in environmental regulations for agricultural machinery.

Our agricultural machinery products are subject to applicable environmental regulations, particularly emission standards. For example, China's upgrade from the National III to National IV Emission Standard in 2022 imposed stricter emission requirements, resulting in fluctuations in market demand and affecting certain product categories. Upgrades in emission standards and other environmental regulations may present several challenges. We may be required to upgrade our products to comply with tightened requirements, which could involve significant time and technical efforts. There is no assurance that we will be able to implement all necessary technologies in a timely manner. These upgrades may also lead to increased product prices, discouraging users from purchasing new machinery and adopting a wait-and-see approach, and potentially resulting in market demand falling short of expectations. In addition, regulatory changes impact our production planning and inventory management, particularly for existing products lines. As environmental regulations continue to evolve, we may incur higher compliance costs and experience further demand fluctuations in the future.

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

There is no assurance that our insurance coverage will be sufficient to fully compensate for losses we may suffer, as certain types of risks may fall outside the scope of policies or exceed compensation limits. Any uninsured occurrence of unforeseen events or circumstances, including business disruption, legal disputes or natural disaster, could result in claims surpassing our insurance coverage, requiring us to bear substantial losses. There can be no assurance that we will be able to successfully claim for losses under our current insurance policy on a timely basis and receive compensations comparable to the actual losses incurred, or at all.

We may face disruptions due to interference with our right to use our premises.

If we fail to obtain valid title certificates for the underlying land parcels or the structures erected thereon, or lack legally binding lease agreements or other occupancy rights, in situations where our landowners may have defects as to the land's title, our use of these buildings may be invalid or subject to third-party claims or disputes. See "Business — Properties." In addition, we may from time to time encounter disputes or disagreements with landlords or local government authorities regarding lease terms, permitted land use or access rights, which may disrupt access to or use of our sites. Landowners may choose not to renew our leases, revoke access or transfer their interests to third parties, or lose their legal rights to the land or exercise re-entry rights, preventing lease renewal on commercially viable terms. Any interference with our rights to use these properties, whether due to legal title issues, failure of lease renewal or third-party claims may result in operational disruptions.

We may become party to litigation, other legal and contractual disputes, claims and administrative proceedings that may adversely affect our business and reputation.

We may be involved in litigation, legal and contractual disputes, claims and administrative proceedings from time to time, arising from contractual disagreements, regulatory compliance issues, intellectual property disputes and employment-related matters. Such proceedings carry inherent uncertainty, and unfavorable outcomes including monetary damages, injunctive relief or settlement could impose significant substantial financial obligations, increased operational expenses or diversion of management resources. Additionally, these actions could expose us to negative publicity, damaging our reputation and confidence among customers and investors. Any litigation or legal proceedings could incur substantial legal expenses, and failure to manage or resolve them effectively may lead to operational disruption and increased financial burden.

Insufficient intellectual property protection may reduce our competitive advantage

We employ a combination of patents, trademarks, domain names and other intellectual property protections, as well as fair trade practices, contractual agreements and confidentiality arrangements to protect our intellectual property rights. However, they may only offer limited coverage, and our intellectual property rights may be challenged, invalidated, circumvented, infringed or misappropriated. Inadequate protection could allow others to produce counterfeit products or impersonate our commercial identity, weakening our competitive position and harming reputation. In the event that we resort to litigation to protect our intellectual property rights, such legal proceedings could be financially onerous and time consuming, with no assurance of success, and may give rise to counterclaims, particularly where competitors have substantially greater resources to enforce and defend their intellectual property rights. We may not be able to prevent third parties from infringing upon or misappropriating our intellectual property, and adverse outcomes may result in our intellectual property being invalidated, unenforceable or narrowly interpreted, even if we prevail without meaningful recovery. Furthermore, third parties may raise similar claims before administrative bodies in China or abroad, which could result in revocation or amendment of our intellectual properties such that they no longer protect our products and services, and the outcome remains inherently unpredictable. We are in the process of registering certain intellectual property rights but there can be no assurance that these intellectual property applications will be approved in a timely manner or at all. We may be unable to obtain, maintain or adequately protect intellectual property rights in all jurisdictions, which may diminish the value, scope or certainty of our intellectual property portfolio and weaken our competitive position.

