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, as well as our financial statements and the related notes, and the "Financial Information" section, before making an* [REDACTED] *in our H Shares. These risks and uncertainties could materially and adversely affect our business, financial conditions, results of operations or prospects. The* [REDACTED] *price of our H Shares may decline due to any of these risks and uncertainties, and you may lose all or part of your* [REDACTED]*. You should pay particular attention to the fact that we are a PRC company and are governed by a legal and regulatory environment which may differ significantly from those prevailing in other jurisdictions. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given 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

Our business growth and prospects are affected by our ability to continuously innovate and iterate our existing products and solutions, which are subject to rapid technological changes, and to expand our product mix and penetrate new markets.

Our future success significantly depends on our ability to continue to innovate and improve our existing products and solutions, and design and expand our product mix. Product and solution design, development, innovation and iteration is often a complex, time-consuming and costly process involving significant investment in R&D with no assurance of return on investment. Our business strategy is to focus on the design and provision of GNSS chips, modules and solutions. Part of this strategy involves addressing the needs across a variety vertical markets, including transportation (transportation management, bike-sharing and intelligent driving), consumer electronics (smartphone, IoT and wearable devices) and environmental monitoring and early warning (meteorological detection and deformation monitoring). Each of these markets require technologies, expertise, and marketing and operations infrastructure that are application-specific. We have invested and expect to continue to invest in the design and R&D for new and existing products, solutions and technologies, as well as intellectual properties, to timely respond to technological developments in markets we operate in. These investments may involve significant time, risks and uncertainties, including the risk that the expenses associated with these investments may affect our profit margin and operating results and that such investments may not generate sufficient revenue to offset liabilities assumed and expenses associated with these new investments. There can be no assurance that we will be able to develop and introduce new and improved products and solutions in a timely or efficient manner or that new and improved products and solutions, if developed, will be welcome by the market. In addition, our downstream customers generally impose very high quality and reliability standards on our products, which may be difficult or costly to satisfy. Any inability to satisfy the quality and reliability standards of downstream customers or comply with industry standards and technical requirements may adversely affect demand for our products and our results of operations.

Our growth is also dependent on the ability of us and our distributors to identify and penetrate new markets where we and our distributors have limited experience yet require significant investments, resources and technological advancements in order to compete effectively, and there can be no assurance that we will achieve success in these markets. There can be no assurance that the markets we serve and/or target based on our business strategy will grow in the future, that our existing and new products and solutions will meet the requirements of these markets, that our products and solutions, or the end-products in which our products are used, will achieve downstream customer acceptance in these markets, that competitors will not force price reductions or take market share from us, or that we can achieve or maintain adequate gross margins or profits in these markets.

We face substantial competition that requires us to respond rapidly to product development and pricing pressures.

We face intense technological and pricing competition in the markets in which we operate. We expect this competition will continue to increase from large competitors and from small competitors serving niche markets, and also from emerging companies that sell products into the same markets in which we operate. For example, we may face increased competition as a result of the PRC actively promoting and reshaping its domestic GNSS spatial positioning services industry through policy changes and investments. Certain competitors possess sufficient financial, technical and management resources to develop and market products that may compete favorably against our products, and business integration among our competitors may allow them to compete more effectively. For details of the intensification of market competition and price pressure in the GNSS spatial positioning services industry, please see "Industry Overview — Overview of the China's GNSS Spatial Positioning Service Industry — Price trend of China's GNSS chips."

We have adjusted our selling prices of our products in various business lines to cope with the intensification of market competition and pricing pressures. For details, see "Business — Our Products and Solutions — Products in Our GNSS Chips, Modules and Related Solutions Business — Our GNSS Chips and Modules." The selling price and product development pressures that result from competition may lead to reduced profit margins and lost business opportunities in the event that we are unable to match the price declines or cost efficiencies, or meet the technological, product, support, software or manufacturing advancements of our competitors.

We have a limited operating history with a history of losses, which makes it difficult to evaluate our current business and predict our future performance; our historical financial and results of operations may not be indicative of our future performance.

We have a limited operating history and we have recorded net operating cash outflows and incurred losses during the Track Record Period. We recorded a loss for the period of RMB288.9 million, RMB141.3 million and RMB112.5 million in 2023, 2024 and 2025, respectively. For details, see "Financial Information." It is difficult to evaluate our business due to our relatively brief operating history, and our prospects will be dependent on our ability to meet a number of challenges. Because we have a limited operating history, you may not be able to evaluate our prospects accurately. Our future performance depends on our ability to create, design, develop, manufacture, and deliver GNSS solutions and products of high quality on schedule and on a large scale, which may make it more difficult for us to forecast and plan for our capital requirements. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance.

If we are unable to manage our growth or execute our business strategies effectively, our results of operations and business prospects may be materially and adversely affected.

We may encounter risks and difficulties frequently experienced by rapidly growing companies in constantly evolving industries, and any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable industry. Our business, results of operations and financial condition depend in part on our ability to effectively manage our growth or implement our growth strategies. See "Business — Development Strategies." We intend to grow by expanding our business, increasing market penetration of our existing products and developing new ones. The management of our growth may place significant demands on our managerial, administrative, operational, financial and other resources. Moreover, our growth depends on the ability to maintain stable production capacity and offer reliable products to our customers. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If we are unable to achieve and sustain profitability, our business may be harmed. If we fail to achieve the necessary level of efficiency as we grow, our business growth rate may decline, investors' perceptions of our business and prospects may be adversely affected.

Our products are primarily offered to downstream customers of certain industries in the PRC. Factors that adversely affect these industries in the PRC may have a negative impact on our business and operational results.

Our products are primarily offered to downstream customers of industries including transportation (transportation management, bike-sharing and intelligent driving), consumer electronics (smartphone, IoT and wearable devices) and environmental monitoring and early warning (meteorological detection and deformation monitoring) (the "**downstream industries**") in the PRC. Demand for our products largely depends on growth and competition within the downstream industries, which are impacted by factors beyond our control. If such downstream industries cannot maintain robust growth or are embroiled in fierce competitions, our business and profitability may be adversely affected. Therefore, factors that adversely affect these industries in the PRC could adversely affect our business, financial condition, results of operations and prospects. These factors include, among others: (i) a decline in demand for, or negative perception of, or publicity about, products of the downstream industries in the PRC; (ii) a downturn in general economic conditions in the PRC or major countries/regions that import products of the downstream industries from the PRC; resulting in reduced demand for our products, excess inventory and pressure on pricing; (iii) increasing level of competition from manufacturers of the downstream industries in other countries/regions; (iv) the failure of our downstream customers' end products in which our products are used to meet evolving industry requirements or achieve market acceptance; (v) delays and project cancellations as a result of design flaws in the products developed by our downstream customers; (vi) increased costs associated with potential disruptions to our customers' supply chain and other manufacturing and production operations; (vii) the reduction or elimination of preferential tax treatments and economic incentives for manufacturers of the downstream industries in the PRC; (viii) regulatory restrictions, trade disputes, industry-specific quotas, tariffs, non-tariff barriers and taxes that may have the effect of limiting exports of the downstream industries from the PRC; (ix) appreciation in the value of Renminbi against the currencies of other countries and regions that import products of the downstream industries from the PRC; and (x) rising material and labor costs in the PRC relating to manufacturing in the downstream industries.

In the event that any of the above events occur, the downstream industries may not maintain robust growth and the demand for our products may be reduced. Therefore, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Failure to secure design wins and to convince our current and prospective customers to adopt our products into their product offerings could negatively affect our business, financial condition and results of operations.

We sell our GNSS products to customers who select and adopt them in their product offerings. This selection process is typically lengthy and may require us to incur significant design and development costs and dedicate scarce engineering resources in pursuit of a single design win with no assurance that our GNSS products will be selected. If we fail to convince our current or prospective customers, especially key customers, to adopt our GNSS products in their product offerings or to constantly achieve design wins, our business, financial condition, and results of operations will be adversely affected.

