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 any investment decision in relation to the H Shares. Our business, financial condition or results of operations could be materially and adversely affected by any of these risks. The **[REDACTED]** *of the H Shares could fall significantly due to any of these risks, and you may lose all or part of your investment. The information given is subject to the cautionary statements in the section headed "Forward-Looking Statements."*

RISKS RELATING TO OUR INDUSTRY AND BUSINESS

Our business and operating results are affected by the global economic conditions and macroeconomic trends.

Our business and operating results are affected by the global economic conditions. Unfavorable changes in the global economic conditions and macrotrends, particularly, education and enterprise-related spending could negatively affect demand for our products and solutions and materially and adversely affect our results of operations.

In particular, our education-related products and solutions are subject to fluctuations in demand that are influenced by the budgetary allocations and spending levels of K12 schools, universities and other educational institutions, as well as by consumer discretionary spending. These factors are, in turn, affected by government policies, public funding priorities and broader macroeconomic conditions, which may have a material impact on our business, financial condition and results of operations. Demand for our products and solutions for enterprise and industrial applications is influenced by the level of business spending, which is, in turn, affected by global economic conditions and business cycles.

In addition, demand for our intelligent control components is affected by sales of end products, such as televisions and white goods, which in turn are affected by consumer discretionary spending that is influenced by broader macroeconomic conditions. Any negative development in macroeconomic conditions could materially and adversely affect our results of operations.

The markets for our products are constantly changing. If we are unable to respond effectively to these changes, our business, results of operations and financial condition will be materially and adversely affected.

The various industries we operate in, including commercial display, AV equipment, computing device and control component industries, are subject to constant and rapid changes in technology, constant product and technology upgrade, frequent new product introductions and evolving technical standards. New technologies may be introduced that make the current technologies on which our products are based less competitive or even obsolete or require us to make changes to our technology that could be expensive and time consuming to implement. Due to the evolving nature of our markets, our future success depends on our ability to accurately anticipate and respond to changes in industry standards, technological requirements, customer and consumer preferences and other market conditions. Accordingly, we have placed great emphasis on our research and development activities, which require considerable human resources and capital investment. In 2023, 2024, 2025 and the three months ended March 31, 2026, our research and development expenses amounted to RMB1,422.5 million, RMB1,540.2 million, RMB1,588.0 million and RMB409.4 million, accounting for 7.1%, 6.9%, 6.5% and 6.6% of our revenue, respectively. However, we cannot assure you that these efforts will be successful or produce our anticipated results. Even if our research and development efforts are successful, we may not be able to apply the technologies we developed to introduce new products in time to capture the first-mover advantage, or at all.

In addition, we may be unable to develop or introduce new or enhanced technologies that satisfy customer requirements and achieve market acceptance in a timely manner or at all, succeed in commercializing the technologies on which we have focused our research and development expenditures to develop, or anticipate new industry standards and technological changes. If we fail to adapt successfully to technological changes or fail to obtain access to important new technologies, we may be unable to retain customers or attract new customers. Any decrease in demand for our products or solutions, due to the emergence of competing technologies, changes in customer preferences and requirements or otherwise, could adversely affect our business, results of operations and prospects.

Our business faces competition.

We face fierce competition in our industries. For example, the commercial display products market, such as IFPDs for educational market and enterprise collaboration, is undergoing transformation, and competition is intense. In addition, the LCD controller board market is relatively concentrated with competition among leading players, such as us. Our existing and potential competitors may seek to increase their market share through measures such as increasing production capacity and aggressively conducting sales and marketing activities. Our competitors may also attempt to attract customers or increase sales volume by reducing price. Competitive pressures may adversely affect the demand and pricing of our products, which in turn affect our growth and market share. If we fail to compete effectively, we may not be able to maintain or expand our market share, which may adversely affect our business, results of operations and financial condition.

Due to competition, we may receive requirement from customers to reduce the prices of our products and solutions, which may continue to affect our profit margins. We must be able to reduce costs and increase operating efficiency in order to maintain profitability. Our profitability is dependent, in part, on our ability to manage the costs of raw materials, and manufacturing costs, as we scale our sales volume. However, we may not be able to reduce our costs to match the lower prices requested by our customers. If we are unable to offset customer price reductions through improved operating efficiency, profitable new or upgraded products and solutions, enhanced manufacturing management, increased sourcing alternatives and other cost reduction initiatives, our business, financial condition and results of operations may be materially and adversely affected.

We may be exposed to risks relating to price fluctuations of raw materials, and we may not be able to secure our supply of such materials in a stable and timely manner.

The prices of our raw materials are mainly related to component complexity and dynamics of supply and demand. Therefore, price fluctuations due to dynamics of supply and demand in our raw materials may affect our costs and business performance. If raw material prices increase significantly for any reason in the future, we may incur additional costs to secure sufficient supply of raw materials, or resort to alternative supply channels for such raw materials. However, we may not be able to find any alternative supply channels, and we may not be able to successfully pass on such price increases to customers without adverse impact on our business. If any of the foregoing occurs, our results of operations and financial performance could be materially and adversely affected.

Our suppliers may experience significant interruptions in their operations, fail to accommodate our fast-growing business scale, terminate, suspend, alter or breach the supply arrangements. Furthermore, we may not be able to incentivize our suppliers to prioritize our orders before their other clients. Any of these could lead to delay or shortage of supplies. We cannot assure you that in any of the foregoing events we would be able to find alternative suppliers on commercially reasonable terms, on a timely basis, or at all. In particular, there are a limited number of suppliers for large-sized LCD display panels, a key component for our IFPD products, in major markets we target. Furthermore, we source storage chips for LCD controller boards, which are one of our major raw materials, from over 15 suppliers in Taiwan, Chinese Mainland, Japan, Korea and the U.S.. During the Track Record Period, there was no significant interruption in the operations of our suppliers which would cause delay or shortage of supplies, in particular, our LCD display panels and LCD controller chips. However, to the extent our existing suppliers experience interruption in their operations or our business relationships with them are jeopardized, we might experience difficulty in finding alternative suppliers with commercially reasonable terms, or at all.

We also rely on other business partners in supplying and delivering the raw materials and equipment. Interruptions or failures of the third-party logistics service providers due to unforeseen events, such as inclement weather, natural disasters or transportation disruptions, could prevent the timely or successful delivery of raw materials and equipment. If our raw materials are not delivered to our or our production partners' facilities on time and under proper condition, there may be a shortage of our products, in which case our reputation and business prospects may be adversely affected.

If we are unable to execute our business strategies effectively, our business and prospects may be materially and adversely affected.