We could face claims of intellectual property infringement or misappropriation from third parties, which could potentially result in damages and hamper sales.

Some of our competitors maintain large intellectual property portfolios and may allege that our anticipated commercial use of certain technologies infringed or misappropriated their intellectual properties. Competitors may also use intellectual property litigation strategically to gain a competitive advantage. Determining whether technology infringes on intellectual property rights involves a comprehensive analysis of legal and factual issues, and the outcome is often uncertain. Any claims of patent or other intellectual property infringement, regardless of merit, could require us to devote significant resources to defend or settle such claims, exposing us to licensing fees, legal costs, damages and other liabilities, restricting the use of certain technologies, requiring redesigns or licensing arrangements, diverting management resources or generating negative publicity that harms our reputation and customer relations. Such outcomes could result in invalidation or narrowing of our intellectual property rights, or the imposition of restrictive licensing terms, weakening our intellectual property position.

Fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties may lead to financial losses, legal liabilities or penalties.

Our business operations are vulnerable to negligence, fraud, embezzlement, corruption, bribery or other illegal activities and misconduct by our employees, customers, suppliers or other third parties. Such misconduct may result in financial losses, legal liabilities, regulatory penalties, reputational damage, supply chain disruption, compromised product or service quality and reduced customer trust. There is no guarantee that our internal controls and compliance measure will effectively prevent any occurrence of illegal activities by our employees, customers, suppliers or other third parties. Failure to detect and prevent violations of laws and regulations by our employees or collaborators may damage our brand and reputation, and expose us to administrative or legal proceedings and penalties. As a result, we may face operational disruptions, increased costs and reputational harm.

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

Our profit for the year was RMB871.3 million, RMB956.9 million and RMB973.3 million in 2023, 2024 and 2025, respectively. There can be no assurance that we will be able to maintain our product sales and historical growth rate, or achieve a higher growth rate in the future. Our ability to sustain growth depends on executing key strategies, including achieving technological breakthroughs and commercializing innovations, expanding and optimizing our sales network, scaling manufacturing and service capacity, managing costs and operating expenses, attracting and retaining qualified professionals and responding to new market opportunities and challenges. Failure to execute these strategies could hinder our future growth. Furthermore, our historical operational results may not necessarily be indicative of our future growth, as changes in market conditions, customer preferences, technological advancements, competitive dynamics and unforeseen events such as economic downturns, regulatory changes or supply chain disruptions can significantly impact business outcomes, and past performance may not be a reliable indicator of our future prospects.

We had net current liabilities historically, which may continue to occur in the foreseeable future and expose us to liquidity risk.

We recorded net current liabilities of RMB990.7 million as of December 31, 2025. See "Financial Information — Liquidity and Capital Resources — Net Current Assets or Liabilities." A net current liabilities position may expose us to liquidity shortfalls, limiting our ability to raise funds, secure bank financing and declare or pay dividends. We cannot assure you that we will have sufficient alternative sources of funding to support our operations and we may face liquidity pressure. Should we resort to external financing, we may incur additional financing costs, and there is no guarantee that such financing will be available on terms acceptable to us, or at all.

We are subject to the risk of exposure to and valuation uncertainties of fair value changes for our financial assets at fair value through profit or loss ("FVTPL") and equity investments designated at fair value through other comprehensive income ("FVOCI").