The loss of design win of a key customer, a reduction in sales, a significant delay or negative development in our customers' product development plans, or our inability to attract new significant customers or secure new key design wins could seriously impact our revenue and adversely affect our business, financial condition and results of operations. As of the Latest Practicable Date, we have 73 pre-production projects, among which 12 projects are in the evaluation process and 61 projects have entered the stages of R&D design, sample testing, and small-batch trial production. Based on our estimation, these projects, if successful, may potentially generate up to a total of RMB196 million revenue in the near future. However, there are inherently commercial and technological risks associated with these pre-production projects, and we cannot assure you the exact amount of revenue that will be derived from these project. If these projects fail to materialize as we expect, our business, financial condition, and results of operations will be adversely affected.

Decreases in downstream customers' demand for the products and solutions we offer may result in a decrease in our revenue.

During the Track Record Period, our revenue was generated from sales of GNSS chips, modules and solutions offered to downstream customers in industries including transportation (transportation management, bike-sharing and intelligent driving), consumer electronics (smartphone, IoT and wearable devices) and environmental monitoring and early warning (meteorological detection and deformation monitoring) enabling precise and efficient navigation and positioning, position tracking, displacement monitoring and satellite communications, and sales of communication chips and modules, storage chips and modules, and RF chips under our comprehensive chips and modules business. Any deterioration in, or a slowdown in the growth of, such end markets resulting in a substantial decrease in the demand for the products and solutions we offer could adversely affect our revenue. In addition, decreases in downstream customers' demand for the products and solutions we offer may lead to a decrease in the selling price of such products and solutions, which may increase our pricing pressure and in turn, may negatively impact our revenue, profit margin and earnings.

We are subject to various risks relating to third-party payment arrangements.

During the Track Record Period, certain customers in our comprehensive chips and modules business settled their payments with us through third parties designated by such customers (the "**Third-party Payment Arrangement**"). See "Business — Sales, Marketing and Distribution of Our Products — Third-party Payment Arrangement." Third-party Payment Arrangement may subject us to various legal risks, including: (i) possible claims for return of funds from third-party payors who were not contractually indebted to us; (ii) potential risks arising from the fact that we have limited knowledge about the source and purpose of the funds utilized by the third-party payors, such as possible money laundering risks; and (iii) possible claims from liquidators of third-party payors. Any such claim, prosecution or investigation against us may cost us significant time and financial and managerial resources and may materially and adversely affect our business, financial condition, reputation, results of operations and prospects.

We may be exposed to credit risk arising from our trade and other receivables. Failure to collect our trade and other receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

During the Track Record Period, our trade and other receivables primarily represent receivables from customers for our GNSS chips, modules and related solutions business. As of December 31, 2023, 2024 and 2025, our trade and other receivables amounted to RMB244.5 million, RMB353.0 million and RMB439.6 million, respectively. The credit period granted to our customers was generally 0 days to 90 days from the date of invoice. According to CIC, our trade receivables and turnover days are within the common range observed in the industry and does not significantly deviate from the levels of our peers, which were in line with industry practices. See "Financial Information — Discussion of Certain Items of Statements of Financial Position — Trade and Other Receivables."

We cannot assure you that we will be able to collect all or any of our trade and other receivables on time, or at all. Our customers may face unexpected circumstance. For example, our trade receivables turnover days decreased from 105 days in 2023 to 88 days in 2024 and then increased to 96 days in 2025. As a result, we may not be able to receive such customers' payment of uncollected debts in full, or at all, and may be exposed to credit risk. The occurrence of such event would adversely affect our financial condition and results of operations.

We may incur impairment losses for goodwill, which may adversely affect our results of operations and financial position.

As of December 31, 2023, 2024, and 2025, the carrying amount of our goodwill remained stable at RMB81.2 million. This followed an impairment loss recognized in 2023, as the recoverable amount of Medo's cash-generating units was assessed to be less than the carrying amount. Details of the impairment assessment are set out in Note 13 to the Accountants' Report in Appendix I to this document. Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated, which is the higher of the value in use and fair value less costs of disposal. The value in use calculation requires us to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. In the case that the actual future cash flows are less than expected, or changes in facts and circumstances, which results in downward revision of future cash flows, a material impairment loss may arise. If any of these assumptions do not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our goodwill and record a significant impairment loss, which could in turn adversely affect our results of operations. Failure to generate financial results commensurate with our goodwill may adversely affect the recoverability of such goodwill, and in turn result in impairment losses. Any significant impairment losses charged against our goodwill could have an adverse effect on our business, financial condition and results of operations.

Our products or solutions may fail to meet new industry standards or requirements and the efforts to meet such industry standards or requirements could be costly.

Our products and solutions are based on industry standards that are continually evolving. Our ability to compete in the future will depend on our ability to identify and ensure compliance with these evolving industry standards. The emergence of new industry standards could render our products or solutions incompatible with technical requirements set by the new standards. As a result, we could be required to invest significant time and effort and may incur significant expense to redesign our products or solutions to ensure compliance with relevant standards. If our products are not in compliance with prevailing industry standards or requirements, we could miss market opportunities which in turn could have an adverse effect on our business, operations and financial results.

We derive a substantial proportion of our revenue from Chinese Mainland and Hong Kong, and our business is susceptible to any policy changes affecting the GNSS spatial positioning service market which may adversely affect our business.

During the Track Record Period, a substantial proportion of our revenue was derived from Chinese Mainland and Hong Kong, which accounted for 99.2%, 99.5% and 99.5% of our total revenue in 2023, 2024 and 2025, respectively. As such, we are dependent on policies affecting the GNSS spatial positioning service market in Chinese Mainland and Hong Kong. For more details, see "Industry Overview — Overview of the China's BeiDou Spatial Positioning Service Industry — Market drivers of China's BeiDou spatial positioning services." As such, our future prospects, success and continuous growth depend and will continue to depend on the strong support of the PRC government to the GNSS spatial positioning service industry in the foreseeable years. However, we cannot assure you that the PRC government will continue to promote and implement favorable policies for the GNSS spatial positioning service industry, or maintain the policies currently in effect to the GNSS spatial positioning service industry, and in turn, favorable to us. As a result, if such policies change or discontinue in the future, our financial performance and future business growth could be adversely affected.

We have limited control over the operations of our direct sale customers and distributors. Our business may be negatively affected due to risks relating to the acts of our distributors and direct sale customers and their potential breach of distribution or purchase agreements.

We sell our products directly to (i) certain of our customers of our GNSS chips and modules, enterprise and institution customers of our GNSS-related solutions, which are mainly engaged in water conservancy and hydropower, land and geological disaster prevention, mine tailings facilities, vehicle monitoring and others sectors, and (ii) customers from our comprehensive chips and modules business, which are mainly engaged in consumer electronics and transportation industries. Certain of our direct sale customers of our GNSS chips and modules may resell our products without our knowledge.

We also rely on third-party professional distributors for marketing, branding and sales of our products and solutions. We have various measures in place to monitor our distributors' inventory level and prevent channel stuffing issue and cannibalization risks. In particular, we maintain a "buy-out" model with our distributors and periodically require our distributors to provide sales reports for us to acknowledge their inventories, downstream customers and sales targets. However, there can be no assurance that we will be successful in detecting any detecting any non-compliance of our distributors with the provisions of their distribution agreements. See "Business — Sales, Marketing and Distribution of Our Products — Our Distribution Channels — Distributors Management." Non-compliance by our distributors could negatively affect our brand reputation and disrupt our sales.

We may be exposed to the risks of fraud or other misconducts committed by our direct sale customers or distributors. Fraud or other misconduct by our direct sale customers or distributors may involve engaging in unauthorized misrepresentation to our downstream customers, misappropriating third-party intellectual property and other proprietary rights and engaging in bribery or other unlawful payments. In any such event, we could, as a result, incur liability to our downstream customers for fraud or misconduct committed by such distributor or direct sale customer. Any claims could subject us to costly litigation and impose a significant strain on our financial resources and attention of management personnel regardless of whether the claims have merit, any of which could result in complaints from our downstream customers, regulatory and legal liabilities, as well as serious harm to our reputation.

We had a concentration of suppliers during the Track Record Period.