Our business scale grows over the years. In addition, as we expand our product portfolio, customer base and our presence in international markets, we will need to work with a larger number of suppliers and partners efficiently and maintain and expand mutually-beneficial relationships with our existing and new suppliers and partners. We also need to continuously enhance and upgrade our infrastructure and technology, improve control over our operational, financial and management aspects, refine our reporting systems and procedures, and expand, train and manage our growing employee base. All these efforts will require significant managerial, financial and human resources. We cannot assure you that such efforts will reach our expected outcome. We cannot assure you that we will be able to effectively manage our growth, that our current infrastructure, systems, procedures and controls or any new measures to enhance them will be adequate and successful to support our expanding operations or that our strategies and new business initiatives will be executed successfully. In addition, changes and developments taking place in industries that we operate in may also require us to re-evaluate our business model and adopt material changes to our long-term strategies and business plans. Our failure to innovate and adapt to these changes and developments may have a materially adverse effect on our business, financial condition and results of operations. Even if we innovate and adapt to these changes and developments, we may nevertheless fail to realize the anticipated benefits of changes adopted to our long-term strategies and business plans or even harm our profitability as a result.

In addition, we plan to expand our products and solutions to address more use cases. The expansion of these products and solutions exposes us to a number of risks and challenges, including but not limited to: (i) failure of our new products to be accepted by our customers or to meet our expected targets; (ii) insufficient experience or expertise in expansion into certain new products, which may prevent us from effectively competing in these areas; (iii) failure to make accurate analysis or judgment regarding market conditions of our new products and solutions; (iv) inability to hire additional qualified personnel or to hire and retain personnel on commercially reasonable terms; and (v) imitation or replication of our new products by competitors.

Furthermore, we may encounter other risks and difficulties when expanding our business through acquisitions and other forms. We intend to pursue strategic investment and acquisition opportunities in both domestic and international markets, focusing on horizontal integration (for example, complementary product lines or peer companies) across our industry value capability. Such investments and acquisitions may involve certain risks and uncertainties, including but not limited to failure to achieve expected business objectives (such as expanding business, securing supply and acquiring technologies), disputes, unanticipated costs, inadequate return on investment and issues not discovered during the due diligence, which may adversely affect our business, results of operations and financial condition.

Our international strategy and ability to conduct business in various jurisdictions is subject to uncertainties and risks.

We derive a portion of our revenue from overseas. During the Track Record Period, we generated over 20% of our revenue outside the Chinese Mainland. We expect that overseas sales will continue to account for a substantial percentage of our revenue.

Our overseas operations are also subject to additional inherent risks of conducting business abroad, including but not limited to: (i) lack of familiarity with local operating and market conditions; (ii) difficulties and costs of staffing and managing overseas operations; (iii) difficulties of finding suitable production partners; (iv) trade customer insolvency and the inability to collect accounts receivable; (v) labor disputes and work stoppages at our operations and suppliers; (vi) complex supply chain and shipping logistical challenges; (vii) increased costs associated with maintaining the ability to understand local markets and follow their trends, as well as develop and maintain an effective marketing presence; (viii) legal, regulatory, political, economic and commercial instability and uncertainty; (ix) changes in foreign tax rules, regulations and other requirements, such as changes in tax rates and statutory and judicial interpretations of tax laws; (x) changes in foreign trade policies and regulations by local authorities, including those in relation to economic sanctions, export controls, and import restrictions, as well in trade barriers such as unfavorable changes in tariffs or quotas, particularly, in light of navigating the changing relationships between major economies; (xi) changes in foreign country regulatory requirements, including data privacy laws; (xii) complexities relating to compliance with foreign anti-bribery, anti-corruption and anti-money laundering regulations and antitrust laws; (xiii) difficulty in obtaining or enforcing intellectual property rights; (xiv) difficulty in enforcing agreements and collecting overdue receivables through local legal systems; (xv) changes in geopolitical situations especially those in jurisdictions where we do business; (xvi) foreign currency exchange rate fluctuations; (xvii) strict foreign exchange controls and cash repatriation restrictions; (xviii) inflation and/or deflation, and changes in interest rates; (xix) misconduct by our customers beyond our control, including but not limited to breaching the agreements with them, policies that we require them to adhere to, and laws and regulations of various jurisdictions that are applicable to them; and (xx) other obstacles and risks related to overseas manufacturing and operations.

We are subject to various laws and regulations of PRC and other jurisdictions in which we operate and are required to obtain and comply with relevant permits, licenses, certificates, consents and other approvals from administrative authorities. Each approval is dependent on the satisfaction of certain conditions and failure to obtain governmental approvals could have an adverse effect on our operations. We are also subject to inspections, examinations, inquiries and audits by governmental authorities as part of the process of maintaining or renewing our permits, licenses or certificates. Failing to fulfill the pre-conditions necessary to obtain the required governmental approvals or efficiently adapt to new laws, regulations or policies that may come into effect from time to time in a timely manner with respect to our operations may materially and adversely affect our business. There may be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals.

Moreover, in early 2025, the U.S. government issued multiple executive orders implementing additional tariffs on imports from various jurisdictions, including additional tariff on certain imports from China. The U.S. tariffs and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice. We cannot predict the timing, scope, or severity of potential changes in tariffs and trade policies, which may continue to evolve in the future. During the Track Record Period, we generated a small portion of our revenue from sales to the U.S. There is highly flexible and abundant manufacturing capacity available in international markets for the types of products we offer, and we are well-positioned to dynamically shift production orders across multiple geographies based on evolving trade conditions and cost considerations. For example, we have secured production partners in Vietnam and Mexico to enhance supply chain resilience and manage tariff exposure. As such, our Directors do not expect the recently implemented tariff changes by the U.S. government would result in a material adverse effect on our business and financial conditions. However, we cannot assure you that our products will not be subject to higher tariffs or trade restrictions in the future as trade relationships between the United States and other countries continue to develop. Any future negative changes in the U.S. tariff policies towards China may deter market demands of our products or the end market products in the U.S., and we may face a decrease in revenue or decreased profitability. Additionally, if any changes are implemented faster and/or more strictly than anticipated, we may not be able to respond and mitigate the risks associated effectively and timely. Any of the above could negatively affect our business, results of operations and financial condition.

We may face risks if there are quality issues with our products.

We are always highly committed to product quality and safety, considering them vital to our operation. Our quality management and risk control systems span across the entire product life cycle, including product design, procurement, production, sales, usage and maintenance. We did not experience any major product recalls or associated claims or legal proceedings due to product quality or safety issues during the Track Record Period. However, given that product quality control involves complex processes and may be difficult to manage, and our products have long life cycle, we cannot guarantee that there are no and will not be any quality issues with our products.

Any quality issues with our products or solutions could compromise our product performance, lose customers and/or orders, and reduce our profitability. In severe cases, we may need to recall our products or take other measures. In addition, third parties who have suffered losses may bring claims or legal proceedings against us. Any of these events could have an adverse impact on our brands and reputation. Certain product liability claims may arise from defective parts and components that we have procured from suppliers. While we may seek indemnification from suppliers for these low quality materials or defective components, such efforts may be costly, time-consuming and ultimately futile. These suppliers may not be able to fully compensate us or at all, for the losses we suffer as a result of these defects and product liability claims.

We face risks associated with the use of third-party production partners to produce our products.

We currently depend on third-party production partners to manufacture most of our products. Our success is dependent upon our ability to maintain our relationships with existing production partners and enter into new manufacturing arrangements in the future. If we are unable to manage our production partners effectively and ensure that high-quality products are delivered timely to meet customers' demand, our sales might decrease, and our business, financial condition, results of operations may be materially adversely affected.

