An investment in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this document, including our consolidated financial statements and related notes, before you decide to buy our H Shares. If any of the circumstances or events described below actually arises or occurs, our results of operations, financial performance and business prospects may suffer. In any such case, the market price of our H Shares could decline and you may lose all or part of your investment. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.

RISKS RELATED TO OUR BUSINESS AND OUR INDUSTRY

Our growth and profitability depend on general economic conditions, which in turn may influence the development of the industries that our customers are in.

Our results of operations depend on general economic conditions. Our customers' ability and willingness to adopt our products directly impact our business performance. Demand for our products is tied to capital investment cycles and is influenced by broader economic conditions, including the availability of funding, regulatory developments, and sector-specific trends. In addition, a significant portion of our revenue is derived from the sale of products used in automotive electronics and smart devices. Accordingly, consumer spending patterns play a critical role in shaping demand for our products. These investments and spending in turn are affected by a number of economic and other factors beyond our control, such as interest rates, conditions in the real estate and mortgage markets, unemployment rates, labor and health expenditures, access to credit, consumer confidence, international trade policy (including tariffs), and other macroeconomic factors. Economic uncertainty and other related factors may exacerbate negative trends in these investments and spendings and may postpone or preclude the investment in purchases of electric vehicles or smart devices, which in turn will negatively affect customer demands for our products and thereby adversely affect our business, results of operations and financial condition. Similarly, our operating results are affected by cyclicality, either directly or indirectly, in the various industries we serve, including automotive electronics and smart devices.

Our growth depends on the growth and development of the markets served by our customers. If the end markets do not develop as we expect, our business prospects may be harmed.

Demand for our products is dependent upon, among other things, the growth of the markets served by our customers, including but not limited to the automotive electronics, telecommunication and data infrastructure, smart devices, industrial control and other sectors. For the year ended December 31, 2025, revenue generated from the automotive electronics, smart devices, industrial control and medical devices, and telecommunication and data infrastructure sectors accounted for 45.4%, 24.2%, 13.9% and 10.4% of our total revenue, respectively. For the four months ended April 30, 2026, revenue generated from the automotive electronics, smart devices, industrial control and medical devices, and telecommunication and data infrastructure sectors accounted for 44.1%, 19.7%, 12.7% and 15.6% of our total revenue, respectively. These underlying industries are characterized by evolving technologies, evolving industry standards and changing customer demands. These industries are highly competitive and to a large extent driven by end markets. Fluctuations in price and evolving demands within these industries could lead to reduced sales and declining prices for the end products, which will in turn affect our revenue and profit margins. Since our revenue growth ultimately depends on the success of these sectors, our business may suffer if there is a slowdown or decline in their adoption. Even if these industries do develop, we may not be well-positioned or able to penetrate and capitalize on these new markets. As a result of the foregoing factors, we may experience fluctuations in our results of operations and financial performance.

Our revenue depends partially on our customers' ability to commercialize their products successfully. Our customers' products may not achieve market success or may become obsolete. We cannot assure you that our customers are able to dedicate the resources necessary to promote and commercialize their products, successfully execute their business strategies for such products, or be able to manufacture such products in quantities sufficient to meet the demand or cost-effectively manufacture products at a high volume. Our customers' failure to achieve market success for their products, including as a result of general declines in our customers' markets or industries, could negatively affect their willingness to utilize our products, which may result in a decrease in our revenue and negatively affect our business and results of operations.

Our revenue also depends partially on the timely introduction, quality and market acceptance of our customers' products that incorporate our products. Our customers' products can be very complex and subject to design complexities that may result in design flaws, as well as potential defects, errors and bugs. If our customers discover design flaws, defects, errors or bugs in their products, or if they experience changing market requirements, failed evaluations or field trials, or issues with other vendors, they may delay, change or cancel a project, which could adversely affect our business and financial results.

Our future growth depends on maintaining and building relationships with customers and developing products that meet their evolving needs.

Many of our products are highly customized to meet the specific technical and performance requirements of individual customers. To maintain our relationships with these customers, we may be required to design, develop and deliver new or improved products that align with customers' product roadmaps and evolving technologies. Developing such products may involve significant technological challenges, increased product specific requirements and extensive qualification procedures, which require close coordination with customers. In 2023, 2024 and 2025, the number of our direct sales customers was 575, 570 and 572, respectively, and the number of our trading partners was 70, 58 and 32, respectively. In the same periods, our customer retention rate was 79.3%, 81.9% and 77.6%, respectively. We cannot assure you that these efforts will result in products that satisfy customers' needs or commercial expectations, or that these efforts will lead to future orders or long-term business relationships.

If we are unable to provide products that meet our customers' demands on a timely basis, our relationships with our customers will be negatively impacted. In addition, if we are unable to repair these relationships by increasing our customers' confidence in us, we may lose our customers and deteriorate the relationship with our customers. Furthermore, our customers conduct quality checks and inspection of our products when they receive them, and they can return or exchange products that do not meet their quality standards. If we experience a high level of product returns or exchanges, it may cast doubt on the reliability of our products, and our business and financial condition may be negatively impacted.

If we fail to anticipate and respond to evolving market conditions and technological change, or to develop and introduce new or enhanced products on a timely basis, our ability to attract and retain customers could be impaired and our business, financial condition and results of operations could be adversely affected.

Our markets are characterized by rapid technological change, frequent product introductions and upgrades, evolving technical standards and shifting customer preferences. As end-market applications advance, new or alternative technologies and higher-end products may emerge that render our existing products less competitive or obsolete, or require costly, time-consuming modifications to our products and manufacturing processes. Our future success depends on our ability to anticipate and respond to these changes; design, develop, commercialize and support new or enhanced products that meet customers' evolving performance, reliability and functionality requirements; secure timely access to critical new technologies; and achieve market acceptance. Our customers often impose tight development schedules and extensive technical support requirements, which may require significant allocations of capital, engineering resources and management attention. If industry standards or customer requirements change more quickly or in unanticipated ways, we may be unable to adapt our technologies or roadmap on a timely or cost-effective basis, effectively commercialize our research and development investments, or introduce competitive products that achieve market acceptance.

Intense competition, the continuous launch of new or upgraded products by existing or new market participants, faster product iteration cycles by competitors and the emergence of competing technologies could reduce demand for our products, compress pricing and margins, and erode our market share. In addition, our products may contain errors, defects or bugs, particularly when first introduced or when new features are integrated. Delivery of products with reliability, quality or compatibility problems could delay or hinder market acceptance, require costly remediation or recalls, divert technical and other resources, damage our reputation and brand, and expose us to warranty, indemnity or product liability claims. We cannot assure you that defects or other problems will not be found in our new or enhanced products before or after commercial introduction despite testing by us, our suppliers or our customers. Any such issues could result in delays in development, production or roll-out; increased development and support costs; loss of credibility with existing and prospective customers; interruptions, delays or cessation of sales; and the loss of customers.

If we fail to anticipate and respond successfully to changes in technology, industry standards or customer preferences; fail to access or develop critical new technologies; or fail to design, develop, manufacture and introduce new or enhanced products that achieve market acceptance on a timely basis, our ability to attract and retain customers could be impaired. Any decrease in demand for our products due to the emergence of competing technologies, changes in customer requirements or preferences, or other market dynamics could adversely affect our business, results of operations and prospects.

We are exposed to risks associated with our global presence and will continue to be subject to such risks when we expand our business overseas.

During the Track Record Period, we have served over 800 global customers, with products sold to 53 countries or regions. In 2023, 2024 and 2025, revenue from the sales of PCB to overseas markets accounted for 37.5%, 38.9% and 37.2% of our revenue, respectively. For the four months ended April 30, 2025 and 2026, revenue from the sales of PCB to overseas markets accounted for 37.5% and 40.4% of our revenue, respectively. As we expand our business overseas, we may be subject to the following risks: (i) challenges in providing products, services and support, in recruiting personnel in international markets, and in managing sales networks effectively; (ii) challenges in commercializing products in new markets, limited experience with local market dynamics, and a lack of established sales, distribution, and marketing infrastructure; (iii) difficulties in dealing with regulatory regimes, regulatory bodies and government policies with, in order to obtain permits, licenses and approvals necessary to manufacture or import, market and sell products in or to various jurisdictions; (iv) potentially reduced protection for our intellectual property rights and potential breach of third-party intellectual rights; (v) differences in accounting treatment in different jurisdictions, potential adverse tax implications and foreign currency exchange rate risks; (vi) inability to effectively enforce contractual or legal rights; (vii) changes in laws, regulations and policies as well as political, economic and market instability or civil unrest in the relevant jurisdictions; and (viii) inflation and deflation risks in the regions where we have operations.