Purchase amount from our five largest suppliers in each year in 2023, 2024 and 2025 amounted to RMB485.8 million, RMB541.4 million and RMB647.6 million, respectively, representing 71.3%, 64.4% and 63.0% of our total purchase amount for the same year, respectively; purchase amount from our largest supplier in each year in 2023, 2024 and 2025 amounted to RMB270.5 million, RMB284.0 million and RMB327.7 million, respectively, representing 39.7%, 33.8% and 31.9% of our total purchase amount for the same year, respectively. We cannot assure you that we will be able to secure a stable supply of qualified products, raw materials and/or services at all times going forward. Specifically, we cannot assure you that we will be able to identify an alternative qualified supplier in a timely manner or at all, in the event that any of our existing suppliers terminates its contract with us or is no longer qualified. Any change in suppliers could also require significant efforts or investments in circumstances where the items or services supplied are integral to solution performance or incorporate unique technologies, and the loss of existing supply contracts could have a material adverse effect on us.

We rely on a limited number of major foundries for chip manufacturing services. The third-party foundries from which we procure manufacturing services may be unable to obtain the materials and components necessary for our business operations in a timely manner and at a reasonable cost, or experience disruption in providing manufacturing services, which may adversely affect our revenue and profitability.

We rely on a limited number of major foundries for chip manufacturing services. Any disruptions to our current supply chain could lead to production delays and necessitate the allocation of time and resources for engaging with new foundries. Additionally, transitioning to new foundries may require extra time to communicate our customization needs effectively or to make adjustments to meet our specifications. We procure wafers from two major foundries located in Taiwan and Chinese Mainland, respectively. During the Track Record Period, we incurred RMB32.9 million, RMB24.3 million and RMB65.6 million, respectively, for procuring wafers from the foundry located in Taiwan. We incurred RMB2.1 million, RMB16.7 million and RMB45.2 million, respectively, for procuring wafers from the foundry located in Chinese Mainland, in the same year. If such foundries encounter any disruption in their wafer supply services, we will face the risk of delayed delivery for the chips and modules using their manufactured wafers. Specifically, in 2025, the revenue of our chips and modules fabricated by a foundry located in Taiwan amounted to RMB158.0 million and the revenue of chips and modules fabricated by another foundry located in Chinese Mainland amounted to RMB74.4 million in the same year. Our reliance on a limited number of major foundries may present significant risks to us, including the following: (i) reduced control over delivery schedules, yields and product reliability; (ii) manufacturing cost increases; (iii) manufacturing deviations from internal and regulatory specifications; (iv) the failure of a key manufacturer to perform as we require for technical, market or other reasons; (v) difficulties in establishing additional manufacturer relationships with capable manufacturers if we are presented with the need to transfer our manufacturing demand to them; (vi) misappropriation of our intellectual property; and (vii) other risks in potentially meeting our product development schedule or satisfying the requirements of our market partners, distributors, direct customers and end users.

The semiconductor fabrication services industry has experienced a very large expansion of fabrication capacity and production worldwide over time. As a result of increasing demand from semiconductor and other manufacturers, availability of certain basic materials and supplies, such as chemicals, gases, polysilicon, silicon wafers, ultra-pure metals, lead frames and molding compounds, and subcontract services, like epitaxial growth and wafer fabrication, have from time to time, over the past several years, been in short supply and could come into short supply again if overall industry demand continues to increase in the future. Natural disasters can also lead to a shortage of some of the above materials due to disruption of the manufacturer's production from time to time. Any shortage in supplies could affect the price of the above basic materials, in particular silicon, and could reasonably affect our results of operations. Furthermore, as raw material purchase price is not only affected by the above materials and supplies, but also by the manufacture processes, technologies and services provided by the foundries, insufficient volume to secure priority ordering and technologies at foundries or any disruption of foundry services could occur as a result of production constraints on the foundries from which we procure manufacturing services, which could have a materially adverse effect on our business operations and our results of operations. In addition, our unaffiliated contract foundries have experienced and may continue to experience in the future, unexpected increases in work wages, whether government mandated or otherwise and increases in compliance costs due to governmental regulation concerning certain metals used in the manufacturing of our products. We also cannot be certain that our unaffiliated contract foundries will be able to meet our product customizations or fill our orders in a timely manner.

If we experience significant increases in demand, or reductions in the availability of materials, or need to replace an existing foundry, there can be no assurance additional supplies of components or additional manufacturing capacity will be available when required on terms acceptable to us, or at all, or that any supplier or foundry would allocate sufficient capacity to us in order to meet our product customizations. In addition, even if we are able to expand existing or find new manufacturing or sources of components, we may encounter delays in production and added costs as a result of the time it takes to train suppliers and foundries in our methods, products, quality control standards and labor, health and safety standards. Any delays, interruption or increased costs in labor or wages, or the supply of materials or manufacture of our products could have an adverse effect on our ability to meet consumer demand for our products and result in lower revenues and net income both in the short- and long-term.

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

Our customers generally have stringent specifications for quality, performance and reliability that our products must meet. Due to the complex product design and production process, our products may contain undetected defects or failures when first introduced or after commencement of commercial shipments, which might require product replacement or recall. Further, changes of raw material used in the production processes may cause our products to fail. However, if defects and failures occur in our products, we could experience lost revenue, increased costs, including warranty expenses and costs associated with after-sales services, cancellations or rescheduling of orders or shipments, and product returns or discounts, any of which would harm our operating results.

Further, the production of our products, including the fabrication of semiconductor wafers, and the assembly and testing of products, involve highly complex processes. For example, minute levels of contaminants in the manufacturing environment, difficulties in the wafer fabrication process or other factors can cause a substantial portion of the components on a wafer to be nonfunctional. These problems may be difficult to detect at an early stage of the production process and often are time-consuming, expensive or impossible to correct. They may also result in claims against us by our customers or others, and subject us to liabilities and damages. Our reputation or brand may be damaged as a result of these problems and customers may be reluctant to buy our products, which could adversely affect our ability to retain existing customers and attract new customers and could adversely affect our business, financial condition and results of operations.

Our GNSS products may be subject to warranty, indemnity product liability claims and/or product return, which could result in significant costs and damage to our business, reputation and downstream customer relationships, market acceptance of our products, financial conditions, results of operations and prospects.

GNSS chips and modules are highly complex and may contain defects that affect their quality or performance. Failures in our products could result in damage to our reputation for reliability and increase our legal or financial exposure to third parties. If any of our products contain defects, we may be required to incur additional development and remediation costs pursuant to warranty and indemnification provisions in our contracts and purchase orders. In addition, during the Track Record Period, in the exceptional circumstances, we accepted a restricted number of returns of products not related to quality defects. These events may divert our technical and other resources from other product development efforts and could result in claims against us by our downstream customers, including liability for costs and expenses associated with product defects, including recalls, which may adversely impact our operating results. We may also be subject to third parties' alleging damages resulting from use of our products. Those users may seek indemnification from us. In certain cases, our potential indemnification liability may be significant. We cannot guarantee that such events will not occur in the ordinary course of business in the future.

Further, we offer our products to downstream customers in industries such as transportation (transportation management, bike-sharing and intelligent driving), consumer electronics (smartphone, IoT and wearable devices) and environmental monitoring and early warning (meteorological detection and deformation monitoring), where failure of the systems in which our products are integrated could cause damage to property or persons. We may be subject to product liability claims if our products, or the integration of our products, cause system failures. Any product liability claim, whether or not determined in our favor, could result in significant expense, divert the efforts of our technical and management personnel, and harm our business. In addition, if any of our products contain defects, or have reliability, quality or compatibility problems not capable of being resolved, our reputation may be damaged, which could make it more difficult for us to offer our products to downstream customers and which could also adversely affect our operating results.

We depend on the continued services and performance of our senior management and other key employees, including core R&D personnel and skilled engineers. If we are unable to recruit, retain and motivate any of them, our business, operating results and financial condition may be adversely affected.

Our future performance depends on the continued services and contributions of our senior management and other key employees, to oversee and execute our business plans, identify and pursue new opportunities and innovations, perform effective product design, and R&D. We also rely on our experienced management team led by Mr. Sun Zhongliang, chairman of our Board, executive Director and president of our Company, to ensure smooth business operations, including maintenance of distributor and supplier relationships, and management of our operations. Any loss of service of our key personnel could significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results.