Collaboration with third-party production partners is subject to certain inherent risks because their operations are outside our control. We could experience delays to the extent our production partners do not meet agreed-upon timelines or experience capacity constraints. During the Track Record Period, we did not experience any significant delay in delivery from the third-party production partners. The volume of products manufactured could fall short of expectation if there are any adverse changes in our production partners' liquidity position that causes their inability to discharge their obligations to produce products. There is risk of potential disputes with our production partners, and we could be affected by adverse publicity related to our partners whether or not such publicity is related to their collaboration with us. Our ability to successfully build premium brands and trusted business partnership could also be adversely affected by perceptions about the quality of our production partners' products. In addition, given that we also rely on our production partners to meet our quality standards, there can be no assurance that they will always deliver products that meet our quality standards.

Moreover, increased regulation or stakeholder expectations regarding responsible sourcing practices could increase our compliance costs. Any failure by our production partners to comply with such regulations or meet such expectations could result in negative publicity that adversely affects our reputation. We also could be subject to financial or reputational risks such as government or regulatory investigations as a result of our production partners' conducts. To the extent we are unable to manage these risks, our ability to timely supply competitive products will be harmed, our costs will increase, and our business, results of operations and financial condition will be adversely affected.

Failure to maintain our brands and reputation and the negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners may affect our reputation and, as a result, our business, financial condition and results of operations may be negatively affected.

We believe that maintaining and enhancing our brands recognition, such as *seewo* and *MAXHUB*, is of significant importance to the success of our business. Well-recognized brands are important to enhancing our attractiveness to our customers. Since we operate globally in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. The successful promotion of our brands will depend on the effectiveness of our marketing efforts and amount of word-of-mouth referrals we received from satisfied customers. We may incur extra expenses in promoting our brand. However, we cannot guarantee that these activities are and will be successful or that we can achieve the brand promotion effect we expect.

In addition, negative publicity and allegations involving us, our shareholders, Directors, officers, employees and business partners, or the industry in which we operate as a whole may materially and adversely harm our brand image and reputation and cause deterioration in the level of market recognition of and trust in the products and solutions provided by us, thereby resulting in reduced sales volumes and revenues, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such conduct includes complaints to regulatory authorities, negative social media postings, and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time, resulting in the diversion of management's attention, and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us, may be disseminated by anyone, whether or not related to us. Social media often publish such content without verifying the accuracy of the content posted and without affording us an opportunity for redress or correction. The occurrence of any of these events may harm our reputation, and in turn may cause us to lose customers and revenue.

Any failure to acquire new customers or retain existing customers may materially and adversely affect our business, and any failure to offer high-quality after-sales services for our customers may harm our relationships with them and, consequently, our business.

We aim to reinforce relationships with existing customers while continuously broadening our customer base by enhancing our brand and product recognition. We have invested in branding, sales and marketing to acquire and retain customers. We incurred selling expenses of RMB1,343.1 million, RMB1,206.0 million, RMB1,134.7 million and RMB258.7 million in 2023, 2024, 2025 and three months ended March 31, 2026, respectively. There is no guarantee that we will be able to retain existing customers or achieve sales growth as expected.

As we continue to grow our operations, we need to be able to continue to provide efficient support and effective maintenance that meets our customer demands at an international scale, particularly for our intelligent devices and solutions. We may not be able to recruit or retain sufficient qualified personnel with experience in supporting customers of our products and solutions. If we experience increased customer demand for support and maintenance, we may face increased costs that might harm our results of operations. Our ability to attract new customers is highly dependent on our business reputation. Any failure to maintain high-quality maintenance and support services, or a market perception that we do not maintain high-quality maintenance and support services for our customers, would harm our business.

Our policy allows products and solutions with defects to be returned and exchanged by our customers within the warranty period. See "Business — Warranty and After Sales Services." During the Track Record Period, we did not experience any major product recalls or associated claims or legal proceedings due to product quality or safety issues. If we experience any deterioration in the quality of our products and solutions, we will incur higher costs associated with returns, exchanges and warranties. We may also be required by law to adopt new or amend existing return, exchange and warranty policies from time to time. While these policies improve customer experience and promote customer loyalty, which may in turn help us acquire and retain customers, they also subject us to additional costs and expenses which we may not recoup through increased revenue. If we revise these policies to reduce our costs and expenses, our customers may be dissatisfied, which may result in the loss of existing customers or failure to acquire new customers at the pace desired, which may materially and adversely affect our business, financial condition and results of operations.

Our success relies largely on the cultivation and continued service of our talents, including senior management and key technical personnel. Any loss of key personnel may materially and adversely affect our business, financial condition and results of operations.

Management and R&D capabilities are one of the key factors for our business development and competitive advantages. Our sustainable growth relies heavily on our ability to maintain a highly skilled senior management and technical team. We place great emphasis on cultivating and recruiting management and technical talent to ensure effective coordination and successful implementation of our management and R&D activities. To maintain the motivation and stability of our core management and technical personnel, we have established incentive schemes that encourage technical innovation. However, due to intense competition for talent, we may face risks of losing core management and technical personnel.

We face potential operational and safety risks in our production.

We have established smart manufacturing facility, which became operational in 2024. We face various potential operational and safety risks in our production, including but not limited to: (i) environmental or industrial incidents or public health emergencies, (ii) natural disasters (such as fires, floods, earthquakes, typhoons and other disasters), (iii) disruption of utility supplies such as water, electricity, gas and telecom, (iv) work-safety accidents or injuries or (v) production accidents or interruptions due to operational errors, equipment breakdowns or improper management. Such risks may result in damages to, or destruction of, manufacturing facility, personal injury or death, environmental damages, economic loss and legal liabilities. The occurrence of any of these events could result in the interruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

As a technology company, our ability to protect our intellectual property rights are crucial to our R&D efforts, sustainable development and continued success. Intellectual property infringement by and disputes with third parties may adversely affect our business, financial condition and results of operations.

We regard our patents, know-how, proprietary technologies, trademarks, copyrights, domain names and other intellectual properties as critical to our business development and operations, and we rely on both intellectual property laws and contractual arrangements, and take a series of measures to protect our intellectual properties. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages as we expected. Monitoring the unauthorized use of intellectual properties by third parties can be difficult and costly. If we were unable to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights, our business, results of operations, and financial condition could be materially and adversely affected. In addition, there can be no assurance that our patent applications will be approved, that any issued patents will adequately protect our intellectual property, or that such patents will not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. Furthermore, we may not have sufficient intellectual property rights in all countries and regions due to lack of comprehensive intellectual property laws in certain regions, and our ability to protect our intellectual property rights differs by jurisdiction.