Our financial assets at FVTPL were RMB940.3 million, RMB1,092.1 million and RMB2,114.7 million as of December 31, 2023, 2024 and 2025, respectively, and our equity investments designated at FVOCI were RMB3.1 million, RMB3.6million and RMB3.6 million as of the same dates. The fair value of such financial assets are estimated using valuation techniques based on observable and unobservable inputs that are inherently uncertain and could be based on assumptions that may not materialize, which may differ from prices obtainable in actual transactions. We may also record other financial assets of whose fair value involves significant judgment or sensitivity to market conditions. Changes in financial assets at FVTPL or equity investments designated at FVOCI may result in volatility in our period-to-period earnings. Furthermore, we determine the fair value of level 3 financial instruments based on valuation techniques and assumptions of unobservable inputs involving higher degree of subjectivity, and fluctuations in these unobservable inputs can impact the fair value of these financial instruments. See Notes 2.3 and 43 of the Accountants' Report in Appendix I to this Document. Inaccurate judgment and estimation could adversely affect the reported fair value of such instruments.

We are subject to credit risk in respect of our trade and bills receivables.

We had impairment loss on trade and bills receivables of RMB443.5 million, RMB86.7 million and RMB98.6 million in 2023, 2024 and 2025, respectively. If we cannot recover our trade and bills receivables in a timely manner, the turnover of our trade and bills receivables may be slow and increase our working capital requirements. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade and Bills Receivables." We may not be able to collect all receivables due to a variety of factors outside our control, such as adverse operating conditions or the financial situation of customers. Disputes that result from any default in payment by customers may be time-consuming and costly if we decide to claim for such payments. An increase in trade receivables or turnover days may lead to liquidity risk, as we may have less cash available to fund our operations, invest in research and development, or pursue strategic opportunities, and may require higher impairment provisions. Furthermore, the market may perceive rising receivables and turnover days as an indication of potential liquidity or credit risks. We cannot guarantee the recoverability or predict the movement of our receivables. Therefore, delayed customer payments may eventually result in liquidity risks.

Prepayment arrangements with our suppliers for raw materials expose us to the credit risks of such suppliers and may also significantly increase our costs and expenses.

We made prepayments to suppliers, mainly to procure raw materials. We had advances to suppliers of RMB64.4 million, RMB141.5 million and RMB191.3 million as of December 31, 2023, 2024 and 2025, respectively. An increase in prepayment requirements could strain our liquidity, creating a mismatch between cash outflows for raw material procurement and the delayed collection of trade receivables. In addition, if we face material customer order cancellations, we may be unable to recover such prepayments in a timely manner.

If we are unable to fulfill our contracts, our results of operations and financial condition may be adversely affected.

As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB2,022.5 million, RMB970.8 million and RMB793.7 million, respectively, primarily representing advance payments received from customers for sales of agricultural machinery. See "Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Contract Liabilities." If we are unable to fulfill our contractual obligations, we may not be able to convert such contract liabilities into revenue, and customers may request refunds of the prepayments they have made, which could negatively impact our cash flow and overall financial condition. Moreover, failure to meet our contractual commitments could damage customer relationships, potentially leading to a loss of future business.

We have indebtedness and may incur additional indebtedness in the future, and may not be able to fully and timely repay our indebtedness.

We had indebtedness of RMB49.4 million, RMB83.2 million and RMB58.1 million in 2023, 2024 and 2025, respectively. We may incur additional indebtedness in the future and may not be able to generate sufficient cash to satisfy existing and future debt obligations. Our indebtedness could limit our flexibility in responding to changes in business, placing us at a competitive disadvantage compared to competitors with lower levels of indebtedness and restricting our ability to obtain additional financing on favorable terms. Specifically, we entered into lease contracts for buildings used for our operations. In the event that we are unable to comply with restrictions and covenants imposed by the lease contract and our obligation to make lease payments, we may be obliged to pay interest on the overdue monies, and the landlord may recover any sum payable by us. If such events occur, we cannot assure you that our assets and cash flows will be sufficient to repay our indebtedness or that alternative financing will be available on commercially reasonable terms.