From time to time, there may be changes in our senior management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them within our business also require significant amounts of time, training and resources, and may impact our existing corporate culture. Our future success depends, to a significant extent, on our ability to attract, train and retain qualified personnel, particularly skilled engineers with expertise in the GNSS spatial positioning service sector. However, we cannot assure you that we will be able to develop or retain qualified staff or other highly skilled employees that we will need in order to achieve our strategic objectives.

Our international operations are subject to a variety of costs and legal, regulatory, political and economic risks.

Our business and results of operations are affected by our ability to execute our globalization strategy, which primarily involves expanding into new international markets, particularly Europe, Japan, South Korea, India, and Southeast Asia. Operating internationally subjects us to additional risks and challenges such as: (i) limited brand recognition globally (compared with our presence in the PRC); (ii) costs and expenses in connection with global expansion, including recruitment of local personnel and lease or establishment of new premise or lab; (iii) ability to anticipate international consumers' and collaborators' needs and preferences; (iv) burdens of complying with a wide variety of local laws and regulations; (v) wars, political and economic instability, including trade tensions; and (vi) technological and trade restrictions.

Our international expansion plans will place increased demands on our operational, managerial and administrative resources. In particular, we face regulatory uncertainties and may incur substantial compliance costs when we enter into a new overseas market. Regulations in different overseas markets could vary significantly. Non-compliance may subject us to sanctions by regulatory authorities, to monetary penalties, or to restrictions on our activities or revocation of our licenses, which may result in a material adverse effect on our business, financial condition and results of operations in the relevant overseas market. We also have to closely monitor changes in local laws and complete all necessary procedures and filings accordingly.

Most of our products are compatible with multiple GNSS, such as BeiDou, GPS, GLONASS, and Galileo, all of which provide open and freely accessible signals. While our products are designed to operate using combined or alternative signals from these GNSS, the relative level of adoption and support for single GNSS may vary across jurisdictions. If certain overseas markets do not widely support or adopt multiple GNSS positioning technologies, the market acceptance of our products could be lower than expected, which may in turn adversely affect our ability to expand internationally and achieve our growth objectives.

We may be subject to the risks associated with international trade policies, export controls and economic sanctions, geopolitics and trade protection measures.

Our globalization strategy to expand our global markets exposes us to risks associated with international trade regulations and geopolitical developments. For example, recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, sanctions, and export controls and other restrictive measures targeting high-technology goods, including in the industry in which we operate. These policies have introduced uncertainties to global supply chains, limited access to critical raw materials and components, and increased production and compliance costs for companies operating in affected industries.

The U.S. has recently strengthened export control, economic sanctions and tariff measures against China. This includes adding certain PRC entities or individuals onto its "Entity List" and other sanctioned and restricted party lists that limit their access to certain U.S.-origin goods, software, and technologies, items that contain certain portions of U.S.-origin goods, software or technologies, and foreign direct products of certain the U.S.-origin software, technologies or equipment. Additionally, reciprocal tariffs have been imposed on Chinese goods. Further, the U.S. released provisions prohibiting or requiring notification of the U.S. outbound investments in certain entities located in or subject to the jurisdiction of countries of concern, including the Chinese Mainland, the Hong Kong Special Administrative Region, and the Macau Special Administrative Region, which operate in the semiconductor and microelectronics, quantum information technology, and artificial intelligence sectors. Our Sanctions Counsels, conclude that these recent measures have had a minimal impact on our operations during the Track Record Period. For details, please see "Business — Sanctions, Anti-bribery and Anti-corruption Risk Management." However, geopolitical tensions between China and the United States may intensify and the United States may adopt even more restrictive measures in the future, including by imposing additional sanctions on, or further restricting the U.S. investment in, Chinese-affiliated companies. Consequently, the potential for future changes in trade policies poses risks that could adversely impact our business.

The "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "**Final Rule**") excludes certain investments from the scope of covered transactions, including investments in publicly traded securities that do not afford the U.S. persons rights beyond standard minority shareholder protections. As a result, upon completion of the **[REDACTED]**, it is expected that the U.S. persons are allowed to purchase our **[REDACTED]** shares on the Hong Kong Stock Exchange without notification obligations. However, even though the purchase of our shares by the U.S. persons from the Stock Exchange will be exempted from the scope of covered transactions under the Final Rule, the relevant laws, regulations, and policies continue to evolve and we cannot rule out potential amendments to the Final Rule that further restrict the U.S. person investment. If our ability to raise such capital is significantly and negatively affected, it could materially and adversely impact our business, financial condition and prospects.

In addition, our products currently incorporate AI tools on a limited basis, primarily to assist in algorithm development and to improve positioning accuracy. Although our use of AI is not extensive, the adoption of AI technologies may lead to potential operational uncertainties and evolving regulatory or geopolitical risks. For example, new laws, policies or restrictions relating to AI could increase compliance costs, limit the deployment of our products in certain markets, or otherwise affect our business operations. We cannot assure you that future regulatory or market developments regarding AI will not have an adverse impact on our business, financial condition and results of operations.

Geopolitical tensions between Chinese Mainland and Taiwan may create uncertainties that could adversely affect our operations. Heightened cross-strait tensions could also negatively impact market sentiment, supply chain stability, and our ability to pursue business opportunities in Taiwan or with Taiwan counterparties. Any such developments could have an adverse effect on our business, financial condition, and results of operations.

In addition, the semiconductor fabrication services industry has experienced cyclical downturns, ongoing supply-chain disruptions and tightening regulatory measures in recent years. Global shortages of semiconductor components and expanded U.S. export controls on quantum- and chip-related technologies have increased supply-chain and policy risks for semiconductor companies worldwide. Any prolonged weakness in the semiconductor market, renewed shortage of key materials or components, or further expansion of the U.S. or allied export-control measures could disrupt our procurement or manufacturing arrangements, lengthen delivery schedules, increase costs or otherwise adversely affect our operations, financial condition and results of operations.

We may not have sufficient insurance coverage to cover our potential liability or losses and as a result, our business, financial conditions, results of operations and prospects may be materially and adversely affected should any such liability or losses arise.

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. Insurance companies in the PRC may not offer comprehensive insurance products that cover all of our business operations. As such, we cannot insure against certain risks related to our assets or business even if we desire to. As of the Latest Practicable Date, we had not obtained any business liability or disruption insurance to cover our operations. See "Business — Insurance." We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurances on commercially reasonable terms render these insurances impractical for our business. As advised by our Industry Consultant, our insurance coverage is in line with the industry norm. However, any uninsured occurrence of including, among others, business disruption, material litigation, natural disaster or significant damages to our uninsured devices or facilities may result in our incurring substantial costs and the diversion of resources, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We partner with third-party chip probing service providers for inspection and testing of foundry-manufactured wafers and storage of our inventory and entrust third party companies to conduct chip packaging in connection with the manufacturing of the chips. Any disruption in the operation of such third parties could adversely affect our business.

We partner with third-party chip probing service providers for inspection and testing on the delivered foundry-manufactured wafer and storage of our inventory, as our inventory management is standardized through our digital warehousing system across our escrow warehouse at our chip probing service providers' plant. We also entrust third party companies to conduct chip packaging in connection with the manufacturing of the chips. There can be no assurance that we will be able to continue to maintain good relationship or renew our agreements with such third parties on commercially reasonable terms, if at all. If we fail to continue our cooperation with such third parties, or if their business or operations are interrupted or fail due to factors beyond our control, and we fail to find comparable alternatives on reasonable terms, our business may be materially and adversely affected.

Our operations may be subject to transfer pricing adjustments by relevant tax authorities.