We may be a party to claims and litigation as a result of infringement by third parties of our intellectual property rights. Moreover, we may become subject to claims from competitors or third parties alleging intellectual property infringement by us in our ordinary course of business from time to time. Even when we sue the parties for such infringement, such lawsuits may have adverse consequences for our business. Any of such lawsuits may be time-consuming and costly to resolve and may divert our management's time and attention from our business. It could also result in a court or governmental agency invalidating, narrowing the scope of, or rendering our patents or other intellectual property rights involved in such lawsuits unenforceable which may significantly harm our business. If any of our products infringes a valid and enforceable patent, we may be prevented from selling, or choose to cease the sales of related products. Additionally, we may face liabilities to our customers, business partners or third parties for indemnification or other remedies in the event that they are sued for infringement in connection with their use of our products.

We carefully select suppliers and adopt relevant management policies. However, there can be no assurance that such measures will be sufficient to prevent suppliers from providing products with potential intellectual property issues, nor can we guarantee that we will be able to recover all damages or compensation from suppliers in respect of claims by third parties against us for such products or intellectual property infringement. If any of these events occur, our reputation could be damaged, and our business, financial condition and results of operations may be adversely affected.

Our brands may be counterfeited and imitated. We cannot assure that brand counterfeiting or imitation will not occur in the future or, if it does occur, that we will be able to identify or address the problem effectively or in a timely manner. Any occurrence of counterfeiting or imitation of our products or other infringement of our brands could adversely affect our reputation and brands.

Although we enter into employment agreements with confidentiality, non-compete covenants and intellectual property ownership clauses, we cannot assure that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality, and/or non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, and/or non-compete covenants in a way that unduly benefits us.

Our compliance and risk management systems may not be sufficient to protect us from credit, market, liquidity, operation and other risks.

Given our global business operations, we must comply with a broad range of legal and regulatory requirements in multiple jurisdictions and local operational business processes. We have established compliance and risk management systems that support our operational business processes to comply with laws and regulations. However, there can be no assurance that our compliance and risk management systems are adequate to address all applicable risks in every jurisdiction. Similarly, we can provide no assurance that such internal controls and systems of joint ventures and other business partners can be aligned with our own, and we may have to rely on their internal controls and systems for the compliance of their business practices.

In addition, the policies we have put in place to prevent direct or indirect acts of corruption, bribery, anti-competitive behavior, money laundering, breaches of sanctions, fraud, deception, tax evasion and other criminal or improper conduct may be insufficient to prevent such non-compliance.

The occurrence of any of these risks may result in reputational damages and material adverse legal consequences, including without limited to suspension or revocation of our relevant certificates, licenses, approvals and permits related to business operation and our operations may be hindered or halted, which could have a material and adverse effect on our business and results of operations, revocation of qualifications of our management or employees, the imposition of fines or sanctions and penalties on us or the members of our management or employees and could lead to the assertion of damages claims by third parties or to other detrimental legal consequences, including civil and criminal penalties. If any of these risks were to materialize, this could also have a material adverse effect on our business, financial condition and results of operations, reputation or prospects.

Our operations rely on IT systems and networks, and IT system failures, network disruptions or cybersecurity breaches may affect our business.

We rely extensively on IT systems, some of which are supported by third-party vendors, to manage and operate our business. If these systems malfunction, cease or experience interruptions in normal operations, experience security breaches or do not provide the anticipated benefits, our ability to manage our operations could be impaired, which could have an adverse impact on our operations and financial condition. If the software installed on the computers used by us and our employees is not properly authorized or licensed, we may be subject to claims or litigations from software vendors. We may be subject to IT system failures or network disruptions caused by natural disasters, accidents, power disruptions, telecom failures, acts of terrorism or war, computer viruses, physical or electronic break-ins or other events. We have business continuity and disaster recovery ability, which may not be sufficient for managing operational disruptions resulting from circumstances beyond our control.

Our IT systems may be subject to computer viruses, malicious codes, unauthorized access, phishing and other cyberattacks. We continue to assess potential threats and adopt proper measures to address these threats. However, because the techniques used in these cyberattacks change frequently and may be difficult to detect for periods of time, we may face difficulties in implementing adequate preventative measures. To date, we have seen no material impact on our business or operations from these attacks. However, we cannot guarantee that our efforts will prevent attacks or breakdowns to our or our third-party providers' databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly and we do not effectively address these failures on a timely basis, we may be exposed to business harm as well as litigation and regulatory action, including administrative fines, which could adversely affect our business and financial condition.

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 products to our customers. Disputes with or terminations of our contractual relationships with our logistics service providers could result in delayed delivery of products or increased costs. 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 preferred logistics service providers, we may suffer business interruptions that could materially and adversely affect our business, financial condition and results of operations. 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, labour strikes or other factors, we may lose customers and sales and our reputation may be tarnished. 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 timely deliver materials to us, and our ability to deliver to our customers.

Our insurance coverage may not cover all losses related to our operational risks.

Our business is subject to a variety of operational risks. In addition, as we may further expand our operations in overseas markets in the future, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, damage to or destruction of production facilities, personal injury or casualties, environmental damage, monetary loss, and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities. We may not have adequate or any insurance to cover these operational risks. We maintain insurance policies to cover product transport liability and employer liability. In addition, we have purchased a number of property-related insurance policies covering our facilities, machinery, equipment, inventories and other assets. However, there is no assurance that our insurance will be adequate to cover our exposure to the foregoing risks. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, financial condition and results of operations may be materially and adversely affected.

We face risks associated with our sales channel.

We market and sell our products through a combination of direct sales and a distributor network. However, we cannot assure you that our measures to manage our sales network will be effective. As a result, the expansion of our sales network may not lead to proportionate increase in our revenue.

The performance of our distributors, as well as the compliance of our distributors with our requirements, are crucial to the sales of our products. However, we cannot guarantee that our distributors will always comply with the terms of the distribution agreements or operate in a manner that aligns with our reputation and standards. Non-compliance by distributors, such as unauthorized sales practices fraud, misconduct or failure to adhere to contractual obligations, could harm our reputation, disrupt our sales channels and lead to loss of customer trust. Additionally, we face risks of fraud or misconduct by distributors, which could include unauthorized misrepresentation of our products, misappropriation of third-party intellectual property or other unlawful activities. Such actions may expose us to legal liabilities, costly litigation and regulatory scrutiny, regardless of whether the claims are substantiated. Addressing these issues could also strain our management resources and distract from core operations. If we fail to effectively manage our distributors or mitigate risks associated with their actions, we may face disruptions in our sales channels, reputational damage and financial losses, which could materially and adversely affect our business, financial condition and results of operations. In addition, if our distributors are not successful in selling our products due to various reasons, including lower demand, market competition and decreasing efficiency of distribution network, our revenue may decrease. Pursuing, establishing and maintaining relationships with our distributors require significant time and resources. We cannot assure you that we will be able to renew our agreements with our distributors upon their expiry or on acceptable terms. If for any reason, our relationship with our distributors deteriorates, our business and results of operations may be materially and adversely affected.