If we are unable to effectively avoid or mitigate these risks, our ability to expand in international markets will be impaired. In addition, our international business may not be able to achieve or sustain profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We face competition and expect competition to increase in the future. If we fail to compete effectively, our revenue growth and results of operations will be materially and adversely affected.

We face fierce competition from other PCB providers whose activities directly affect and shape the pace of competition. Although the entry barriers for advanced PCB products are high, the global PCB market is still highly competitive and relatively fragmented. In terms of PCB revenue in 2025, the combined market share of the top 15 global PCB providers reached 48.8%. We expect competition to increase and intensify as other companies enter our markets, many of which may have greater financial and other resources with which to pursue technology development, product design, manufacturing, marketing and sales of their products. Increased competition could result in price pressure, reduced profitability and loss of market share, any of which could materially and adversely affect our business, revenue and operating results. Currently, our competitors include large, established and international companies which offer a wide range of PCB products, as well as smaller, specialized companies that focus on specific PCB products. In addition, as opportunities in the PCB market grow, we expect that new entrants will enter these markets and existing competitors may increase their investments in order to compete more effectively against our products. These competitors could develop technologies that would render our products or technologies uncompetitive or obsolete.

Our ability to compete successfully depends on factors both within and outside of our control, including (i) the functionality, performance and pricing of our products relative to those of our competitors; (ii) our relationships with our customers and other industry participants; (iii) our ability to develop innovative products, such as the mid-to-high end products; (iv) our ability to retain high-level talent, including our management team, engineers and R&D technicians; and (v) the actions of our competitors, including merger and acquisition activity, new product and solution launches and other actions that could change the competitive landscape.

Competition could result in pricing pressure, reduced revenue and profitability and loss of market share, any of which could materially and adversely affect our business, financial condition, results of operations and prospects. In the event of a market downturn, competition in the markets in which we operate may intensify as our customers reduce their purchase orders. If we fail to increase our competitiveness, grasp the market dynamics and industry development trends, and innovate technology and products to meet the customers' needs, our industry position, market share, business, financial condition and results of operations will be adversely affected.

If our production capacity is not adequate, our production capability to satisfy customer demand could be hindered, and our production capacity expansion efforts may not yield the benefits that we expect.

If our production capacity cannot meet market demand, especially if we experience increased demand for our products as we grow our customer base, our ability to deliver products to our customers on a timely basis will be affected. Similarly, if we are not able to meet the overall demand for our products or demand for any of our specific products, particularly in the event of production disruptions, inefficiencies from design complexity or quality issues, or during periods when we experience high demand for some or all of our products, our ability to satisfy our customer demands will be affected. Under these circumstances, our business results of operations and financial condition may be materially and adversely affected.

For the years ended December 31, 2023, 2024 and 2025 and the four months ended April 30, 2026, the designed production capacity for our main product categories was 10.0 million sq.m., 10.6 million sq.m., 12.9 million sq.m. and 4.5 million sq.m., respectively. In the future, as our business grows, we may need to expand our production capacity through various measures, including the construction of new production facilities. We cannot assure you that our new facilities will be ready in time or our production capacity will otherwise be successfully expanded. A number of factors could delay our expansion plans or increase our costs, including (i) failure to raise sufficient funds to establish and maintain working capital to operate our business at the new premises, (ii) failure to obtain environmental and regulatory approvals, permits or licenses from the relevant government authorities in a timely manner, (iii) failure to find new sites for our production facilities, (iv) shortage or late delivery of building materials and production equipment resulting in late delivery of the premises for occupancy and use, (v) various factors affecting construction progress and resulting in late delivery of the premises for occupancy and use, (vi) technological changes, production capacity expansion or other changes to our plans for the new premises necessitated by changes in market conditions, and (vii) challenges in recruiting a sufficient number of adequately skilled employees at the time and in the locations we need.

Failure to expand our production capacity could hinder our capability to satisfy customer demand and growth prospects. Furthermore, if market demand declines in the future, we may not be able to recoup the capital expenditure incurred for the construction of new premises and the maintenance of expanded production capacity. A delay in or cancellation of our expansion plans could also subject us to disputes with various counterparties, including general contractors and subcontractors, equipment suppliers, financiers and relevant government authorities. As a result, our prospects, business, results of operations and financial condition may be materially and adversely affected.

If we are unable to maintain our high production capacity utilization rates and production yields, our profitability will be adversely affected.

Maintaining high production capacity utilization and production yields is crucial to our profitability as it allows us to spread our fixed costs over a substantial volume of products. For the years ended December 31, 2023, 2024 and 2025, the utilization rates for our main product categories were 90.9%, 96.6% and 93.2%, respectively, and the total output was 9.1 million sq.m., 10.3 million sq.m. and 12.9 million sq.m., respectively. Decreases in production capacity utilization rates and production yields can have an adverse impact on our gross margin. Our ability to maintain or improve our gross margin will continue to depend, in part, on maintaining high production capacity utilization rates and production yields. We cannot assure you that our utilization rates and production yields will not be negatively affected by adverse factors such as, among others, equipment malfunction, interruption in the availability of utilities, natural disasters, deficiencies in quality control, inadequate sample testing, labor shortages, the inability of our labor force to return to work and human errors. We cannot assure you that we will be able to maintain high production capacity utilization rates and production yields in the future. If demand for our products does not meet our expectations, our production capacity utilization and gross margin will be adversely affected. In addition, if we fail to maintain high quality production standards, our reputation may suffer, and our customers may cancel their orders or return our products, which will negatively affect our business, results of operations and financial condition.

If we experience operational disruption or machinery breakdown in our production facilities, our production volume may be adversely affected.

Our success and reputation depend on our ability to deliver quality products to our customers on time and in required quantities, which in turn relies on the proper and reliable functioning of our production processes. Our production processes rely on the stable operation of our production facilities, particularly machinery and equipment for key processes. Any operational disruption, machinery breakdown or failure of newly installed equipment to meet required production standards during initial setup and testing could lead to delays in our production schedule and hinder our ability to fulfill customer orders on time, thus affecting customer satisfaction.

Operational disruptions or machinery breakdowns in our production facilities may arise from unexpected incidents or catastrophic events, including natural disasters, fires, technical or mechanical failures, power shortages, explosions, labor strikes, epidemics, loss of licenses, certifications or permits, changes in governmental planning for the underlying land, and regulatory developments. Additionally, instability or shortages in electricity supply could halt production activities, causing delays in fulfilling customer orders. In the event of such disruptions, maintaining production volumes and ensuring sufficient stock levels to meet customer demands could be challenging. Identifying and securing alternative facilities or machinery in a timely and cost-effective manner may not always be feasible. Delays in resuming normal operations could also affect the quality and schedule of product deliveries, potentially impacting customer satisfaction and damaging our reputation. Any prolonged suspension of operations or significant disruptions in our production processes could materially and adversely affect our business operations.

Dependence on limited, highly customized manufacturing equipment and third-party suppliers could lead to supply shortages, repair delays, and technology failures that disrupt production and impair our ability to meet customer and contractual requirements.

We purchase substantially all of our manufacturing equipment from external suppliers based on our technical specifications, and we cannot guarantee that such suppliers will perform their contractual duties as we expect. In particular, only a few companies can produce the machines that are necessary to achieve a desirable level of production yields, and its production capacity is limited. Supply shortage due to any reason can hinder our capability to expand and upgrade our production capacity, which in turn may have a material and adverse effect on our prospects, business, results of operations and financial condition.

In order to meet the diverse needs of our end customers, we are often required to manufacture customized products with a high degree of flexibility in size, shape, component placement, and other parameters to optimize performance for specific applications. Accordingly, some of our manufacturing equipment is customized to the designs or specifications that we provide to our equipment supplier, who then undertakes a specialized process to procure and assemble the custom equipment. As a result of the customization, the equipment is not immediately available from other vendors and may take time to repair or replace if it were damaged to a great extent or stopped working. Inability to make timely repair of replacement of such equipment can result in disruption to our production activities, which in turn may have a material and adverse effect on our prospects, business, results of operations and financial condition.

Increases in costs or the shortage of supply of our raw materials from our suppliers could decrease our profitability.