Our operations may be subject to transfer pricing adjustments by relevant tax authorities. We have certain intra-group transactions that may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, our subsidiaries in the Chinese Mainland and Hong Kong have engaged in several types of intra-group transactions. Please see "Business — Intra-Group Transactions." As such, we could face adverse tax consequences if the relevant tax authorities determine that some of our intra-group transactions do not represent arm's length principle or confer income tax advantage to the Group and consequently adjust any of those entities' taxable income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities or reduce our tax losses, the relevant tax authorities may impose late payment charge and/or interest and/or other penalties on us for any unpaid taxes. In addition, double taxation arisen as a result of transfer pricing adjustment may give rise to tax recoverable under double taxation relief arrangement (if applicable) in certain jurisdictions. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operation may therefore be adversely affected.

Further, we expect that the intra-group transactions will continue in the foreseeable future and we will determine transfer pricing arrangements that we believe to be the same as that transacted with unrelated third parties on an arms' length basis or do not confer any income tax advantage to the Group. However, there is no assurance that relevant tax authorities would share the same view, or such transfer pricing laws and regulations will not be modified. In the event that an authority of any relevant jurisdiction determines that such intra-group transactions were not on an arm's length basis or confer any income tax advantage to the Group that affect taxable income, such authority could require our relevant subsidiaries to re-determine the transfer prices and thereby adjust revenue, deduct costs and expenses or adjust taxable income of the relevant subsidiary in order to accurately reflect the taxable income. Any such adjustment could result in higher overall tax liability for us, which may adversely affect our business, financial condition and results of operations.

The markets for GNSS products and solutions are cyclical. Increased production may lead to overcapacity and lower prices, and conversely, we may not be able to satisfy unexpected demand for our products, which may affect our results of operations.

The cyclical nature of the global GNSS spatial positioning service industry has resulted in periods when demand for our products and solutions has increased or decreased rapidly. The demand for our products is subject to the strength of downstream industries our downstream customers operate in, including transportation (transportation management, bike-sharing and intelligent driving), consumer electronics (smartphone, IoT and wearable devices) and environmental monitoring and early warning (meteorological detection and deformation monitoring) enabling precise and efficient navigation and positioning, position tracking, displacement monitoring and satellite communications. If we expand our business operations too rapidly and that demand does not materialize at the pace at which we expect, or declines, our operating results may be adversely affected as a result of increased operating expenses, reduced margins or underutilization of capacity. Conversely, during periods of rapid increases in demand, our available capacity may not be sufficient to satisfy the demand. In addition, we may not be able to expand our workforce and operations in a sufficiently timely manner, procure adequate resources and raw materials, locate suitable third-party suppliers, or respond effectively to changes in demand for our existing products or solutions or to demand for new products or solutions requested by our downstream customers, and our current or future business could be materially and adversely affected.

We may not be able to obtain additional funding on acceptable terms or at all, which may affect our ability to expand our business or meet unforeseen contingencies.

Capital requirements are difficult to plan in the highly dynamic, cyclical and rapidly changing the GNSS spatial positioning services industry. From time to time and increasingly so for the next few years, we will continue to need significant capital to fund our operations and manage our capacity in accordance with market demand. Our ability to obtain additional capital is subject to a variety of uncertainties, including: (i) our market position and competitiveness in the global GNSS spatial positioning service industry; (ii) our future profitability, overall financial condition, results of operations and cash flows; (iii) general market conditions for capital-raising activities by semiconductor companies in the PRC; and (iv) social, economic, political and other conditions in the PRC and internationally.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. In addition, our future capital or other business needs could require us to issue additional equity securities. The issuance of additional equity or equity-linked securities could dilute our Shareholders' shareholding interest. In case the capital required for our expansion could not be raised through the issuance of equity or equity-linked securities, we may need to incur additional indebtedness, which will lead to increased debt service obligations and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our Shareholders. Our profitability would also be adversely affected if the increase in interest expenses could not be passed on to our downstream customers.

Our results of operations are subject to fluctuations due to the seasonality of our business.

We have experienced and expect to continue to experience seasonal fluctuations in our revenue. Our results of operations historically have been seasonal primarily because we typically provide GNSS-based solutions on a project-by-project basis, with delivery and acceptance of these projects typically occurring in the third and fourth quarters during the year. Therefore, we typically recognize a larger portion of revenue from GNSS-related solutions in the third and fourth quarter of a particular calendar year. If our seasonal revenue is below expectations, our operating results could be below the expectations of securities analysts and investors.

Our quarterly results may not be comparable to the corresponding periods of prior years, and you may not be able to predict our annual results of operations based on a quarter-to-quarter comparison of our results of operations. Due to our limited operating history, the seasonal trends that we have experienced in the past may not fully apply to, or be fully indicative of, our future operating results. If our growth rate declines or seasonal spending becomes more pronounced, seasonality could have an adverse impact on our revenue, cash flow and operating results from period to period.

We may fail to maintain and predict inventory levels in line with demand for our products, which could cause us to face the risk of obsolescence for our inventories or lose sales.

Our inventories consist of raw materials, work in progress, and finished goods. As of December 31, 2023, 2024 and 2025, we had inventories and contract costs of RMB96.7 million, RMB70.9 million and RMB89.4 million, respectively. During the Track Record Period, we made provision for inventories amounting to RMB0.2 million, RMB0.2 million and RMB0.5 million, respectively, as of December 31, 2023, 2024 and 2025. For the same years, our inventory turnover days were 60 days, 40 days and 32 days, respectively. As our business expands, our inventory level may increase and our inventory obsolescence risk may also increase accordingly. See "Business — Inventory Management." We maintain our inventory levels based on our internal forecasts of customers' demand. If our forecast demand is higher than actual demand, we may be exposed to increased inventory risks due to the accumulation of excess inventory of our raw materials or finished goods. Excess inventory levels may increase our inventory holding costs, risk of inventory obsolescence or write-offs. Conversely, if our forecast demand is lower than actual demand, we may not be able to maintain an adequate inventory level and may lose sales and market share to our competitors. There is no assurance that information relating to the business plans or sales results of our distributors would be reported to us by our distributors timely and accurately. Therefore, our business prospects, financial condition and results of operations may be materially and adversely affected.

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

In the course of our business, we collect, store and process business data and transaction data. As we only make transactions with enterprises, we do not collect or process a large amount of personal data. To ensure data security, we have adopted and strictly executed a data accessing and transmitting policy to ensure the confidentiality of our data. We face a number of risks relative to protecting these critical data and information, including material system failure or security breach, loss of access and data, inappropriate use or disclosure, inappropriate modification, and the risk of inability to adequately monitor, audit, and modify our controls over our critical data and information. This risk extends to our vendors and subcontractors we use to manage our sensitive data and our collaborators who share with us sensitive data. See "Business — Data Privacy and Information Security Risk Management."

The secure processing, storage, maintenance, and transmission of this critical information are vital to our operations, and we devote significant resources to protecting such information. However, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or breached due to employee error, malfeasance, or other malicious or inadvertent disruptions. In addition, as data is accessible through multiple channels, and there is no guarantee we can protect our data from breach. Any such breach could compromise our networks and the information stored therein, possibly resulting in legal and regulatory actions, disruption of operations and customer services, and otherwise harming our business, reputation and future operations.

We are subject to risks relating to litigation and disputes, which could adversely affect our business, prospects, results of operations and financial condition.

We may be subject to disputes or claims of various types brought by our competitors, employees, suppliers, customers, distributors, business partners or governmental entities against us relating to contractual disputes, labor disputes, intellectual property infringements or disputes involving misconducts of our employees. Such claims and disputes may evolve into litigations and damage our reputation and goodwill, thereby adversely affecting our customer base. We cannot guarantee that we will not be subject to legal proceedings in the ordinary course of business. Litigation is distractive and expensive as it may cause us to incur defense costs, utilize a significant portion of our resources and divert management team's attention from our day-to-day operations, any of which could harm our business. In addition, we may need to spend a significant amount to settle claims or pay damages if we lose a lawsuit, which could have a material and adverse effect on our business, financial condition and results of operations.

If we fail to fully comply with applicable PRC labor laws, including the timely payment of social insurance premiums and housing provident funds for our employees, we may be subject to penalties or administrative actions, which may in turn affect our financial condition and reputation.