We are subject to risks associated with off-balance sheet commitments.

We had certain off-balance sheet commitments in relation to our financial leasing services which are not reflected on our balance sheet but constitute contingent liabilities. Our outstanding guarantee balances as of December 31, 2023, 2024 and 2025 were RMB1,254.1 million, RMB1,798.9 million and RMB1,835.2 million, respectively. See "Financial Information — Contingent Liabilities." We are subject to credit risks associated with these off-balance sheet commitments. We may be required to fulfill these guarantees since the financial leasing service providers are unable recover payment from end users and distributors.

Fluctuations in foreign exchange rates could adversely impact our financial performance.

Our financial performance is subject to risks associated with fluctuations in foreign exchange rates. During the Track Record Period, most of our revenue was dominated by Renminbi, but our operations overseas may be settled in local functional currencies such as US dollars and Euros, then translated to Renminbi when preparing our consolidated financial statement. Moreover, our [**REDACTED**] from the [**REDACTED**] will be denominated in Hong Kong dollars. Thus, we will be exposed to currency exchange rate volatility, affecting the value of our non-Renminbi denominated assets and liabilities and hindering our ability to accurately forecast and manage financial results. Unfavorable exchange rate movements can increase the cost of exported goods and services, affecting the competitiveness of our products in international markets. Any fluctuation in the value of Renminbi relative to other currencies could affect our reported profitability and net assets of the value of our Shares (including dividends), and the value of your investment in our Shares.

The reduction, modification, delay or elimination of government subsidies and other economic incentives may lower our profitability.

Our financial performance and market competitiveness have historically benefited from government subsidies and other incentives, including grants for certain R&D projects that we carried out and certain government-sponsored talent recruitment programs that we participated in. We also enjoy certain favorable tax treatments. In addition, demand for our intelligent agricultural machinery is closely related to subsidies and incentives such as the "Premium Machinery, Premium Subsidies" policy provided directly to end-users, which reduces purchasing barriers and stimulates market adoption of advanced offerings. Changes in policy or budget allocations may lead to increased cost of sales, weakening pricing competitiveness and suppressing market demand. There is no assurance that existing subsidies or tax benefits will persist, or we will be qualified for future support, and discontinuation or scaling back of the implemented subsidy programs could strain our profitability.

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

Pursuant to PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments, which should be calculated based on the employee's actual salary level of the previous year, and subject to a minimum and maximum level as from time to time prescribed by local authorities. As advised by our PRC Legal Advisor, (i) with respect to an employer's failure to pay social insurance contributions in full as required, according to the Social Insurance Law of the PRC, such employer may be ordered by the social security premium collection agency to pay the overdue amount and an overdue fine equivalent to 0.05% of the overdue amount per day calculated from the date such social insurance amount has become overdue within a prescribed time limit. The competent authority may further impose a fine of one to three times the overdue amount if such payment is not made within the stipulated period; and (ii) with respect to the employer's failure to pay the full amount of housing provident fund as required, according to the Administrative Regulations on Housing Provident Funds, such employer may be ordered by the relevant housing provident fund authority to make payment of contributions within a prescribed time limit, and the competent authority may further apply to the court for compulsory enforcement if such payment is not made within the stipulated period. During the Track Record Period, we did not pay the social insurance and housing provident fund in full using actual wages as the contribution basis. As a result, we may be required to pay any outstanding amount, and could be subject to late payment penalties or enforcement application made to the court. As of the Latest Practicable Date, we had not received any notice from the relevant authority in Chinese Mainland requiring us to pay shortfalls or imposing penalties related to social insurance and housing provident fund contributions. Our PRC legal advisor has advised us that the risk of us being fined for failing to make social insurance and the housing provident fund contributions in full on time is relatively low. However, we cannot assure you that we will not be notified and required in the future to settle outstanding contributions within a prescribed timeframe, and we may be subject to fines or orders from the relevant court to enforce such payment if we failed to do so.