The cost of raw materials constitutes the majority of our cost of sales. In 2023, 2024 and 2025, our cost of raw materials amounted to RMB4,995.3 million, RMB5,919.2 million and RMB7,359.0 million, respectively, accounting for 60.4%, 60.5% and 61.4%, respectively, of our cost of sales in the corresponding periods. For the four months ended April 30, 2025 and 2026, our cost of raw materials amounted to RMB2,171.7 million and RMB2,729.3 million, respectively, accounting for 60.4% and 62.9%, respectively, of our cost of sales in the corresponding periods. Our results of operations are influenced by the availability and price volatility of key raw materials used in our production, especially copper-related materials, which together represent a significant portion of our product costs. We must obtain sufficient quantities of high-quality raw materials at acceptable prices and in a timely manner in order to manufacture our products. The main raw materials used in the manufacture of our PCB products include copper-clad laminates, copper foil and copper anode ball. The pricing of raw materials can be volatile and difficult to predict. The volatility in pricing is often attributable to factors beyond our control, including changes in general economic conditions, currency exchange rates, industry cycles and production levels. During the Track Record Period, the prices of copper increased significantly. There can be no assurances that the price of our raw materials will not fluctuate or significantly increase in the future. If the price of raw materials increases and we are not able to compensate for or pass on such increased costs to customers, our profitability and financial results may be adversely affected.

In line with industry practice, we generally do not enter into long-term supply contracts with our suppliers. A shortage of any key raw materials could limit the production volume and increase the production costs of our products, thereby depressing the margins for our products to the extent that we are not able to pass on the increased costs to our customers. Moreover, we currently source our main raw materials from a number of third-party suppliers. Deterioration in business relationships with these suppliers may result in our failure to source sufficient quantities of raw materials of satisfactory quality at acceptable costs. There can be no assurance that a significant shortage in the supply of raw materials will not take place in the future.

Fluctuations in copper prices and availability could materially and adversely affect our business, results of operations and financial condition.

Our results of operations are influenced by the availability and price volatility of key raw materials used in our production, especially those made of metal commodities including copper. The prices of these materials are closely linked to international commodity markets and global supply and demand. Copper prices are inherently volatile and are influenced by a broad range of factors beyond our control, including global and regional supply and demand dynamics, such as mine output, smelting and refining capacity and utilization, scrap availability and quality, and inventory levels, macroeconomic conditions, monetary policy and interest rates, energy prices, regulatory developments and environmental restrictions affecting mining and refining, geopolitical events and trade policies, and speculative activities and investor sentiment in commodity markets, including the London Metal Exchange and the Shanghai Futures Exchange. Recent developments in the Middle East, including U.S. military actions involving Iran, have increased geopolitical uncertainty and instability in the region. The situation remains dynamic, and the ultimate scope, duration, and impact of these events are uncertain. Further escalation, retaliation, or expansion of hostilities could contribute to heightened volatility in global energy supplies and prices, global political, economic and financial conditions. In particular, the closure of the Strait of Hormuz starting in March 2026 could threaten the PCB industry overall by limiting the supplies of natural gas and oil. Any sharp increase in copper prices could elevate our costs.

If we experience increases in labor costs, shortage of skilled labor or deterioration in labor relations, our production costs may be affected.

Labor costs have been fluctuating and may rise in the future. In 2023, 2024 and 2025, our cost of labor amounted to RMB1,263.1 million, RMB1,477.7 million and RMB1,853.8 million, respectively, accounting for 15.3%, 15.1% and 15.4%, respectively, of our cost of sales in the corresponding periods. For the four months ended April 30, 2025 and 2026, our cost of labor amounted to RMB576.8 million and RMB664.0 million, respectively, accounting for 16.0% and 15.3%, respectively, of our cost of sales in the corresponding periods. Labor cost increases may cause our production costs to increase, and we may not be able to pass on such increases to our customers. We also cannot assure you that we will not experience any shortage of labor, especially skilled roles such as production management and quality control, which are critical to maintaining efficient operations and meeting customer specifications. Any such shortage could hinder our ability to maintain our production schedules and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We seek to maintain favorable labor relations with our employees as we believe that our long-term growth depends on the expertise, experience and development of our employees. For details of our employee training efforts and welfare, see "Business — Employees" for further details. However, we cannot assure you that we will not have any labor disputes in the future. Any deterioration of our labor relations could result in disputes, strikes, claims, legal proceedings and reputational damage, labor shortages that disrupt our business operations, as well as loss of experience, know-how and trade secrets.

The changes in diplomatic and international trade relationships, and tariff policies could negatively affect our operating results and cause fluctuations in demand for our products.

We operate within a global supply chain, and our products are sold globally as part of various end products. As such, we face risks associated with diplomatic and international trade relationships, and tariff policies.

Shifting policy stances, new tariffs, trade restrictions, or changes to regulatory frameworks may continue to exacerbate these uncertainties, particularly in environments where trade policy is frequently used as a tool of foreign policy and subject to sudden reversals. Ongoing trade tensions, particularly between the United States and China, have resulted in frequent tariff actions, contracting restrictions on imports from foreign entities of concern (FEOC), export controls, and other restrictions affecting high-technology goods, semiconductors, and electronics. These measures, along with the tariff fluctuations by both countries in 2025 and 2026, create uncertainty for exports and could adversely affect our sales to the U.S. market. See "Regulatory Overview — Laws and Regulations in the United States — U.S. Tariffs." Unfavorable trade policies, including tariffs, capital controls, or changes to existing agreements, may reduce demand for our products, impair our competitiveness, limit market access, or negatively impact our business, financial condition, and results of operations. Further escalation in U.S.-China relations could also disrupt global economic conditions with adverse effects on our operations. During the Track Record Period, the Group's products imported into the U.S. were subject to Section 301 tariffs and IEEPA tariffs. The IEEPA tariffs were held invalid by the U.S. Supreme Court as of February 20, 2026, and a 10% Section 122 global tariff was imposed effective as of February 24, 2026 for a period of no more than 150 days. For details of the U.S. tariffs applicable to our Group and the latest U.S. tariff policies, see "Business — Tariff, Trade Restriction and Export Control Implications." Under most of our transactions with U.S. customers, our U.S. customers are responsible for import taxes and tariffs. In addition, the direct U.S. sales only accounted for approximately 3% of our total revenue in each year/period during the Track Record Period. In light of the above, the Directors are of the view that U.S. tariffs do not have a material impact on the Group's business operations and financial performance.

Tariff policies remain fluid and their scope and implementation are uncertain. Additional tariffs may raise the cost of end products in the U.S. and diminish their competitiveness. Customers may attempt to pass these costs on to us or to their own customers. Even if not directly passed through, reduced competitiveness of our customers' products could lead to decreased orders, and broader tariff impacts could weaken economic conditions in China and other markets, adversely affecting our business.

Our operations and financial performance may also be affected by political developments and shifting diplomatic relationships in the regions where we operate. Political instability — such as government changes, civil unrest, or leadership transitions — can disrupt supply chains, operations, and customer demand. Changes in diplomatic ties may alter trade policies, tariffs, or sanctions, affecting our ability to import or export products.

We are subject to the risks associated with sanctions and export controls laws and regulations, international trade policies, and developing domestic and foreign laws and regulations, and our business, financial condition and results of operations could be adversely affected.

Our operations may be negatively affected by trade policies, sanctions and export controls regulations administered by the government authorities in the countries in and with which we operate, including, but not limited to, increased duties, taxes and other costs. Margins on sales of our products in certain countries and on sales of products that include components obtained from certain foreign suppliers could be materially and adversely affected by international trade regulations, including custom duties, tariffs and anti-dumping penalties. In addition to trade policy measures, the United States and certain other governments have imposed sanctions and export controls measures that directly or indirectly affect China-based technology companies. See "Regulatory Overview — Law and Regulations in the United States — U.S. Export Control Laws and Regulations" for more details. These types of laws and regulations may be subject to frequent changes, and their implementation, interpretation and enforcement involve substantial uncertainties, which may be heightened by potential national security concerns or other factors that are out of our control. Similar or more expansive restrictions may be imposed by different jurisdictions in the future. We will need to maintain heightened internal control and risk management policies to ensure sound compliance with such restrictions, which requires significant resources and efforts. Furthermore, such potential restrictions may materially and adversely affect our and our technology partners' abilities to acquire technologies, systems, devices or components that may be critical to our products and our business operations. Any of these developments could affect us, our customers and/or suppliers or economic conditions generally, any of which could adversely affect our business and financial condition.