Pursuant to applicable PRC labor laws and regulations, we are required to enter into written employment contracts with our employees and make contributions to social insurance schemes and housing provident funds in accordance with local requirements. These contributions include pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident funds. For details, see "Regulatory Overview — Regulations Relating to Employment and Social Welfare." Due to historical reasons, differences in local practices and administrative complexities, we did not make full social insurance and housing provident fund contribution for our employees in accordance with relevant laws and regulations during the Track Record Period. For details, see "Business — Employees — Social Insurance and Housing Provident

Fund Contributions." We cannot assure you that the competent government authorities will not require us to pay the outstanding amount and impose late payment fees or fines on us. If we are subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be adversely affected.

Our rights to use some of our leased properties could be challenged by property owners, and we may be liable for failure to register and file our lease agreements.

As of the Latest Practicable Date, with respect to four of our leased properties in the PRC, the lessors of such properties failed to provide us with sufficient or valid ownership certificates. Based on the advice of our PRC Legal Advisors, if the lessors of the leased properties do not have the requisite rights to lease the relevant properties, we would not be subject to any administrative penalties with respect to these properties, but our leases may be affected. Pursuant to the Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》), both lessors and lessees are required to file the lease agreements for registration and obtain property leasing filing certificates for their leases. As of the Latest Practicable Date, we had not obtained the registration of lease agreements for 14 of our leased properties in the PRC. See "Business — Land and Properties." We cannot assure you that the lessors will cooperate and complete the registration in a timely manner. Our PRC Legal Advisors have advised us that failure to complete the registration and filing of lease agreements will not affect the validity of the lease agreements under PRC laws, but we may be subject to a maximum penalty of RMB10,000 for each non-registered lease if we fail to register such lease agreements within the time frame prescribed by the relevant PRC government authorities. As a result, any imposition of fines due to such failure may adversely affect our business operations and financial condition.

Our operations may be delayed or interrupted and our business could suffer if we or the third-party foundries we cooperate with fail, or are alleged to have failed, to comply with any existing or new environmental, occupational or safety regulations.

We are subject to a variety of environmental, occupational or safety regulations relating to the use, discharge and disposal of toxic or otherwise hazardous materials used in our production processes in the PRC and may be subject to the same regulations relating to the production processes of third-party foundries we cooperate with, as we operate with a "fabless" model, focusing on the design process and outsource the IC manufacturing to foundries. Any failure or any claim that we or the third-party foundries we cooperate with have failed to comply with these regulations could cause delays in our production and capacity expansion and affect our public image, either of which could harm our business. In addition, any failure of us, or the third-party foundries we cooperate with, to comply with these regulations could subject us to substantial fines or other liabilities or require us to suspend or adversely modify our operations. We may become subject to legislation, regulation, or treaty obligations designed to address global climate change, air quality in the PRC, and other environmental concerns. Compliance with any new rules could be costly, causing us to incur additional energy and environmental costs, as well as costs for defending and resolving legal claims.

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

We believe that maintaining, promoting and enhancing our brand is critical to maintaining and expanding our business. Maintaining and enhancing our brand depends largely on our ability to continue to provide quality products, which we cannot assure you we will do successfully. Quality issues, product performance, reliability and stability of our products as well as price may harm our reputation and brand, and we may introduce new products which might be poorly received by our downstream customers. Additionally, if downstream customers have a negative experience using our products, such an encounter may affect our brand and reputation within the industry. Furthermore, we believe the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful products at competitive prices, the successful promotion of our brand will also depend on the effectiveness of our marketing efforts. We cannot assure you that our marketing spends will lead to increased revenue, and even if so, such increases in revenue may not be sufficient to offset expenses we incur in building and maintaining our reputation and brand name.

We have engaged and may continue to pursue collaborations or licensing arrangements, joint ventures, strategic alliances, partnerships or other strategic investment or arrangements in the future, which may fail to produce anticipated benefits and adversely affect our operations.

We have invested in companies that we think share synergies with our business. In 2022, we acquired 53.74% equity interest in Medo, a GNSS-based terminals and solutions provider, to tap into the downstream market of high-precision deformation monitoring solutions to expand our business. For more details, see "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers." In 2023, we recorded a goodwill impairment of RMB128.9 million in respect of Medo. For details, see "Financial Information — Description of Major Components of Our Results of Operations — Acquisition of Medo." We may continue to pursue opportunities for collaborations, out-license, joint ventures, acquisitions of business or technology, strategic alliances, or partnerships that we believe would advance our development in the future. We may consider pursuing growth through the acquisition of technology, assets or other businesses that may enable us to enhance our technologies and capabilities. Proposing, negotiating and implementing these opportunities may be a lengthy and complex process. Our competitors, including those with substantially greater financial, marketing, technology, or other business resources, may compete with us for these opportunities or arrangements. We may not be able to identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis and acceptable terms, or at all. In addition, valuations supporting our acquisitions and strategic investments could change rapidly. Following any such transaction, there could be impairments in valuations or other-than-temporary declines in fair value, which could materially adversely affect our business, financial condition and operating results through the write-off of goodwill and other impairment charges.

We intend to use a portion of the **[REDACTED]** from the **[REDACTED]** to pursue strategic investments and acquisitions. See "Future Plans and **[REDACTED]**." Such activities involve inherent uncertainties. In particular, we may not be able to accurately assess the value or risks of target businesses, which may result in overvaluation or unforeseen liabilities. The integration of acquired businesses, technologies and brands may also be complex and may disrupt our operations. Even if completed, we may not be able to realize the expected benefits, synergies, cost savings or operational efficiencies within the expected timeframe or at all.

We are subject to changing laws, regulations and social trends regarding environmental, social and governance risks, increasing both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, once we have become a **[REDACTED]** company, the Stock Exchange and the SFC, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, as well as the various regulatory authorities in the PRC, and to new and evolving regulatory measures under applicable laws. We may also be subject to the changing social trends on the concerns regarding environmental, social and governance risks. Our efforts to comply with new and changing laws, regulations and social trends have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing adjustment regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalties and our business may be harmed.

We may be subject to natural disasters, health epidemics and pandemics, civil and social disruption and other outbreaks, or other factors beyond our control.

A vast majority of our operations and workforce are based in the PRC. Significant natural disasters, including earthquakes, extreme weather conditions, as well as epidemic diseases or any similar event could materially impact our business in the future. In the event of a major disruption caused by a natural disaster or man-made problem, such as power disruptions, computer viruses, data security breaches or terrorism, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities, lengthy interruptions in service, breaches of data security and loss of critical data, any of which could adversely affect our business, results of operations and financial condition. In addition, our business could be affected by public health epidemics and pandemics. Even if we are not directly affected, such a disaster or disruption could affect the operations or financial conditions of our customers, which could harm our results of operations. If any of our employees is suspected of having contracted a contagious disease, we may be required to apply quarantines or suspend our operations. Furthermore, any future outbreak may restrict economic activities in affected regions, resulting in reduced business volume, temporary closure of our offices or otherwise disrupt our business operations and adversely affect our financial condition and results of operations.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY

Our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the intellectual property rights of third parties.

The markets we operate in are subject to rapid technological change and substantial litigation regarding patent and other intellectual property rights. Our competitors may have substantially greater resources to make substantial investments in patent portfolios and competing technologies, and may apply for or obtain patents that could prevent, limit or otherwise interfere with our ability to make, use and sell our products, solutions or technologies. Numerous third-party patents exist in fields relating to our technologies, and it is difficult for industry participants, including us, to identify all third-party patent rights relevant to our solutions or technologies. Moreover, because some patent applications are maintained as confidential for a certain period of time, we cannot be certain whether third parties have filed patent applications that cover our solutions and technologies.