We implement a set of management measures to track our distributors' sales, and we require them to report to us regularly. We have developed an information system through which we can monitor key inventory data of our distributors for enterprise collaboration products. However, we still rely on distributors to voluntarily provide us with this information on that platform on a regular basis. Our distributors may not always be able or willing to provide us with accurate and precise information in relation to their sales and inventory levels of our products in a timely manner. As a result, our ability to accurately track our distributors' sales and the inventory levels of our products may be limited. Our sales to distributors may not be reflective of actual sales to our customers, and we may not be able to timely collect sufficient information and data regarding market demand for our products. Failure to accurately track the sales and inventory levels of our distributors and timely gather market information may cause us to incorrectly predict sales trends and affect our ability to quickly adjust our marketing and product strategies to respond to market changes.

In the case of overestimation of customer demand, we may be subject to overstocking, resale of the inventories on less favorable terms, or even write-downs of inventories. In the case of underestimation of customer demand, we may not be able to maximize our revenue. In addition, if we are required to lower sale prices in order to reduce inventory levels, our profit margins might be negatively affected. Any of the above may materially and adversely affect our business and financial performance.

We may not be able to detect and prevent fraud or other misconduct committed by our employees, customers, suppliers or third parties.

We may be exposed to fraud or other misconduct committed by our employees, customers, suppliers or third parties that could affect our reputation and subject us to litigation, financial losses and penalties imposed by governmental authorities. Such misconduct could include: (i) concealing unauthorized or unlawful activities, such as money laundering, offering bribes to, or receiving bribes from counterparties in return for any type of benefit or gain; (ii) intentionally concealing material facts or failing to perform necessary due diligence procedures, and failing to identify potential risks that are material to our business decisions; (iii) improperly using or disclosing confidential information; (iv) misappropriating funds; (v) conducting transactions that exceed authorized limits; (vi) engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities; (vii) engaging in unauthorized transactions to the detriment of our customers; or (viii) otherwise failing to comply with applicable laws or our internal policies and procedures.

Our internal control procedures are designed to monitor our operations and ensure overall compliance. However, such internal control procedures may be unable to identify all instances of non-compliance or suspicious transactions in a timely manner, or at all. Furthermore, the precautions we take to detect and prevent fraud and other misconduct may not be effective. There is no assurance that we will not be involved in fraud or other misconduct in the future. If such fraud or other misconduct does occur, it may adversely affect our reputation.

We may suffer losses caused by the occurrence of extraordinary events, including natural disasters or outbreaks of contagious diseases.

Our business may be adversely affected by the occurrence of typhoons, severe storms, earthquakes, floods, fires or other natural disasters or similar events especially in the areas where we operate. In addition, any outbreak of a contagious disease, such as novel coronavirus disease (COVID-19), could disrupt our operations with respect to our global supply chain, production, delivery and sales. Such events could decrease the demand for our products, impact the productivity of our workforce, make it difficult or impossible for us to manufacture and deliver products to our customers in a timely manner, or to receive materials and equipment from our suppliers. Should major public health emergencies, including pandemics, arise, we could be adversely affected by more stringent employee travel restrictions, additional requirements in freight, relevant policies affecting the movement of products between regions, delays in the ramp-up of the production capacity and disruptions in the operations of our suppliers. In the event of a natural disaster, we could incur significant losses, which could require substantial recovery time and result in significant expenditures in order to resume operations.

Our business may be adversely affected if we fail to timely obtain government approvals or licenses for carrying out our operations.

We are required to obtain certain licenses, permits, registrations, certificates, approvals and filings for our global business operations. We must meet various specific conditions in order for the government authorities to issue or renew any such license, permit, registration, certificate, approval and filing, or complete necessary inspection and acceptance. We may not be able to timely and efficiently adapt to new rules and regulations that may come into effect from time to time, which will materially and adversely affect our business, and we may encounter material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary licenses, permits, registrations, certificates, approvals and filings for our operations in a timely manner, or at all, in the future. Therefore, in the event that we fail to timely obtain or renew, or encounter significant delays in obtaining or renewing, the necessary government approvals for any of our operations, we will not be able to continue with our relevant business plans, and our business, financial condition and results of operations may be adversely affected.

Any litigation, legal and contractual disputes, claims or administrative proceedings against us could be costly and time-consuming to defend or settle, and could adversely affect our reputation.

Our business is subject to the risk of disputes, claims or legal proceedings brought by customers, suppliers, employees, government agencies and others in the forms of private actions, administrative proceedings, regulatory actions or other litigation. The outcome of such proceedings can be difficult to assess. Claimants in such proceedings may seek recovery of large or indeterminate amounts, and the magnitude of potential losses relating to such disputes may remain unknown for a substantial period of time. The cost of defending future disputes or proceedings may be significant and could negatively affect our results of operations if changes to our business operations are required as a result of such disputes or proceedings. Such disputes or proceedings could also adversely affect our reputation, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, any significant dispute or proceeding could adversely affect our business, results of operations, financial condition or reputation.

Developments in social and economic policies, as well as the interpretation and enforcement of laws, rules and regulations, may affect our business, financial condition, results of operations and prospects.

We operate in the PRC and some overseas regions and therefore our business, financial condition, results of operations and prospects may be affected by local economic, social and legal policies. We cannot guarantee that our business operations will be able to benefit from such measures. In addition, laws, rules and regulations may also be amended from time to time, and the application, interpretation and enforcement of such evolving laws, rules and regulations may affect our business operations. Increased compliance costs may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are subject to various laws, regulations and regulatory standards and any inability to comply with such requirements and standards may subject us to liabilities. We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards.

We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in Chinese Mainland. According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), a Chinese Mainland enterprise is required to set up housing provident fund accounts and pay the housing provident fund in time and in full for its employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a Chinese Mainland enterprise is required to complete social insurance registration for its employees and to pay the social insurance contributions in time and in full. During the Track Record Period, we had not made social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations. The amount of shortfall accounted for less than 0.5% of our total revenue in each year of the Track Record Period. In addition, we engaged third-party human resource agencies to pay social insurance and housing provident funds for a small number of our employees during the Track Record Period. See "Business — Employees — Social Insurance and Housing Provident Funds." Our historical and current practice with respect to the contribution of and engagement of third-party human resources agency to make certain contributions to social insurance plans and housing provident fund may not at all times satisfy the government authorities in Chinese Mainland mainly due to the evolving interpretation and implementation of these laws and regulations. In the event of any such non-compliance, we may be required to pay any shortfall in the contribution of social insurance plans and housing provident fund within a prescribed time period and to pay penalties if we fail to do so. As advised by our PRC Legal Advisor, (i) under the Regulation on Administration of Housing Provident Fund, (a) if we fail to complete housing provident fund registration or to establish housing provident fund accounts for our employees before the prescribed deadlines, we may be subject to a fine ranging from RMB10,000 to RMB50,000 for each non-compliant subsidiary or branch; and (b) if we fail to pay housing provident fund contributions within the prescribed deadlines, compulsory enforcement by the court can be applied; and (ii) according to the PRC Social Insurance Law, (a) for outstanding social insurance fund contributions that we did not promptly pay in full, the relevant PRC authorities may demand that we pay the outstanding social insurance contributions within a stipulated deadline and we may be liable for a late payment fee equal to 0.05% of the outstanding contribution amount for each day of delay; and (b) if we fail to make such payments within the stipulated deadline, we may be liable to a fine of one to three times the outstanding contribution amount. We have obtained confirmation letters issued by relevant authorities for the PRC members of our Group confirming that there is no record of any penalties imposed by the relevant authorities for violation of the relevant laws and regulations during the Track Record Period, as applicable, except for newly established entities or those without employees. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in Chinese Mainland, we may be exposed to penalties or be required to compensate employees.