In addition to the restrictions introduced by the rules imposed by the United States Bureau of Industry and Security ("**BIS**"), BIS maintain lists of persons that are subject to enhanced export control restrictions. Such list, known as the Entity List, includes a list of foreign persons, including business, research institutions, government and private organizations, individuals and other types of legal persons, on which certain trade restrictions and licensing requirements for certain technologies and goods are imposed. The United States in recent years has placed an increasing number of entities, including a number of entities in China, on the Entity List and other restricted or prohibited parties lists. During the Track Record Period, certain of our customers were listed on the Entity List. As advised by our U.S. export control and sanctions counsel, the products we manufactured for these customers during the Track Record Period were not subject to the United States Export Administration Regulations (the "**EAR**") and therefore an U.S. export license is not required for us to supply our products to these customers. Given the sudden and unpredictable nature of these determinations, it is difficult to predict developments in this area and we have no ability to influence such determinations.

As the Entity List and other sanctions and export controls laws and regulations continue to expand and evolve, future sanctions and export controls may materially affect or target some of our significant customers or suppliers, raw materials or key components or technologies necessary for our operations, or some of our customers and suppliers may be listed on the Entity List in the future, in which event our business may be affected if we fail to promptly secure alternative customers or sources of supply on terms acceptable to us. These export controls could adversely affect us and/or our supply chain, business partners, or customers, and our business, financial condition, and results of operations may be significantly affected by the continued international trade and political tensions.

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

Our products are offered to our customers in the Chinese mainland and overseas. However, we cannot assure you that our customers will not engage in the export of their goods incorporating our products into the U.S. or other countries and regions, and that such export will not be subject to the restrictions introduced by the U.S. or other states and political entities. Furthermore, if our customers export their products integrated with our products to the countries and regions which are or become subject to sanctions or export controls, our products may be banned, our customers may reduce or cancel the purchase orders on our products and our business, financial condition and results of operations may be materially and adversely affected.

U.S. outbound investment regulations and other foreign laws and regulations could have a negative impact on our future ability to access to capital.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the "**Final Rule**"), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. On December 23, 2025, the Treasury published additional frequently asked questions ("**FAQs**") on the Final Rule. One of these FAQs (X. 4) provides that absent additional facts, when a U.S. person acquires an equity interest in a "covered foreign person", and at the time of such acquisition the equity interest is publicly traded, such security falls under the description of a "publicly traded security" in 31 C.F.R. §850.501(a)(1)(i), regardless of when an agreement to make its investments is entered into. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. As advised by our U.S. export control and sanctions counsel, we believe that although the Company is a "Person of a Country of Concern" as defined under the Final Rule, none of the Group's business activities fall under the definition of "Covered Activities" because the Group is primarily engaged in the research and development, production and sales of PCB, and does not engage in the design, fabrication or packaging of integrated circuits or other activities covered by "prohibited transactions" and "notifiable transactions" in the semiconductors and microelectronics sector under the Final Rule. In addition, the Group does not engage in any "Covered Activities" with respect to artificial intelligence systems, supercomputers, quantum computers and systems as specified in the Final Rule. Therefore, none of the Group is deemed as a "Covered Foreign Person" under the Final Rule. Accordingly, an investment by a "U.S. person" in the H Shares of the Company is not a "Covered Transaction", and neither prohibited nor subject to the notification requirements under the Final Rule. In light of the above, the Directors are of the view that the Final Rule does not have any material adverse impact on the Group's operation and financial performance. However, we cannot assure you that the U.S. authorities will not take a different view on the applicability of the Final Rule. Furthermore, persist changes in both U.S. and non-U.S. jurisdictions to foreign investment laws and rules could adversely affect our strategic initiatives, financial performance and growth prospects.

On February 21, 2025, U.S. President issued a memo entitled the "America First Investment Policy" (the "**America First Memo**"), indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors to which the Final Rule is applicable. On December 18, 2025, U.S. President Trump signed into law the Fiscal Year (FY) 2026 National Defense Authorization Act ("**NDAA**"), which includes the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**"). The COINS Act largely codifies the core of the current Final Rule while making certain modifications. The COINS Act requires the U.S. Treasury Department to, within 450 days from passage, promulgate new or amended regulations to implement the law. The application and implication of the Final Rule, the policies covered by the America First Memo, NDAA and any related policies, laws and regulations are complex, and they may be changed and updated from time to time. Future changes in the Final Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business, limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us, or restrict the ability of U.S. persons to purchase or hold our securities, which could adversely affect our performance, financial condition, prospects, and the value of our H Shares.

We have been investing, and intend to continue to invest, in our R&D but such investments may not yield the results we expect.

We are in a technology-intensive industry with rapid technological development and rapid iteration. We have also adhered to original technological development and have been investing in R&D. Our R&D expenses were RMB600.7 million, RMB757.6 million and RMB929.9 million in 2023, 2024 and 2025, respectively. For the four months ended April 30, 2025 and 2026, our R&D expenses amounted to RMB272.3 million and RMB280.7 million, respectively. In the future, we will continue to invest in multiple R&D projects for higher density, higher performance and more environmental friendly PCB products. Certain of our R&D projects are characterized by large capital investment, high technical difficulty and long project cycle.

We may encounter challenges in adapting our products to new technologies. The transition of our products to new process may require us from time to time to modify the design and manufacturing processes for our products. We may face difficulties and delays and incur increased expense as we migrate to new designs and production processes, which in turn may result in delays in product deliveries. We may need to invest significant resources in R&D to advance our technologies to remain competitive in the market. Furthermore, R&D activities are inherently uncertain. There can be no assurance that we will continue to achieve technological breakthroughs and successfully commercialize such breakthroughs. As a result, our expenditure on R&D may not generate corresponding benefits. If our R&D efforts fail to keep up with the latest technological developments, we will suffer a decline in our competitive position. In addition, if we fail to accurately grasp the market development trend or meet the needs of our customers, or our future R&D investment is insufficient, our R&D projects may be unable to yield the results we expect. This may materially adversely affect our business development, financial condition and results of operations.

We have awarded and may continue to award equity instruments under equity incentive plans, which may cause shareholding dilution to our shareholders and result in increased share-based payments.

We operate restricted share incentive scheme and stock option incentive plan for the purpose of providing incentives and rewards to eligible participants who contribute to the success of our operations. Our employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. In 2023, 2024 and 2025, we incurred share-based payment expenses of RMB11.9 million, RMB87.1 million and RMB134.0 million, respectively. For the four months ended April 30, 2025 and 2026, we incurred share-based payment expenses of RMB53.0 million and RMB33.3 million, respectively. To further incentivize our employees, we may adopt other equity incentive plans and award additional equity incentives in the future. Issuance of Shares with respect to our equity incentive plan may dilute the shareholding of our existing shareholders and incur substantial share-based compensation that could have a material and adverse impact on our results of operations.

Our financial results are affected by fluctuations in foreign currency exchange rates.

Our Company and several of our subsidiaries have foreign currency sales, trade and other receivables, cash and bank balances, trade and other payables, and borrowings which expose us to foreign currency risk. Such foreign currencies include the U.S. dollar, euro, Hong Kong dollar and Thai baht. Our reporting currency is the Renminbi, which is our Company's functional currency. Foreign currency transactions recorded by the entities in our Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Gains and losses on the conversion to Renminbi of revenues and other associated monetary assets and liabilities, as well as profits and losses incurred in certain countries, may contribute to fluctuations in the value of our assets and our results of operations. We also have costs and expenses that are denominated in foreign currencies. Fluctuating values between the Renminbi and other currencies can result in currency gains which are used in the computation of foreign taxes and can increase foreign taxable income. Foreign exchange differences arising on settlement or translation of monetary items are recognized in profit or loss. In 2023 and 2024, we recorded net foreign exchange gain of RMB32.1 million, RMB46.0 million, respectively. We recorded net foreign exchange loss of RMB28.2 million in 2025. For the four months ended April 30, 2025 and 2026, we recorded net foreign exchange gain of RMB49.7 million and net foreign exchange loss of RMB79.7 million, respectively. As we continue to expand our international operations, we will become increasingly exposed to the effects of fluctuations in currency exchange rates.

In addition, as the [**REDACTED**] from the [**REDACTED**] will be in Hong Kong dollar, fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the proceeds from the [**REDACTED**]. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Movements in Renminbi exchange rates are affected by, among other things, changes in political and economic conditions and China's foreign exchange regime and policy. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against other currencies in the future. It is difficult to predict how market forces or relevant government policies may impact the exchange rate between the Renminbi and other currencies in the future.

We are exposed to fair value changes for financial assets at fair value through profit or loss and debt investments at fair value through other comprehensive income.