Third parties may have or obtain valid and enforceable patents or proprietary rights that could block us from using our technologies. Our failure to obtain or maintain a license to any third-party intellectual property rights that we require may materially harm our business, financial condition and results of operations. Furthermore, we would be exposed to risks of litigation. Third-party intellectual property right holders may also actively bring infringement or other intellectual property-related claims against us, even if we have received patent and other intellectual property protection for our technologies, solutions, and services. Regardless of the merit of third parties claims against us for infringement, misappropriation or violations of their intellectual property rights, such third parties may seek and obtain injunctive or other equitable relief, which could effectively block our ability to continue to offer our products and solutions. Further, if a patent or other intellectual property infringement suit were brought against us, we could be forced to stop or delay our R&D activities and the provision of our products and solutions, the regulatory approval process, the use of the challenged trademarks, or other activities related to subject of such suit. Defense of these claims, even if such claims are resolved in our favor, could cause us to incur substantial expenses and be a substantial diversion of our resources even if we are ultimately successful. With respect to these claims, any adverse ruling or perception of an adverse ruling could have a material adverse impact on our cash position and H Share price. Such litigation or proceedings could substantially increase our operating costs and reduce the resources available for R&D activities, or any future sales, marketing, or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios.

We may be unsuccessful in obtaining or maintaining patent or other adequate intellectual property protection for our technologies, solutions or products, due to any rejections of our patent applications or licensed patent applications. If our issued patents are determined invalid or unenforceable when challenged in court or before administrative bodies, third parties could develop and commercialize solutions, products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize any technology, solutions or products may be adversely affected.

Our commercial success will depend, in large part, on our ability to obtain, maintain and defend patent and other intellectual property protection with respect to our GNSS chips, modules and related solutions. If we are unable to obtain or maintain patent protection with respect to any proprietary technologies, products or solutions, our business, financial condition, results of operations, and prospects could be materially harmed. We cannot be certain that patents will be issued or granted with respect to our patent applications that are pending, or that issued or granted patents will not later be found to be invalid and/or unenforceable, be interpreted in a manner that does not adequately protect our technologies, products and solutions, or otherwise fail to provide us with any competitive advantage. Patent applications we have submitted may not be granted in the end. As such, we do not know the degree of future protection that we will have on our technologies, products and solutions, if any, and a failure to obtain adequate intellectual property protection with respect to our technologies, products and solutions could have a material adverse impact on our business.

There can be no assurance that the existence, validity, enforceability, or scope of our intellectual property rights will not be challenged by a third party, or that we can obtain sufficient scope of claim in those patents to prevent a third party from utilizing our technologies or competing against our products and solutions. For example, in an infringement proceeding, a court may decide that patent rights or other intellectual property rights owned by us are invalid or unenforceable, or may refuse to order the other party to refrain from utilizing the technology at issue on the ground that our patent rights or other intellectual property rights do not cover the technology in question. An adverse result in any litigation or administrative proceedings could put our patents, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable, or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

In addition, if we were to initiate legal proceedings against a third party to enforce a patent covering our technologies, products and solutions, the defendant could counterclaim that our patent is invalid and/or unenforceable. Third parties may also raise similar claims before administrative bodies in the PRC or abroad, even outside the context of litigation. Such mechanisms include *ex parte* re-examination, *inter partes* review, post-grant review, derivation and equivalent proceedings, such as opposition proceedings. Grounds or claim for a validity challenge fails to meet any of several statutory requirements, for example, unpatentable subject matter, lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion or claiming that someone connected with prosecution of the patent withheld relevant material information from the United States Patent and Trademark Office, or the applicable foreign counterpart, or made a misleading statement, during prosecution. Any loss of patent protection could have a material adverse impact on one or more of our technologies, products or solutions and our business.

We may not be successful in obtaining or maintaining necessary rights for our technology through acquisitions.

Because our GNSS products and solutions may involve additional technologies that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire other rights to use these proprietary rights. We may be unable to acquire any compositions, methods of use, or other intellectual property rights from third parties that we identify. The acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources and greater R&D and commercialization capabilities.

In addition, companies that perceive us to be a competitor may be unwilling to assign rights to us. We also may be unable to acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. If we are unable to successfully obtain rights to required third-party intellectual property rights or maintain our intellectual property rights, we may have to abandon development of the relevant technology, solution or products, which could have a material adverse effect on our business, financial condition, results of operations and prospects for growth.

In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how as well as our copyrights. We may not be able to enter into invention assignment and confidentiality agreements with our employees and third parties. Such agreements may not prevent ownership disputes or unauthorized disclosure of trade secrets and other proprietary information.

We rely upon unpatented trade secrets, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we may seek to protect, in part, by entering into agreements, including patent or invention assignment agreements, intellectual property ownership agreements, confidentiality agreements and non-disclosure agreements, with parties that have access to them, such as our employees, consultants, academic institutions, collaborators, and other third-party service providers. Nevertheless, there can be no guarantee that an employee or a third party will not make an unauthorized disclosure of our proprietary confidential information. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that our competitive position will be compromised, in spite of any legal action we may take against persons making such unauthorized disclosures. In addition, to the extent that our employees, consultants or contractors use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Trade secrets are difficult to protect. Our employees, consultants, contractors or business partners may intentionally or inadvertently disclose our trade secret information to competitors or our trade secrets may otherwise be misappropriated. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable.

We may be subject to claims that our employees, consultants and/or advisors have wrongfully used or disclosed alleged trade secrets of their former employers.

Some of our employees, consultants and/or advisors were previously employed at other GNSS spatial positioning solution providers, including our competitors. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

Changes in patent laws in the jurisdictions in which we operate could raise challenges with respect to our patent protection in such jurisdictions and increase the risk of early generic competition with our solutions or products.

Depending on decisions by the National People's Congress of the PRC (the "**NPC**") and the China National Intellectual Property Administration (the "**CNIPA**"), the laws and regulations governing patents could change in ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. There could be similar changes in the laws of other jurisdictions that may impact the value of our patent rights or our other intellectual property rights. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The CNIPA and various patent offices or authorities in other jurisdictions require compliance with a number of procedural, documentary, fee payment and other provisions during the patent application and prosecution process. Periodic maintenance fees, renewal fees, annuity fees, and various other governmental fees on patents and/or applications will be due to be paid to the CNIPA and various patent offices or authorities outside of the PRC in several stages over the lifetime of the patents and/or applications. We employ reputable professionals and rely on such third parties to help us comply with these requirements and effect payment of these fees with respect to the patents and patent applications that we own. Noncompliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official communications within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case, which could have a material adverse effect on our competitive position, business, financial condition, results of operations, and prospects.

Patent terms may not be sufficient to effectively protect our technology.

In most countries in which we plan to file applications for patents, the term of an issued patent is generally 10 to 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country and the life of a patent and the protection it affords is limited. Even if patents covering our technology, products and solutions are obtained, we may be exposed to competition from other companies once our patent rights expire. Given the amount of time required for the development, testing and regulatory review of new technology, products and solutions, patents protection for such technology, products and solutions might expire before or shortly after such technology, products and solutions are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing products, solutions or technology similar or identical to ours.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting and defending patents on our technology in all countries throughout the world would be prohibitively expensive and time-consuming. We may also encounter difficulties in protecting and defending such rights in foreign jurisdictions. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the jurisdictions of the registration of our intellectual properties. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products. Our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many other countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

RISKS RELATING TO OUR FINANCIAL PROSPECTS AND NEED FOR ADDITIONAL CAPITAL

We had net operating cash outflows during the Track Record Period and there is no assurance that we can generate net cash inflow in the future. If we are unable to manage fluctuations in cash flow or improve our liquidity and capital resources, it may expose us to liquidity risk and our business and financial condition and prospects may be materially and adversely affected.

For the years ended December 31, 2023, 2024 and 2025, we had net cash flows used in operating activities of RMB107.2 million, RMB141.2 million and RMB106.1 million, respectively. For a detailed analysis on our operating cash flow, see "Financial Information — Liquidity and Capital Resources — Cash Flows." It is possible that our operating cash flow will continue to be subject to our prospective business activities and/or other matters beyond our control, such as market competition and changes to the macroeconomic environment. In particular, our working capital requirements and cash flows are subject to changes due to certain factors, including: (i) fluctuations in the revenue from our operating activities; (ii)fluctuations in the collection of receivables; (iii) timing and the size of payables; (iv) timing and size of capital expenditures; and (v) the repayment schedules of our debt obligations.