Furthermore, on July 31, 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), (the "**New Judicial Interpretation**"), which took effect on September 1, 2025. According to the Article 19(1) of the New Judicial Interpretation, if an employer and an employee agree or the employee undertakes that social insurance contributions need not to be paid, the People's Court shall deem such agreement or undertaking invalid. Where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labor Contract Law, the People's Court shall support such claims, in which case, the employer remains liable for paying economic compensation (calculated based on the number of years of employment multiplied by the monthly salary) to the employee, notwithstanding any prior agreement to waive social insurance contributions. As advised by our PRC Legal Advisor, the New Judicial Interpretation is not expected to have a material adverse effect on our financial position and business based on that (i) the New Judicial Interpretation is not expected to increase the aforementioned estimated maximum potential penalty for the Group's shortfall of social insurance contributions during the Track Record Period, as the shortfall resulting from the employees' elections or mutual agreements have already been accounted for such calculation, (ii) we are not aware of any material or large-scale complaints, objections or labor disputes raised by our employees in relation to our social insurance or housing provident fund contributions, and (iii) in case that we are required by the competent authorities to make correction or payment within a prescribed time limit, or pay the shortfall of the social insurance, we undertake to actively take relevant rectification measures and make the payments as required. However, if the relevant PRC authorities hold a different view with us and determine that we are not in compliance with the New Judicial Interpretation, the financial and business performance of the Group may be adversely affected.

Given the magnitude, complexity and continuous amendments to these laws and regulations, compliance therewith may be onerous and may involve substantial financial resources as well as other resources to establish efficient compliance and monitoring systems. The liabilities, costs, obligations and requirements associated with these laws and regulations may therefore be substantial and may delay the commencement of, or cause interruptions to, our operations. Non-compliance with the laws and regulations applicable to our operations may even result in substantial penalties or fines, suspension or revocation of our relevant licenses, among other things. Such events could impact our results of operations and financial condition.

We are subject to risks in relation to leased properties.

We may be subject to a number of risks in relation to the leased properties in the ordinary course of the businesses, including but not limited to the following:

- As of March 31, 2026, for 17 leased properties mainly used for office spaces, parking , employee accommodation and commercial spaces with an aggregate floor area of approximately 12,631.85 square meters, accounting for less than 17% of the total gross floor area of our leased properties in the PRC, the lessors with whom we enter into lease agreements did not provide the valid property ownership certificates or authorizations from the property owners for the lessors to sublease the properties, hence we cannot ensure that they have the rights or authorizations to lease or sublease such properties to us. If the lessor is not the owner of the property and the lessor has not obtained consent from the owner or their lessor for sub-lease, or if the property was mortgaged before it was leased to us, our lease could be invalidated or terminated as a result of challenges by third parties. Our inability to enter into new leases or renew existing leases on terms acceptable to us could materially and adversely affect our business, financial condition and results of operations. As advised by our PRC Legal Advisor, it is the relevant lessors' responsibility to comply with the relevant requirements, such as to obtain the relevant ownership certificates or authorizations. Without ownership certificates or authorizations from the property owners, our use of these leased properties may be affected by third parties' claims or challenges against the lease rights. If the lessors do not have the requisite rights to lease the properties, we may be required to vacate from these properties. Nonetheless, even if we are required to vacate from the property under the foregoing circumstances, we would be able to relocate the leased property in a timely manner without incurring significant costs, given that (i) there are alternative properties at comparable rental rates on the market, and (ii) most of our equipment at such leased properties is easy to move, and the relocation process will not have a material and adverse impact on our business and operations.

- As of March 31, 2026, 42 lease agreements in relation to our leased properties mainly used for office spaces, parking, employee accommodation and commercial spaces had not been registered and filed with the relevant land and real estate administration bureaus in the PRC. As advised by our PRC Legal Advisor, the relevant government authorities may impose a fine ranging from RMB1,000 to RMB10,000 on each lease agreement if we fail to rectify within the prescribed period after receiving notices from the relevant PRC government authorities and accordingly, the aggregate maximum amount of penalty we may face as the result of the failure to register and file all the relevant lease agreements is RMB420,000. Based on the number of these properties and the cities where they are located, we believe the likelihood that we will be punished due to failure to register and file all the relevant lease agreements at the same time is very remote.
- To prevent the recurrence of absence of valid property ownership certificates or authorizations to sublease the properties and/or the failure to complete the registration and filing of lease agreements, we (i) enhance our internal procedural requirements for lease approvals, (ii) mandate verification of the valid property ownership certificates or authorizations from the property owners before execution of any lease agreements, and (iii) upon the execution of the lease agreements, assist the lessor or other relevant parties with registration and filing of lease agreements.

We are exposed to risks in relation to work safety and occurrence of accidents as well as other operational, transportation-related, occupational and environmentally related risks, which could materially and adversely affect our business, financial condition and results of operations.

Our business and production are subject to various risks, including operational and transportation-related risks and occupational and environmental hazards. We must comply with the extensive environmental, handling of hazardous substances, chemical manufacturing, health and safety laws and regulations and stringent standards in relation to the manufacturing and sale of our products which are promulgated by the government authorities in Chinese Mainland. According to these laws and regulations, we are required to maintain safe production conditions and protect the occupational health of our employees. We may experience various types of difficulties in connection with the manufacturing of our products. Some of our raw materials and chemicals may be hazardous and their storage and use in the manufacturing process involve inherent risks including the leakage of flammable substances, toxic gases and liquids, equipment failures, industrial accidents, fires and explosions. Accidents, such as any environmental or industrial incidents, public health emergencies, work-safety accidents or injuries, if they occur, could materially affect our production and may give rise to personal injuries and fatalities, damages to or destruction of properties or manufacturing facilities, and pollution and other environmental damages. Any of these consequences, if significant, could result in business interruption, legal liability and damages to our reputation and corporate image. If we experience any major accidents or work-related injuries in our future production processes, our business will be materially and adversely affected.

Our business is subject to a variety of laws, rules, policies and other obligations regarding data protection domestically and abroad. Any losses or unauthorized access to or unauthorized releases of confidential information and personal data could subject us to significant reputational, financial, legal and operational consequences.

Our business involves the utilization and storage of confidential information, including but not limited to personal information with respect to our employees. We are subject to laws relating to the collection, use, retention, protection and transfer of personal information domestically and abroad. In many cases, these laws apply not only to third-party transactions, but also may restrict transfers of personal information between us and our overseas subsidiaries. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing overseas requirements may cause us to incur substantial costs or require us to change our business practices. Non-compliance could result in significant penalties or legal liability. Any failure by us to comply with other domestic and foreign privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities or others, which may lead to reputational impacts and significant legal liabilities.