As part of our investment strategies, we invested in various financial assets to enhance our income without interfering with our normal business operation and capital expenditures. As of April 30, 2026, our financial assets at fair value through profit or loss amounted to RMB122.6 million. We hold wealth management products issued by banks in the Chinese mainland, which are classified as financial assets at fair value through profit or loss. Factors beyond our control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but are not limited to, general economic conditions, changes in market interest rates and credit risks. We also hold equity investments in listed companies. Such equity investment is classified as financial assets at fair value through profit or loss, and their fair value is measured by the quoted market price of the shares. The price of these securities may fluctuate with changes in market conditions as well as the performance and business prospects of these companies, among others, all of which are beyond our control. Any decrease in the prices of these securities will result in fair value losses on financial assets at fair value through profit or loss and may adversely affect our financial condition.

In addition, as of April 30, 2026, our debt investments at fair value through other comprehensive income amounted to RMB978.7 million, which were bills receivable arising from bank acceptance. Factors beyond our control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but are not limited to, credit and counterparty risk of accepting banks, liquidity and marketability risk, and interest rate and yield curve risk.

The valuation of fair value may involve a significant degree of judgement and assumptions which are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our business, financial condition and results of operations.

Failure to maintain optimal inventory levels could increase our inventory holding costs or cause us to lose sales.

In order to operate our business effectively and meet our consumers' demands and expectations, we maintain a certain level of inventory to meet the customer needs and ensure timely delivery of our products. As of December 31, 2023, 2024 and 2025 and April 30, 2026, we had inventories of RMB1,364.0 million, RMB1,742.4 million, RMB2,515.6 million and RMB3,216.6 million, respectively. In 2023, 2024 and 2025 and the four months ended April 30, 2026, our inventory turnover days were 61 days, 58 days, 65 days and 79 days, respectively.

We determine our level of inventory based on historical sales performance, demand forecasts and supply chain capacity fluctuations. We cannot assure you that we are able to always maintain optimal inventory levels in the future. If we fail to accurately assess the customer demand, we may experience inventory obsolescence and inventory shortage risk. Inventory levels in excess of demand or substantial decrease in the expected market price of our products may result in inventory write-downs, which would have an adverse effect on our profitability. In 2023, 2024 and 2025, we recorded write-down of inventories to net realisable value of RMB48.2 million, RMB57.3 million and RMB65.7 million, respectively. For the four months ended April 30, 2025 and 2026, we recorded write-down of inventories to net realisable value of RMB21.5 million and RMB37.8 million, respectively. Furthermore, if we underestimate the demand for our products, we may not be able to have a sufficient number of products to meet such unanticipated demand, which could result in delays in the delivery of our products and negatively affect our reputation. Any of the above may materially and adversely affect our business, results of operations and financial conditions.

We are exposed to credit risks of our customers. Failure to collect our trade and bills receivables in a timely manner may affect our financial condition and results of operations.

As of December 31, 2023, 2024 and 2025 and April 30, 2026, our trade and bills receivables amounted to RMB3,899.5 million, RMB4,351.8 million, RMB4,869.8 million and RMB4,679.6 million, respectively. Our trade and bills receivable turnover days were 129 days, 119 days, 110 days and 107 days in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

Though we have purchased credit insurance for majority of our receivables, if the creditworthiness of our customers deteriorate, or if our customers delay payments beyond their respective credit period or if a significant number of our customers fail to settle their trade receivables in full for any reason, we may incur credit losses for receivables or recognize a higher allowance for doubtful accounts and our results of operations and financial position could be materially and adversely affected. There is no assurance that we will be able to fully recover our trade receivables from the customers or that they will settle our trade receivables in a timely manner. In the event that settlements from customers are not made on a timely manner, or at all, our financial position and results of operations may be materially adversely affected.

Investment in new business strategies, acquisitions and other forms of business integration could disrupt our ongoing business and present risks not originally contemplated, and we may be unable to realize the anticipated benefits, synergies, cost savings or efficiencies from acquisitions.

We have invested, and may invest in the future, in new business strategies or acquisitions. Endeavors of such kinds are inherently risky, and future ventures of such nature may involve significant risks and uncertainties, including distraction of our management from current business operations, greater than expected liabilities and expenses, inadequate return of capital and unidentified issues not discovered in our due diligence.

We may incur significant acquisition, administrative and other costs in connection with such transactions, including costs related to the integration of acquired businesses. These costs may include unanticipated costs or expenses, including post-closing asset impairment charges and legal, regulatory or contractual costs. In addition, upon completion of an investment or acquisition, we may allocate significant resources to the integration of the acquired business into our existing business to realize synergetic benefits. The integration process involves certain risks and uncertainties, some of which are outside our control, and we cannot assure you that we will be able to realize the anticipated benefits, synergies, cost savings or efficiencies. We may also experience difficulties integrating any investments, acquisitions or partnerships into our existing business and operations.

Our sales may be influenced by seasonality.

Demand for and sales of our products generally follow the same seasonality pattern as sales of the end products that incorporate our PCB products. For PCB products applied in AI infrastructure and automotive electronics, the seasonal pattern is less pronounced. For PCB products used in smart devices, we typically experience higher sales in the second half of the year due to the new product launch cycles of downstream end markets and increased shopping activities during the holiday season. Moreover, we typically record relatively lower sales and revenue in the first quarter due to the impact of the Spring Festival holiday. Accordingly, various aspects of our operations, including sales, working capital and operating cash flows, are exposed to the risks associated with seasonal fluctuations in the demand for our products, and our quarterly or half year results may not reflect our full year results.

Our operating history may not be a reliable predictor of our prospects and future results of operations.

We have experienced growth and expansion since our inception and over the Track Record Period. Our historical results may not provide a meaningful basis for evaluating our business, results of operations, financial condition and prospects. We may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors, and may not be able to achieve promising results in future periods. We cannot assure you that we will be able to achieve similar results or grow at the same rates as we did in the past. Our revenue growth may slow down or even decline in the future for a number of reasons, including slowing demand for our products, intensified competition, material changes in technology, declining growth rate of our total addressable market and our failure to continue to take advantage of growth opportunities. Our future operating results will depend to a large extent on our ability to manage our expansion and growth successfully.

Our future profitability will depend on a variety of factors, including the expansion of our business, product mix, performances of our products, price of raw materials, competitive landscape, customer preference and macroeconomic and regulatory environment. Our net profits may be volatile in the future and we cannot assure you that we will achieve our intended profitability in the future.

We may not be able to effectively manage our growth and expansion, which could negatively impact our reputation, overall prospects and results of operations.

We have experienced rapid growth since our inception and plan to expand into new markets and geographic regions. Risks that we face in undertaking this expansion include, among others: managing a larger organization with a greater number of employees in different geographic locations; managing our supply chain to support fast business growth; controlling expenses and investments in anticipation of expanded operations; establishing or expanding R&D, sales and production facilities; implementing and enhancing administrative structure systems and processes; executing our strategies and business initiatives successfully; changes in prices of our products; addressing new markets and potentially unforeseen challenges as they arise; and improving our operational, financial and management controls, compliance programs and reporting systems.

If we fail to efficiently manage the expansion of our business or improve our operational efficiency, our costs and expenses may increase faster than we planned and we may not respond timely to competitive challenges or otherwise successfully execute our business strategies. Our product portfolio may change in the future, affecting our revenue mix and profit margin. Our growth requires financial resources and place significant demands on our management. If we fail to effectively manage the growth of our business and operations, our reputation, overall prospects and results of operations could be negatively impacted.

If we are not able to fully comply with present or future environmental, safety and occupational health laws and regulations, our business, financial condition and results of operations may be adversely affected.

Our business is subject to certain laws and regulations relating to environmental, safety and occupational health matters. See "Business — Environmental, Social and Governance Matters." Under these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. However, we cannot assure you that we will not experience any material accidents or worker injuries in the course of our production process in the future, or that our risk management measures could effectively mitigate the relevant risks and help us navigate the complex and evolving regulatory environment. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs and reporting obligations, and if we fail to comply with such ESG-related laws and regulations, our business, results of operations and financial performance may be adversely affected.

In addition, our production process produces hazardous waste and pollutants. The disposal of hazardous waste and the discharge of pollutants from our production operations into the environment may give rise to liabilities that may require us to incur costs to remedy such discharge. We cannot assure you that all situations that may give rise to material environmental liabilities will be discovered, or any environmental laws adopted in the future will not materially increase our operating costs and other expenses. Should the authorities impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such new regulations at reasonable costs, or at all. Any increase in production costs resulting from the implementation of additional environmental protection measures or failure to comply with new environmental laws or regulations may have a material adverse effect on our business, financial condition or results of operations.