Force majeure events, natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may materially and adversely affect our business, financial condition and results of operations.

Our business operations are subject to risks arising from force majeure events, natural disasters, epidemics, acts of war or terrorism and other factors beyond our control, which can cause significant disruptions to our supply chain, production processes and business activities. Natural disasters such as earthquakes, floods and hurricanes can damage our infrastructure and facilities, leading to operational delays and increased costs. Epidemics and pandemics and acts of war or geopolitical instability, which can impact workforce availability, disrupt logistics and reduce customer demand and affect market conditions and business confidence. Additionally, other unforeseen events beyond our control may pose challenges to our operations. We cannot foresee these unpredictable and uncontrollable factors, and consequently, our business, financial condition and results of operations may be materially and adversely affected.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Inability to adapt to evolving economic, political or social conditions, or changes in government policies in the regions where we operate, may adversely impact our business.

Our business, financial condition and prospects may be influenced by the general political, economic, social and legal conditions in the country in which we operate. We remain particularly exposed to the evolving regulatory landscape and macroeconomic conditions within the PRC as the majority of our business, assets and operations are located in China. Performance will be fundamentally interconnected with China's economy, which is also influenced by the global economy. The uncertainties relating to the global economy and political environment will continue to impact China's economic growth. In addition, the growth of China's economy is uneven across regions and economic sectors. We are unable to predict all the risks that we face as a result of current economic, political, social and regulatory developments, which are generally beyond our control. Failure to promptly align our operations with these evolving circumstances could negatively affect our performance.

Your ability to initiate legal proceedings or enforce foreign judgments against us, our Directors and senior management may be limited.

We are a company incorporated under the laws of the PRC, with substantially all of our business, assets and operations located in China. Additionally, the majority of our Directors and executive officers reside in China, and most of their assets are also located in China. Under the PRC Civil Procedure Law and other applicable laws and regulations, foreign court judgments may be recognized and enforced in the PRC only where reciprocal enforcement arrangements exist. Therefore, you may be unable to enforce judgments obtained in courts of those jurisdictions against us and our officers residing in the PRC. Specifically, pursuant to the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and the Hong Kong Special Administrative Region, effective January 29, 2024, a party holding an enforceable final civil or commercial judgment rendered by a designated court of Mainland China or Hong Kong may apply for recognition and enforcement of such judgment in the relevant courts of the other jurisdiction, subject to certain exclusions. However, there can be no assurance that judgments rendered by Hong Kong courts will be recognized or enforced in the PRC, as each judgment remains subject to case-by-case review by the competent PRC courts under the Arrangements.

Certain of our foreign exchange transactions are subject to regulatory requirements over foreign currency conversion.

The conversion and remittance of our operating cash is governed by specific foreign exchange authorities under related laws and regulations. We may need to convert a portion of our Renminbi into other currencies for business operations, capital investment and other expenditures. Under existing regulations, such foreign exchange conversions remain subject to stringent controls prior registration and other procedures with the relevant government authorities may be required before converting Renminbi into foreign currency and remitting it out of the PRC. There is no assurance that we may be able to convert enough foreign currency for our business operations. A shortage of available foreign currency could limit our ability to fulfill our foreign currency-dominated obligations. The Chinese government may take measures at its discretion in the future to restrict access to foreign currencies for current account transactions if foreign currencies become scarce in China, which may potentially limit our ability to pay dividends to our Shareholders. Foreign exchange transactions under our capital account may also be subject to significant foreign exchange controls and require registration with the bank, which could affect our ability to obtain foreign exchange through equity financing, or to obtain foreign exchange for capital expenditures.