Our security measures may not be sufficient for all eventualities and may be vulnerable to hacking, employee error, malfeasance, system error, faulty password management or other non-compliant incidents.

Laws and regulations with respect to cybersecurity and data protection are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws and regulations in a timely manner could expose us to negative publicity, legal proceedings, suspension or disruption of operations, or otherwise harm our business.

We collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties and personal information of data subjects such as end users. In order to process data legally and compliantly and to protect data security, we have implemented a series of measures including establishing a multi-level data security management framework, formulating and enforcing internal policies related to cybersecurity and data protection, regularly providing security education and training for employees, adopting technical protection measures such as network intrusion prevention, anomaly alerts, encryption, and de-identification, and fulfilling legal obligations related to personal information processing, such as notification and obtaining consent, in accordance with the law.

During the Track Record Period, we have not been identified as a critical information infrastructure operator, nor have we been subjected to cybersecurity reviews or related investigations. We have also not received any inquiries, notifications, warnings, or sanctions from members of the cybersecurity review mechanism regarding the conduct or potential conduct of cybersecurity reviews. Our legal adviser as to PRC data compliance law made a real-name telephone inquiry with the China Cybersecurity Review, Certification and Market Regulation Big Data Center on our behalf on June 6, 2025. Based on relevant laws and the telephone consultation, our legal adviser as to PRC data compliance law believes that listing in Hong Kong does not constitute listing abroad under the Cybersecurity Review Measures. The possibility that our listing in Hong Kong and our data processing activities affect or may affect national security is relatively low, and we are not required to proactively apply for a cybersecurity review. However, we cannot guarantee that we will not be subject to a cybersecurity review initiated by Chinese regulatory authorities ex officio. If we are subject to a cybersecurity review or investigation by Chinese regulatory authorities in the future, we will need to cooperate with the review or investigation. Failure to complete the cybersecurity review process in a timely manner may result in fines or other penalties, including suspension of related business, shutdown of websites, removal of our apps and mini-programs from distribution platforms, revocation of necessary licenses, as well as reputational damage or legal actions against us, which could have a material adverse effect on our business, financial condition, or operating results.

There can be no assurance that applicable laws and regulations related to cybersecurity and data protection will not change, or will not be interpreted or implemented in ways that negatively affect us, which may subject us to investigations and inspections by governmental authorities, and we may incur additional costs to comply with evolving rules and regulatory requirements in the future.

With the expansion of our business and the growth of our customer base, there can be no assurance that we will not be subject to cybersecurity reviews or that the evolving regulatory requirements will not have material adverse effect on us. If we fail to adapt to the latest regulatory developments in respect of data privacy and protection in a timely manner, we may be subject to negative consequences, such as reputation damages, investigations, fines or suspension of operations, any of which could materially and adversely affect our business, financial condition and results of operations. In addition, complying with various laws and regulations on cybersecurity and data security could cause us to incur additional costs or require us to change our business practices, which may significantly distract our management's attention and adversely affect our business.

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

We receive a majority of payments from our operations in Chinese Mainland in RMB and may need to convert certain Renminbi into other currencies for payment of dividends, if any, to holders of our Shares, and to fund our business activities outside of Chinese Mainland, among other things. The convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Chinese Mainland are subject to related regulatory requirements. Shortages in the availability of foreign currency may restrict our ability to remit sufficient foreign currency to pay dividends or other payments, or otherwise fulfill our foreign currency denominated obligations.

Under current foreign exchange regulations of Chinese Mainland, payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE or its local branches, through licensed banks for foreign exchange business, by complying with certain procedural requirements. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

However, prior registration and other procedures with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of Chinese Mainland to pay capital expenses. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of Chinese Mainland. Any existing and future requirements on currency exchange may limit our ability to purchase raw materials and components outside of Chinese Mainland or otherwise fund any future business activities that are conducted in foreign currencies.

We are subject to risks associated with international trade policies, geopolitics and trade protection measures, investment restrictions, and our business, financial condition and results of operations could be adversely affected.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries. For example, we may be materially and adversely affected by sanctions and export controls, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased duties, taxes and other costs, and political instability. Furthermore, concerns over inflation, energy costs, geopolitical frictions, capital market volatility and liquidity issues may create difficult operating conditions in the future. Sales of our products and services in certain countries and sales of products that include components obtained from certain foreign suppliers could be materially and adversely affected by international trade regulations. For example, certain foreign jurisdictions may impose investment restrictions, economic sanctions and trade restrictions directly or indirectly affecting China-based technology companies, due to the source of their products, ownership of businesses or other reasons. Such laws and regulations are likely subject to frequent changes, and their interpretations and enforcements involve substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are outside of our control. Therefore, such restrictions, and similar or more expansive restrictions that may be imposed by the U.S. or other jurisdictions in the future, may be burdensome or costly to comply with and may materially and adversely affect us, business partners and our key suppliers' and customers' abilities to obtain technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations, and may affect our sales or the sales of our customers to certain foreign markets. We have an extensive global operation network, and there is no guarantee that we will continue to be able to operate in existing geographic markets or enter into new markets given the investment restrictions, economic sanctions and trade restrictions that may be promulgated from time to time. In addition, our suppliers, customers and other business counterparties, either in Chinese Mainland or overseas, may be subject to sanctions or other restrictions themselves. If we are unable to effectively and timely identify high-risk counterparties and adopt compliance measures accordingly, we may be subject to the risks of investigations, penalties or reputational damage.

Failure to maintain optimal inventory levels could increase our inventory holding costs or negatively impact our sales.

Our inventories primarily include finished goods, work-in-progress and raw materials. As of December 31, 2023, 2024, 2025 and March 31, 2026, the balances of our inventories amounted to RMB2,238.3 million, RMB2,314.8 million, RMB4,587.3 million and RMB6,496.8 million, respectively. Our inventory turnover days were 53 days, 50 days, 67 days and 104 days in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. However, we may not be able to effectively manage our inventory level or to identify any excessive build-up or insufficient stock of inventory in our global operations. We may misjudge market demand. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, and the sale of excess inventory at discounted prices could impair the image of our brands and harm our gross margin; but if we underestimate the demand for our products, insufficient stock could result in delays in the shipment of our products, thereby impacting our ability to generate sales and cause damages to our reputation and relationships with our customers. Therefore, failure to maintain optimal inventory levels could increase our inventory holding costs or cause us to lose sales, either of which could adversely impact our business, financial condition and results of operations.

We are subject to credit risk in collecting trade, bills and other receivables due from customers.

We generally do not allow credit terms but may grant limited credit terms of no more than 60 days to selected few customers. As of December 31, 2023, 2024, 2025 and March 31, 2026, the balances of our current portion of trade, bills and other receivables amounted to RMB894.0 million, RMB988.2 million, RMB1,231.8 million and RMB1,308.0 million, respectively. Our trade receivables turnover days were 5 days, 6 days, 8 days and 9 days in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. There is no assurance that all such amounts will be settled on time or at all, and we are subject to credit risk in collecting the trade, bills and other receivables due from the customers. Our performance, liquidity and profitability may be adversely affected if amounts due to us are not settled on time or at all. The bankruptcy or deterioration of the credit condition of any of our major customers could also materially and adversely affect our business.