Delivery delays, poor handling by third party logistics service providers or disruptions in the transportation network may adversely affect our business.

We use third party logistics service providers to deliver certain of our work-in-progress and finished products. As we do not have any direct control over these logistics service providers, we cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue due to transportation shortages, natural disasters, labor strikes or other factors, we may lose customers and sales, and our reputation may be negatively impacted. In addition, our suppliers sometimes deliver materials to us through third-party logistics service providers. Delays in delivery could adversely impact our suppliers' ability to deliver materials to us timely and as a result, our ability to deliver to our customers.

We may not be able to continue or extend relationships with our current logistics service providers on terms acceptable to us or establish relationships with new logistics service providers to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics service providers, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. If there is any breakdown in our relationships with our logistics service providers, we may incur additional costs or suffer business interruptions that could materially and adversely affect our business, financial condition and results of operations.

Our information systems may experience system failures, interruptions or security breaches.

Our business operations rely on our information systems for various functions. These systems are critical for maintaining operational efficiency, data accuracy and timely decision-making. However, our information systems are subject to various risks, including system failures, cyber-attacks, data breaches and other security incidents. Any such event could disrupt our operations, compromise our data and result in significant remediation costs, legal liabilities and reputational damage. Furthermore, our information systems need to be regularly updated and upgraded to keep pace with technological advancements and changing business needs. These updates and upgrades require significant investment and may cause system disruptions or compatibility issues.

We also engage certain third-party service providers for the development, upgrade and maintenance of certain information systems. Any failure of these third-party service providers to meet their service obligations could affect the performance of our information systems. Furthermore, any breach of contract or termination of services by these third-party service providers could result in disruptions to the operation of our information systems and we may incur additional costs and experience delays in finding alternative service providers.

We may require additional funding to finance our operations, which may not be available or on terms acceptable to us.

To develop new products and technology, support future growth and achieve operating efficiencies in order to generate operating cashflows, we must make significant capital investments in procurements of equipment and R&D. From time to time, we may experience volatility in our cash flows and operating results. We have utilized external sources of financing when needed. We may need additional capital in the future to fund our continued operations, in addition to the use of our cash inflows from our operating activities. However, we may be unable to raise additional funds, whether through equity or debt financing, when needed on favorable terms or at all. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing Shareholders, including investors in this offering, will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our Shareholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. In addition, our credit rating may be affected by our liquidity, financial results, economic risk or other factors, which may increase the cost of future borrowings and make it difficult for us to obtain financing on terms acceptable to us or at all. There can be no assurance that we will be able to generate sufficient cash flows, access capital or credit markets, or find other sources of financing to fund our operations, make debt payments, pay dividend, and make adequate capital investments to remain competitive in terms of technology development and cost efficiency. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies.

Our business depends substantially on the continuing efforts of our senior management and our ability to attract and retain key employees.

Our business operations depend on the continuing efforts of our management, particularly the members of our senior management team. If one or more members of our senior management are unable or unwilling to continue serving in their present positions, we may not be able to replace them readily, or at all. As a result, our business may be severely disrupted, and we may incur additional expenses to recruit and retain new officers. In addition, if any member of our senior management joins a competitor or forms a competing company, we may lose some of our customers, and more importantly, our trade secrets. We protect our trade secrets by entering into confidentiality agreements, which contain the non-competition clauses, with each member of our senior management. However, we cannot assure you that, if any disputes arise between our senior management and us, these confidentiality clauses could be adequately enforced in our favor.

Our success also depends to a significant extent on the skills and efforts of our key managerial, technical, sales and other employees and upon our ability to continue to attract, retain and motivate qualified personnel. We compete with other companies for technical and other skilled employees, especially skilled roles such as production management and quality control, which are critical to maintaining efficient operations and meeting customer specifications. We cannot assure you that we will be able to continue to attract and retain qualified employees essential to our growth. The loss of the services of these key employees or the inability to attract or retain qualified employees could have a material adverse effect on us.

If we are unable to protect or promote our brand and reputation, our business could be materially adversely affected. Negative publicity or rumors about us, our products, our management, Directors, employees, Shareholders, customers, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

We need to maintain and enhance our brand identity while increasing market awareness of the reputation of our business and products. The successful promotion of our brand will depend on our efforts to achieve widespread acceptance of our products, attract and retain customers, maintain our current market position, and successfully differentiate our offerings from those of competitors. These efforts require substantial expenditures. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB192.1 million, RMB245.6 million and RMB288.2 million, respectively, accounting for 1.8%, 1.9% and 1.9% of our total revenue, respectively, for the same periods. For the four months ended April 30, 2025 and 2026, our selling and marketing expenses amounted to RMB85.7 million and RMB84.9 million, respectively, accounting for 1.9% and 1.6% of our total revenue, respectively, for the same periods. We anticipate expenses will increase as our market becomes more competitive and as we expand into new markets. Furthermore, these investments in brand promotion and thought leadership may not yield increased revenue. To the extent they do, the resulting revenue still may not be enough to offset the increased expenses we incur.

In addition, adverse publicity, with or without merits, relating to events or activities attributed to us, our management, Directors, employees, Shareholders, business partners or their affiliates, industry, or productions or services similar to ours, may tarnish our reputation and reduce the value of our brand. For instance, unfounded and adversarial statements or opinions could be misleading and harm our business and reputation. Given the delicate and complex nature of the industry that we operate in, we are vulnerable to such statements or opinions. If we fail to respond to such statements or opinions in a proper manner, our business reputation, financial condition and results of operations may be adversely affected. Moreover, our brand value depends on our ability to provide products that meet industry standards in our markets. Damage to our reputation and loss of brand equity may reduce demand for our products, have an adverse effect on our future financial results, or reduce the trading price of our Shares. Damage may also require additional resources to rebuild our reputation and restore the value of the brand. If we are unable to successfully enhance and protect our reputation, our business operations, results of operations, and financial condition could be materially and adversely affected.

Failure to protect our intellectual property or our proprietary technology could substantially harm our business. If we are unable to protect the confidentiality of our proprietary information and know-how, the value of our technology and products could be harmed significantly.

Our success and ability to compete depend in part upon our ability to protect our intellectual property. We rely on a combination of intellectual property rights, including patents, copyrights, trademarks, trade secrets and know-how, in China and other jurisdictions. As of April 30, 2026, we held (i) 409 granted patents, comprising 406 in Chinese mainland (including 273 invention patents) and three in overseas jurisdictions, and (ii) 63 trademarks, comprising 58 in the Chinese mainland and five in overseas jurisdictions. We also had 207 patent applications pending, comprising 206 in the Chinese mainland and one in overseas jurisdictions. See "Business – Intellectual Property" for details of our intellectual property. The steps we take to protect our intellectual property rights may not be adequate, particularly in foreign jurisdictions. The laws of some foreign countries do not protect our intellectual property rights as fully as the laws of other countries, and our ability to protect our intellectual property rights will differ per jurisdiction. Any patents we hold may not adequately protect our intellectual property rights or our products against competitors, and third parties may challenge the scope, validity or enforceability of our issued patents. Changes in either the patent laws or their interpretation in the relevant jurisdictions may diminish our ability to protect our inventions, obtain, maintain, defend and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our patent rights. In addition, other parties may independently develop similar or competing technologies designed around any patents or patent applications that we hold. There is no assurance that we are able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future, as such applications are expensive and time-consuming. A failure to timely seek patent protection on products or technologies generally precludes us from seeking future patent protection on these products or technologies.

In addition to patents, we also rely on contractual protections with our customers, suppliers, employees and consultants, and we implement security measures designed to protect our trade secrets and know-how. However, we cannot assure you that these contractual protections and security measures will not be breached, that we will have adequate remedies for any such breach or that our customers, suppliers, employees or consultants will not assert rights to intellectual property or damages arising out of such contracts. The risk that other parties may breach confidentiality agreements or that our trade secrets become known or independently discovered by competitors could harm us by enabling our competitors, who may have greater experience and financial resources, to copy or use our trade secrets and other proprietary information in the advancement of their products, methods or technologies. The unauthorized use or disclosure of our trade secrets would impair our competitive position, thereby weakening demand for our products and harming our ability to maintain or increase our customer base.

We may initiate claims against third parties to protect our intellectual property rights if we are unable to resolve matters satisfactorily through negotiation. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management. It could also result in the impairment or loss of portions of our intellectual property, as an adverse decision could limit our ability to assert our intellectual property rights, limit the value of our technology or otherwise negatively impact our business, financial condition and results of operations. Additionally, any enforcement of our patents or other intellectual property may provoke third parties to assert counterclaims against us. Our failure to secure, protect and enforce our intellectual property rights could materially harm our business.