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

Under current tax laws and regulations in China, non-Chinese resident individuals and non-Chinese resident enterprises are subject to different tax obligations with respect to dividends paid to them by us and gains realized upon the sale or other disposition of our H shares. For non-Chinese resident enterprises, according to the EIT Law, its implementation rules and the Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises issued by the STA on November 6, 2008, PRC withholding tax generally applies at a rate of 10% to dividends from PRC sources payable to investors that are non-Chinese resident enterprises. This applies to those who do not have an establishment or place of business in the PRC, or whose relevant income is not effectively connected with their establishment or place of business, unless a treaty or similar arrangement provides otherwise. Additionally, any gains realized on the transfer of shares by such investors is subject to a 10% PRC income tax if the gain is considered to be income derived from sources within the PRC.

For non-Chinese resident individuals, according to the PRC Individual Income Tax law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are subject to a PRC withholding tax at a rate of 20%. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045, such dividends are generally subject to a reduced withholding tax rate of 10%, if the individual resides in a jurisdiction that has entered into a tax treaty or arrangement with China. In addition, pursuant to 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, individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, unless otherwise regulated. As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-mainland China resident individuals on the sale of shares of mainland China resident enterprises listed on overseas stock exchanges. If in the future, PRC income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders residing in jurisdictions that have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

Policies on foreign investment in the PRC may adversely affect our business.

Foreign investment activities in China are governed by specific regulatory frameworks that impose restrictions on the participating industry and additional verification procedures by certain authorities. The Special Management Measure (Negative List) for Foreign Investment Access (2024 Edition) (the "**Negative List**"), jointly issued by the NDRC and the MOFCOM, outlines prohibited sectors and restrictive conditions for foreign investors, including equity and management participation. The Negative List covers 11 industries, while sectors not included in the Negative List shall be administered under the principle of equal treatment for both domestic and foreign entities. As of the Latest Practicable Date, we and one of our subsidiaries hold the value-added telecommunications business operating license. See "Business — Licenses, Permits and Approvals." We also hold the Class B Surveying and Mapping Qualification Certificate, with its professional category being Internet mapping services. According to the provisions of the Interim Measures for the Administration of Surveying and Mapping in China by Foreign Organizations or Individuals promulgated by the Ministry of Natural Resources, any foreign organization or individual that conducts surveying and mapping activities within the territory of the People's Republic of China shall, in accordance with the law, adopt the form of joint venture or cooperation with relevant authorities or entities of the People's Republic of China. As advised by our PRC Legal Advisor, since the relevant law essentially requires that foreign investors do not hold 100% ownership in such activities, we will remain compliant with the requirements under the relevant provisions and laws and may continue to operate our business within the permitted scope of surveying and mapping activities. Except for value-added telecommunications services (Internet information services) and Internet mapping services our actual business scope does not involve any other foreign investment access restrictions or prohibited sectors as of the Latest Practicable Date. Nevertheless, the prohibition of foreign investment in designated industries under this framework may constrain our ability to enter into these restricted sectors in the future.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares and the liquidity and market price of our H Shares may be volatile.

There was no public market for our H Shares prior to the [**REDACTED**]. We cannot guarantee that a public market with adequate liquidity and [**REDACTED**] volume for our H Shares will develop and be sustained after the [**REDACTED**], which may affect the market price and liquidity of our H Shares. The [**REDACTED**] of our H Shares is expected to be fixed by agreement between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and us, which may not reflect the market price of our H Shares after the [**REDACTED**].

The liquidity, [REDACTED] volume and [REDACTED] our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The price and [**REDACTED**] volume of our H Shares may be subject to significant volatility due to factors beyond our control, including global securities market conditions and fluctuations experienced by the Hong Kong Stock Exchange irrelevant to the performance of any particular company. Market performance of companies in similar fields may also affect the price and [**REDACTED**] volume of our H Shares. Our H Shares may also be highly volatile due to company-specific reasons, such as fluctuations in revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, our H Shares may experience price changes not directly related to our operating performance, similar to volatility experienced by other Hong Kong-[**REDACTED**] companies.