If we are unable to manage fluctuations in cash flow, we may not be able to fulfill our obligations under our business and operational agreements, and our operating results and financial condition may be materially adversely affected. Furthermore, if we are not able to generate net cash inflows, we would need to seek adequate financing from sources such as equity or equity-linked instruments and external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we are unable to maintain adequate working capital or obtain sufficient equity or debt financings to meet our capital needs, we may be unable to continue our operations according to our strategic plans, and our business, financial position and results of operations may be adversely affected.

Our failure to fulfill our obligations in respect of contract liabilities may materially and adversely affect our liquidity and financial position.

Our contract liabilities represent the advance payments made by customers before we provided our GNSS chips, modules and related solutions. As of December 31, 2023, 2024 and 2025, our contract liabilities were RMB27.7 million, RMB62.2 million and RMB75.4 million, respectively. There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue, and we may have to reimburse or compensate our customers for failure to fulfill our obligations. As a result, our results of operations, liquidity and financial position may be adversely affected.

Expiration of, or changes to, certain government incentives, government grants and preferential tax treatments which we are entitled to could adversely affect our financial condition and results of operations.

During the Track Record Period, we recorded government grants recognized in profit and loss of RMB13.2 million, RMB27.8 million and RMB14.6 million in 2023, 2024 and 2025, respectively, which mainly consist of subsidies received from government in support of our R&D projects and activities carried out in the GNSS spatial positioning services industry and high-technology advancement. In addition, we benefited from preferential tax treatments from the PRC government during the Track Record Period. We have claimed super-deduction of R&D expenses based on favorable PRC regulations in ascertaining our tax assessable profits for the Track Record Period. We cannot assure that we will continue to receive government grants at the same level or at all, or that we will continue to enjoy the current preferential tax treatments, in which case our business, financial condition and result of operations may be materially and adversely affected.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Our business is affected by changes in the economic, political or social environment of the PRC.

A substantial portion of our business, assets and operations are located in the PRC, and therefore, our business, financial condition, results of operations and prospects are affected to a large extent by the general political, economic and social developments in the PRC. Similar to many other countries and regions, the PRC regulates its economy through imposing and adjusting industrial, fiscal or monetary policies from time to time. Our business has been and would continue to be affected by the PRC's economy, which in turn is increasingly influenced by the global economy. The uncertainties in the global economy and the geo-political or social environment in various regions around the world would continue to influence the PRC's economic growth and may cause uncertainties in our prospects. Future changes in economic, political, social, and regulatory conditions may continue to influence our business, financial condition, results of operations and prospects.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, the PRC has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in the PRC, it is unclear whether dividends we pay with respect to our H Shares, or the gain realized from the transfer of our H Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on dividends paid to our non-resident investors, the value of your **[REDACTED]** in our Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Fluctuations in exchange rates could have a material effect on our results of operations and the value of your investment.

During the Track Record Period, we recorded in our consolidated statements of profit or loss net foreign exchange loss of RMB1.2 million, RMB2.4 million and RMB1.8 million in 2023, 2024 and 2025, respectively. In addition, we recorded in our other comprehensive income on currency conversion differences of RMB3.2 million, RMB4.2 million in 2023 and 2024, respectively, and we incurred other comprehensive income on currency conversion differences of RMB7.6 million in 2025. The value of the Renminbi against the Hong Kong dollar, the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in domestic and international economic conditions and the foreign exchange policy adopted by the PRC government, as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. We are subject to the risk of volatility in future exchange rates and to the PRC government's regulations on currency conversion.

Any significant appreciation or depreciation of the Renminbi may affect our revenue, earnings and financial positions, and the value of, and any dividends payable on, our H Shares in a foreign currency. There are limited instruments available for us to hedge our foreign currency risk. All of these factors could materially affect our business, financial condition, and results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

Regulations on the remittance of Renminbi into and out of China and currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. As we may convert our revenue in Renminbi into other currencies to meet our foreign currency obligations, such as payments of dividends on our Shares, there is no assurance that we will have sufficient foreign exchange to meet these requirements. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, any changes to these foreign exchange policies that prevent us from obtaining sufficient foreign currencies may affect our ability to pay dividends in foreign currencies to our Shareholders.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are a company incorporated under the laws of the PRC and a substantial portion of our business, assets and operations are located in the PRC. In addition, the majority of our Directors and executive officers reside in the PRC and have assets located in the PRC. As a result, it may not be possible for you to directly effect service of process upon us or such Directors or executive officers who reside in the PRC, including with respect to matters arising under the U.S. federal securities laws or applicable state securities laws. Pursuant to Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and 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》) effective on January 29, 2024, promulgated by the Supreme People's Court, a party with an enforceable final court judgment rendered by any designated people's court of the PRC or any designated Hong Kong court with respect to any civil and commercial cases excluding certain types of which, may apply for recognition and enforcement of the judgment in the relevant people's court of the PRC or Hong Kong court. The PRC has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in the PRC or Hong Kong in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between the PRC and the country where the judgment was made.

RISKS RELATING TO THE [REDACTED]

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

No **[REDACTED]** currently exists for our H Shares. The initial **[REDACTED]** for our H Shares to the **[REDACTED]** will be the result of negotiations between our Company and **[REDACTED]** (on behalf of the **[REDACTED]**), and the **[REDACTED]** may differ significantly from the **[REDACTED]** of our H Shares following the **[REDACTED]**. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]**, the H Shares. A **[REDACTED]** on the Stock Exchange, however, does not guarantee that an active and liquid **[REDACTED]** for our H Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the **[REDACTED]** of the H Shares will rise following the **[REDACTED]**.

The [REDACTED] and [REDACTED] volume of our H Shares may be volatile, which could result in substantial losses for [REDACTED] who purchase our H Shares in the [REDACTED].

The **[REDACTED]** and **[REDACTED]** volume of our H Shares may be highly volatile. Several factors beyond our control such as variations in our revenue, earnings and cash flow, strategic alliances, the addition or departure of key personnel, litigation, the removal of the restrictions on H share transactions or volatility in market prices and changes in demand for our products may cause significant and sudden changes to the **[REDACTED]** and **[REDACTED]** volume of our H Shares. Furthermore, the **[REDACTED]** of our H Shares could also 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 **[REDACTED]**, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. New shares or share-linked securities issued by our Company may also confer rights and privileges that take priority over those conferred by the H Shares. The Stock Exchange and other securities markets have, from time to time, experienced significant price and **[REDACTED]** volume volatility that is not related to the operating performance of any particular company. This volatility may also materially and adversely affect the **[REDACTED]** of our H Shares.

Potential [REDACTED] will experience immediate and substantial dilution as a result of the [REDACTED].

Potential **[REDACTED]** will pay a price per H Share in the **[REDACTED]** that substantially exceeds the per H Share value of our tangible assets after subtracting our total liabilities as of December 31, 2025. Therefore, purchasers of our H Shares in the **[REDACTED]** will experience a substantial immediate dilution in **[REDACTED]** net tangible assets, and our existing Shareholders will receive an increase in the **[REDACTED]** adjusted net tangible assets per Share on their Shares. As a result, if we were to distribute our net tangible assets to the Shareholders immediately following the **[REDACTED]**, potential **[REDACTED]** would receive less than the amount they paid for their H Shares. For more information, see "Appendix II — Unaudited **[REDACTED]** Financial Information."

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

Certain facts, statistics and data contained in this document relating to the PRC, Hong Kong and the industries in which we operate have been derived from various official government publications, industry associations, independent research institutions, third party reports and/or other publicly available sources we generally believe to be reliable.

Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of the PRC and Hong Kong. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced with respect to other economies and should not be relied upon. Furthermore, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, you should give due consideration as to how much weight or importance you should attach to or place on such facts, forecasts or statistics.

You should read this entire document carefully and should not consider or rely on any particular statements in published media reports without carefully considering the risks and other information contained in this document.

Prospective **[REDACTED]** should only rely on information included in this document and not on any of the information in press articles or other media coverage in deciding whether or not to **[REDACTED]** in our **[REDACTED]**. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you have not and will not rely on any information other than that contained in this document, the **[REDACTED]**, and any formal announcements made by us in Hong Kong in relation to our **[REDACTED]**.