We may face claims of intellectual property infringement, which could be time-consuming and costly to defend or settle, result in the loss of significant rights, harm our relationships with our customers, or otherwise materially adversely affect our business, financial condition and results of operations.

The PCB industry is characterized by companies that hold patents and other intellectual property rights and that vigorously pursue, protect and enforce intellectual property rights. These companies include patent holding companies or other adverse patent owners who have no relevant product revenue and against whom our own patents may provide little or no deterrence. From time to time, third parties may assert against us and our customers' patent and other intellectual property rights to technologies that are important to our business.

Claims that our products, processes or technology infringe third-party intellectual property rights, regardless of their merit or resolution, could be costly to defend or settle and could divert the efforts and attention of our management and technical personnel. We may also be obligated to indemnify our customers or business partners in connection with any such litigation, which could result in increased costs. Infringement claims also could harm our relationships with our customers and might deter future customers from doing business with us. If any such proceedings result in an adverse outcome, we could be required to: cease the production, use or sale of the infringing products, processes or technology; pay substantial damages for infringement; expend significant resources to develop non-infringing products, processes or technology, which may not be successful; license technology from the third-party claiming infringement, which license may not be available on commercially reasonable terms, or at all; cross-license our technology to a competitor to resolve an infringement claim, which could weaken our ability to compete with that competitor; or pay substantial damages to our customers to discontinue their use of or to replace infringing technology sold to them with non-infringing technology, if available. Any of the foregoing results could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, our exposure to the foregoing risks may also be increased as a result of acquisitions of other companies or technologies. For example, we may have a lower level of visibility into the development process with respect to intellectual property or the care taken to safeguard against infringement risks with respect to the acquired company or technology. In addition, third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to the acquisition.

Legal proceedings and claims could have a material adverse effect on our business, results of operations, or financial condition.

We may from time to time be subject to various litigation, legal or contractual disputes, claims or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our suppliers, customers and other third parties. Ongoing or threatened litigation, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. Furthermore, any litigation, legal or contractual disputes, claims or administrative proceedings that are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and have a material and adverse impact on our business, results of operations and financial condition.

We may not have sufficient insurance coverage to cover our business risks.

We have obtained insurance to cover certain potential risks and liabilities. See "Business — Insurance" for details. However, insurance companies in the PRC and other jurisdictions in which we operate may offer limited business insurance products. As a result, we may not be able to acquire any insurance for all types of risks we face in our operations in the PRC and overseas, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. This potentially insufficient coverage could expose us to potential claims and losses. Any business disruption, litigation, regulatory action, outbreak of epidemic disease, adverse weather conditions or natural disasters could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage will be sufficient to cover us for any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensation amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We face risks associated with the misconduct of our suppliers and their employees and other related individuals.

Our business operations and reputation could be impacted by the conduct of our suppliers and their employees and other related individuals. It may not always be possible to prevent or detect misconduct by these individuals. The misconduct by these parties, including fraudulent activities, non-compliance with applicable laws and regulations, unethical business practices or any other actions that are inconsistent with our corporate policies and values, may subject us to potential liabilities and damage our reputation, decreased market share and potential difficulties in attracting and retaining customers.

Our operations in different parts of the world could be subject to natural disasters, health epidemics and other business disruptions, which could have a material adverse effect on our business, results of operations and financial condition.

Our business could be adversely affected by natural disasters or outbreaks of epidemics. These natural disasters, outbreaks of contagious diseases and other adverse public health developments in any market where we operate could severely disrupt our business operations by damaging our technology infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations.

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

Companies operating in the PRC are required to make certain social security premiums and housing provident fund contributions for their employees in the Chinese mainland. During the Track Record Period, we and certain of our PRC subsidiaries did not make adequate contribution to social insurance and housing provident funds for employees. See "Regulatory Overview — Regulations Relating to Employment, Social Insurance and Housing Provident Fund" and "Business — Legal Proceedings and Compliance — Non-compliance Matters — Social Insurance and Housing Fund Contributions" for further details. While our PRC Legal Advisor is of the view that in the absence of collective employee complaints, litigations or arbitrations, the risk of us being penalized or required to make up payments by the relevant competent authorities with respect to the failure to provide full social insurance and housing provident fund contributions is remote under current policies, there is no assurance that our historical and current practices will at all times satisfy the relevant government authorities. Given the complexity and continuous amendments to these laws and regulations, any future non-compliance could expose us to penalties, employee compensation claims, or operational interruptions.

We may be subject to fines for failure to file some of our leases.

We lease properties primarily for our production use and office. As of the Latest Practicable Date, six of our lease agreements have not been registered and filed with the relevant real estate administration bureaus in the PRC. Although failure to do so does not in itself invalidate the leases, the lessors and the lessees may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The relevant government authorities may impose a fine ranging from RMB1,000 to RMB10,000 for each unfiled lease. We cannot assure you that the lessors will cooperate and complete the filing in a timely manner once we are required to do so. In the event that any fine is imposed on us for our failure to file our lease agreements, we may not be able to recover such losses from the lessors. If our right to use these properties is challenged, we would need to seek alternative properties on short notice and incur relocation costs, and there is no guarantee that we would be able to find suitable alternative properties on reasonable commercial terms, or at all. Any relocation could lead to disruptions to our operations and may have an adverse effect on our business, financial condition, results of operations and prospects. See "Business — Properties" for more details.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS IN WHICH WE OPERATE

Changes in economic, political or social conditions or government policies in the markets in which we operate could have a material adverse effect on our business and results of operations.

We derive revenue from and operate in multiple jurisdictions. For example, a majority of our revenue is derived from our businesses in the PRC during the Track Record Period. Accordingly, our future prospects, business, results of operations and financial condition are, to a material extent, subject to economic, political and legal developments in the PRC. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the investment and transactions in our Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

China's economy has experienced significant growth over the past decades. In recent years, the PRC government has implemented measures emphasizing the utilization of market forces in economic reform and the establishment of sound corporate governance practices in business enterprises. These economic reform measures may be adaptively adjusted from industry to industry or across different regions of the country.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject the enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Measures (March 31, 2023) and five supporting guidelines (the "**Overseas Listing Regulations**"). The Overseas Listing Regulations stipulate that issuers that meet the filing requirements shall fulfill the filing procedures within three working days after it makes an application for offering and listing in an overseas stock market. According to the Overseas Listing Regulations, we are required to fulfill the filing procedure with the CSRC within three working days after submitting the application documents to the overseas supervisory authorities to report relevant information. See "Regulatory Overview — Regulations on Securities and Overseas Listings" for more details.

The Overseas Listing Regulations may subject us to additional compliance requirements in the future, and we cannot assure you that we will be able to get clearance of our filing procedures under the Overseas Listing Regulations on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to sell our securities to investors, cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this [**REDACTED**] or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from the [**REDACTED**] into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

Payment of dividends or gains from the sale or other disposition of our H Shares is subject to taxation under PRC law.

Non-PRC resident individual holders of H Shares whose names appear on the register of members of H Shares ("**Non-PRC Resident Individual Holders**") are subject to the PRC individual income tax on dividends received from us. Pursuant to applicable regulations, the tax rate applicable to dividends paid to Non-PRC Resident Individual Holders of H Shares varies from 5.0% to 20.0%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the Non-PRC Resident Individual Holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong, China. Non-PRC Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, subject to the relevant PRC laws, Non-PRC Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20.0% on gains realized upon the sale or other disposition of H Shares. Based on our knowledge, as of the Latest Practicable Date, the PRC tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders' investments in H Shares may be materially and adversely affected.

Subject to the relevant PRC laws, a non-PRC resident enterprise is generally subject to CIT at a rate of 10% with respect to its PRC-sourced income, including dividends received from a PRC company and gains derived from the disposition of equity interests in a PRC company. This rate may be reduced under any special arrangement or applicable treaty between the PRC and the jurisdiction in which the non-PRC resident enterprise resides. Pursuant to applicable regulations, we intend to withhold tax at 10% from dividends payable to non-PRC resident enterprise holders of H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate. There are uncertainties as to the interpretation and implementation of the CIT Law and its implementation rules by the PRC tax authorities, including whether and how CIT on gains derived upon the sale or other disposition of H Shares will be collected from non-PRC resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-PRC resident enterprise holders' investments in H Shares may be materially and adversely affected.