You will incur immediate and significant dilution and may experience further dilution in the future.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per H Share immediately prior to the [**REDACTED**]. Therefore, purchases of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value. If we issue additional H Shares or other securities in the future for consideration of our business, your shares may be further diluted.

Our Controlling Shareholders' interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have substantial influence over our business, including management, strategic decisions, major transactions, Board elections and other significant corporate actions. This concentration of ownership may discourage, delay, or prevent a change in control of our Company, potentially depriving other shareholders of the opportunity to receive a premium for their Shares in the event of a sale. It could also potentially lower the price of our Shares. These circumstances may occur even if opposed by other shareholders. Additionally, the interests of our Controlling Shareholders may differ from those of our other shareholders, and they may take actions or approve transactions that conflict with the best interests of other shareholders that conflict with the best interests of other shareholders.

If we do not pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our Shares for a return on your investment.

Our historic dividends may not be indicative of our future dividend policy, and there can be no assurance that future dividends will be declared or paid. We cannot guarantee when and in what form dividends will be paid on our Shares following the [**REDACTED**]. Any future determination to pay dividends will be at our discretion and may be based on several factors, including future operations, capital requirements and surplus, financial condition, regulatory and contractual restrictions and other factors we deem relevant. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

Future sales or perceived sales of a substantial amount of our Shares in the public market, especially by our Controlling Shareholders, could materially and adversely affect the prevailing market price of our Shares.

The future sale of a substantial number of our H Shares, particularly by our Controlling Shareholders (even as perception or anticipation) could adversely affect the market price of our H Shares and our ability to raise equity capital at a favorable time and price. We cannot guarantee that our Controlling Shareholders will not sell any Shares they currently own or may acquire in the future.

Forward-looking information in this document is subject to risks and uncertainties.

This document contains certain statements and information that are "forward-looking" and uses forward-looking terminology such as "anticipate", "believe", "could", "estimate", "expect", "may", "ought to", "should" or "will" or similar terms. Those statements include the discussion of our strategy and expectations concerning our future operations, liquidity and capital resources. Investors in our Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and the forward-looking statements based on those assumptions could also be incorrect. The uncertainties in this regard include those identified in this section, many of which are not within our control. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations by us that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. We do not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. See "Forward-looking Statements."

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from government publications contained in this document.

Certain facts, forecasts and statistics in this document related to the PRC, the global economy and the industry in which we operate are sourced from publicly available sources such as government publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of these sources. We believe that the sources of the information are appropriate and have taken reasonable care in extracting and reproducing such information. We do not believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by our Group, the Sole Sponsor or any other party involved in the [**REDACTED**], and no representation is made as to its accuracy or completeness. Due to potentially flawed or ineffective sampling, discrepancies between published information and market practice and other issues, the statistics in this document related to the PRC, the global economy and the industry in which we operate may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Moreover, these facts, forecasts and statistics involve risks and uncertainties and are subject to change based on various factors. You should consider the weight and importance of such facts or statistics and should not place undue reliance on them.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

The [**REDACTED**] is based solely on the information and representations contained in this document, which we believe to be true and accurate to the best of our knowledge. Any information not included in this document should not be relied upon when making an investment decision regarding securities being [**REDACTED**]. Prior to the publication of this document, media coverage about us and the [**REDACTED**] may have included financial information, projections, valuations and other forward-looking statements. You should be aware that third-party sources may have used outdated, incomplete or inaccurate information, and their opinions may not be independent or objective due to potential conflicts of interest. Media coverage of our Company and the [**REDACTED**] may be influenced by factors including journalist biases, media outlet preferences and advertiser demands. We do not make any representation regarding the appropriateness, accuracy, completeness or reliability of any projections, valuations or other forward-looking information about us. If such statements are inconsistent with or conflict with the information contained in this document, we disclaim responsibility for them. By applying to purchase our H Shares in the [**REDACTED**], you agree 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**].