Expiration of, or changes to, certain 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, some of our subsidiaries were entitled to preferential income tax rates pursuant to the relevant tax regulations. For example, during the Track Record Period, certain entities within our Group enjoyed preferential EIT tax rate of 15% as they were High and New Technology Enterprise (HNTE). For details, see Note 10 to the Accountants' Report in Appendix I to this document. We cannot guarantee that the preferential tax treatments and other incentives to which our PRC subsidiaries are currently entitled would be kept valid or successfully renewed. There can be no assurance that the local tax authorities will not, in the future, change their position and discontinue any of our current tax treatments. The discontinuation of any of our current tax treatments could materially increase our tax obligations and adversely impact our net income.

In addition, we recorded government grants of RMB124.3 million, RMB212.9 million, RMB144.2 million, RMB55.2 million and RMB18.5 million in 2023, 2024 and 2025 and four months ended April 30, 2025 and 2026, respectively, which mainly consist of non-recurring financial support or subsidies from government bodies as incentives for R&D projects. We cannot assure you that we will continue to receive and benefit from such grants in the future. If we are not qualified for receiving the government grants, our financial condition and results of operations may be materially adversely affected.

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

According to the Notice of applicable regulations, export goods and services are subject to the exemption and refund of VAT policies. Subject to the relevant PRC laws, we are entitled to a rebate of VAT from the PRC tax authority in connection with our export sales for our products. The tax rebate comprised a refund of VAT incurred on the raw materials we used for production of our products in the PRC, which are subsequently exported to overseas countries. We cannot assure you that the PRC governmental policies on tax rebate will not change or that the current policies we enjoy will not be cancelled. If there is any reduction, suspension, discontinuation or cancellation of tax rebate which may adversely affect the recoverability of our VAT recoverable, our business, financial condition and profitability would be adversely affected.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws, and a majority of our assets are located in the PRC. In addition, most of our Directors and senior management reside in the PRC. As a result, it may be complex for investors to effect service of process outside the Chinese mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside the Chinese mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in the Chinese mainland only if the jurisdiction has a treaty with the Chinese mainland or if the jurisdiction has been otherwise deemed by the courts of the Chinese mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, the Chinese mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in the Chinese mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible. On January 14, 2019, the Supreme People's Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "2019 Arrangement"). The 2019 Arrangement regulates, among others, the procedures and methods of the application for recognition or enforcement, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in the Chinese mainland and those in Hong Kong. However, the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) will remain applicable to a "choice of court agreement in writing".

We are subject to the currency exchange control system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, subject to the satisfaction of other requirements.

Under existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to our Shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to listing and regulatory requirements of the Chinese mainland and Hong Kong, China.

As we are listed on the Shanghai Stock Exchange and will be [**REDACTED**] on the Main Board in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

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

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

Our A Shares are listed on the Shanghai Stock Exchange, and the characteristics of the A Share and H Share markets may differ.

Our A Shares are listed and traded on the Shanghai Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be [**REDACTED**] on the Stock Exchange. Under current laws and regulations of the Chinese mainland, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the

H Share and A Share markets. With different [**REDACTED**] characteristics, the H Share and A Share markets have divergent [**REDACTED**] volumes, liquidity and [**REDACTED**] bases, as well as different levels of retail and institutional [**REDACTED**] participation. As a result, the [**REDACTED**] performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the price of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the investment decision in our H Shares.

The [REDACTED] price and trading volume of our H Shares may be volatile, which could result in substantial losses to you.

The [**REDACTED**] price and [**REDACTED**] volume of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. The following factors, among others, may affect the trading volume and market price of our H Shares: (i) actual or anticipated fluctuations in our operating performance and revenue; (ii) our failure to execute our strategies; (iii) an unexpected business interruption resulting from operational breakdowns, natural disasters, or major changes in our key personnel or senior management; (iv) adverse market reaction to any indebtedness that we may incur or securities that we may issue in the future; (v) announcements of competitive developments, acquisitions or strategic alliances in our industry; (vi) potential litigation or regulatory investigations; (vii) general market conditions or other developments affecting us or our industry; (viii) changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our ability to obtain or maintain regulatory approval for our products; (ix) inadequate protection of our intellectual property rights or legal proceedings brought against us for infringement of third parties' intellectual property rights; (x) the operating and stock price performance of other companies in our industry; and (xi) the release of lock-up or other transfer restrictions on our outstanding H Shares or sales or perceived sales of H Shares by us or other Shareholders.

In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in the Chinese mainland that have listed their securities in Hong Kong may also affect the volatility in the price of and trading volumes for our H Shares. A number of the Chinese mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards the Chinese mainland-based companies listed in Hong Kong and consequently may impact the trading performance of our H Shares. Due to the lock-up requirement, the liquidity and trading volume of the H Shares in the short-term following the [**REDACTED**] may be significantly affected. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

You will incur immediate and significant dilution and may experience further dilution if we issue additional H Shares in the future.

If the [**REDACTED**] of our H Shares is higher than the net tangible book value per H Share of our H Shares immediately prior to the [**REDACTED**], purchasers of our H Shares in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible book value. If we issue additional H Shares in the future, purchasers of our H Shares in the [**REDACTED**] may experience further dilution in their shareholding percentage. In addition, the [**REDACTED**] may be granted an [**REDACTED**] (or similar arrangement) to issue additional H Shares to cover [**REDACTED**] in connection with the [**REDACTED**]. If the [**REDACTED**] is exercised, purchasers in the [**REDACTED**] may experience further dilution.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any dividends in the future.

Our ability to declare future dividends will depend on the availability of dividends, if any, received from us and our other PRC operating subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. The calculation of our distributable profits under PRC GAAP differs in certain respects from the calculation under IFRS. Our Company and our PRC operating subsidiaries may not be able to pay a dividend in a given year if our Company or our PRC operating subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under IFRS. See "Financial Information — Dividends" and Note 11 to the Accountants' Report in Appendix I to this document for more details.

There can be no assurance that future dividends will be declared or paid. The declaration, payment and amount of any future dividends are subject to the discretion of our Directors, after taking into account our results of operations, financial condition, cash requirements and availability and other factors as they may deem relevant, and subject to the approval at a Shareholders' meeting. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

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

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

You should not place any reliance on any information released by us on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in the Chinese mainland. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in the Chinese mainland, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, prospective investors in our H Shares should be reminded that, in making their investment decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

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

Our Controlling Shareholders may have substantial influence over the Company and their interests may not be aligned with the interests of other Shareholders.

Our Controlling Shareholders have significant influence over our operations and business strategies, and may have the ability to require our Group to effect corporate actions according to their own desires by virtue of their shareholding in our Group. The interests of our Controlling Shareholders may not always coincide with the best interests of other Shareholders. If the interests of any of our Controlling Shareholders conflict with the interests of other Shareholders, or if any of our Controlling Shareholders chooses to cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, our Group or those other Shareholders' interests may be adversely affected as a result.

In addition, there is no guarantee that the Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the [**REDACTED**]. We cannot predict the effect, if any, of any future sales of the Shares by any of its Controlling Shareholders, or that the availability of the Shares offered by any of the Controlling Shareholders for purchase may have on the market price of the Shares. Sales of a substantial number of Shares by any of our Controlling Shareholders or the market perception that such sales may occur could materially and adversely affect the prevailing market price of the Shares.

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

Certain facts, forecasts and statistics in this document relating to the PRC and global economy and the industries in which we operate are obtained from official government publications that we believe are reliable. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. However, there can be no guarantee of the quality or reliability of these sources. Neither we, the Joint Sponsors nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions obtained from these sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics in this document relating to the PRC, the global economy and the industry in which we operate may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. As such, no representation as to the accuracy of such facts, forecasts and statistics obtained from various sources is made. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon. Furthermore, there can be no assurance that they are stated or compiled on the same basis, or with the same degree of accuracy. Therefore, you should not unduly rely upon the industry facts, forecasts and statistics contained in this document.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our H Shares, the market price and trading volume of our H Shares may decline.

The trading market for our H Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our H Shares or publishes inaccurate or unfavorable research about our business, the market price for our H Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our H Shares to decline.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there has been press and media coverage regarding us, our business, our industry and the [**REDACTED**]. There may be additional media coverage regarding us, our business, our industry and the [**REDACTED**] subsequent to the date of this document but prior to the completion of the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [**REDACTED**] has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. Our Company, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of our and their respective directors, supervisors, officers, representatives, employees, advisors or any other persons or parties involved in the [**REDACTED**] make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, our Company, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of our and their respective directors, supervisors, officers, representatives, employees, advisors or any other persons or parties involved in the [**REDACTED**] disclaim responsibility for it, and you should not rely on such information.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.