We may record net current liabilities and net cash outflows in the future.

We cannot assure you that we will not experience periods of net current liabilities or net operating cash outflows in the future. If we record net current liabilities or net operating cash outflows in the future, (i) we may not have sufficient working capital to cover our operating costs and we may have to fund our operations through bank borrowings or other financing arrangements on unfavorable terms, resulting in increased finance costs; and (ii) we may not be able to meet our payment obligations, including our trade and other payables, in a timely manner. As a result, our business, financial position and results of operations could be materially and adversely affected.

Share-based payments may lead to shareholding dilution for our existing Shareholders and adversely affect our financial performance.

We adopted the Stock Ownership Plans for the benefit of our directors (excluding independent directors), senior management, key management personnel, core employees, and other personnel deemed by the Board as requiring incentives, of our Company and its subsidiaries and branches. See Note 43 to "Appendix I — Accountants' Report" and "Share Scheme" in "Appendix VI — Statutory and General Information." In 2023, 2024, 2025 and the three months ended March 31, 2026, we incurred share-based payment (credit)/expenses of RMB(18.5) million, RMB93.8 million, RMB68.3 million and RMB9.4 million, respectively. To further incentivize our Directors (excluding independent non-executive Directors), senior management, key management personnel, core employees, and other personnel, we may pay additional share-based payment in the future. Issuance of Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders.

Such share-based payments may also increase our expenses and therefore have a material and adverse effect on our financial performance.

Our financial result may be affected by government grants.

The government grants we received and recognized in profit or loss were RMB207.2 million, RMB146.3 million, RMB98.4 million and RMB25.9 million in 2023, 2024, 2025 and the three months ended March 31, 2026, respectively. Not all of the government grants are recurring in nature. See "Financial Information — Results of Operations — Other Income." Government grants we received are uncertain and are subject to certain criteria and procedures stipulated by the local government. In addition, the development focus of local government may shift to other industries over time. We cannot assure you that we will be able to receive any such government grants in the future. If we are unable to receive the government grants in the future at the same level as we had during the Track Record Period, our financial condition and results of operations for the period may be adversely affected.

We are exposed to fair value changes for financial instruments and valuation uncertainty due to the use of unobservable inputs that require judgement and assumptions which are inherently uncertain.

During the Track Record Period, our financial assets at fair value through profit or loss primarily included structured deposits and unlisted equity investments, and the fair value of such unlisted equity investments that are not traded in an active market is determined using valuation techniques, which require judgement and assumptions and involve the use of unobservable inputs. We use our judgement to make assumptions that are mainly based on the then prevailing market conditions at the end of each reporting year. For further details, see Note 25 to the Accountants' Report set out in Appendix I in this Document. Changes in these assumptions and estimates could materially affect the fair value of these unlisted financial products. Factors beyond our control, including but not limited to, general economic conditions, changes in market interest rates and stability of the capital markets, can significantly influence and cause adverse changes to the estimates we use, and thereby affect the fair value. As of December 31, 2023, 2024, 2025 and March 31, 2026, we had financial assets at fair value through profit or loss of RMB1,023.0 million, RMB569.6 million, RMB2,025.3 million and RMB1,463.0 million, respectively. The valuation techniques that we use may involve a significant degree of management judgement and are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our results of operations and financial conditions.

We recorded impairment losses on our assets historically, and may make additional impairment loss on our assets.

During the Track Record Period, we conducted regular review and impairment assessment on carrying amounts of our goodwill, property, plant and equipment, right-of-use assets and intangible assets with infinite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any. In particular, according to our accounting policies, we may only retain an asset when it is capable of generating enough cash to pay for itself and, preferably, produce some profit, failing which, its carrying amount would have to be reduced to reflect the loss of capability to produce cash and profit. Such test involves business judgement of our management, which is subjective in nature and subject to inherent limitations and risks. Please also see Note 4 to the Accountants' Report in Appendix I to this Document.

In addition, as of December 31, 2023, 2024, 2025 and March 31, 2026, we recorded goodwill of RMB231.8 million, RMB262.4 million, RMB326.9 million and RMB431.4 million, respectively. The value of goodwill is based on a number of assumptions made by the management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to have a significant write-off of our goodwill and record a significant impairment loss. Any significant impairment of goodwill or other intangible assets could have a material adverse effect on our results of operations and financial position.

We could be subject to changes in our tax rates, the adoption of new local or overseas tax legislation or exposure to additional tax liabilities.

Our PRC subsidiaries are subject to the PRC enterprise income tax at a standard rate of 25% on their taxable income, but several of our PRC subsidiaries were accredited as "High and New Technology Enterprises" which were entitled to a preferential income tax rate of 15%. We cannot assure you that the PRC policies on preferential tax treatments will not change or that the current preferential tax treatments we enjoy or will be entitled to enjoy will not be canceled. Moreover, we cannot assure you that our PRC subsidiaries will be able to renew the same preferential tax treatments upon expiration. If any such change, cancelation or discontinuation of preferential tax treatment occurs, the relevant PRC subsidiary will be subject to the PRC enterprise income tax, at a rate of 25% on taxable income. As a result, the increase in our tax charge could lead to a material and adverse impact on our results of operations and financial condition.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to enterprise income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

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 Chinese Mainland. In addition, most of our Directors and senior management reside in Chinese Mainland. As a result, it may be complex for investors to effect service of process outside of Chinese Mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside Chinese Mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in Chinese Mainland only if the jurisdiction has a treaty with Chinese Mainland or if the jurisdiction has been otherwise deemed by the courts of Chinese Mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, 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 Chinese Mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible.

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.

The legal systems of some geographic markets where we operate are evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations may be subject to future implementations, and the application of some of these laws and regulations to our businesses may need further clarification. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Furthermore, there are other circumstances where key regulatory definitions may not be entirely precise or clear, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

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

We are a Chinese Mainland enterprise and we are subject to Chinese Mainland tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to Chinese Mainland income taxes.

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

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

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to listing and regulatory requirements of Chinese Mainland and Hong Kong.

As our A Shares are listed on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the 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.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Hong Kong Stock Exchange. Under current laws and regulations of 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 trading characteristics, the H Share and A Share markets have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading 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.

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 [**REDACTED**], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is expected to be fixed by agreement between the Overall Coordinators (for themselves and on behalf of the [**REDACTED**]) and us and may not be an indication of the market price of our H Shares following the completion of the [**REDACTED**]. If an active public market for our H Shares does not develop following the completion of the [**REDACTED**], the market price and liquidity of our H Shares may be materially and adversely affected.

The price and trading volume of our H Shares may be volatile, which could lead to substantial losses to investors.

The price and trading volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business and performance and the market price of the shares of other companies engaging in similar business may also affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our customers and suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

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

The market price of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted 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, especially by our Directors, executive officers and Controlling Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or share-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Shares held by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which [**REDACTED**] in our H Shares commences on the Hong Kong Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they own now or may own in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the market price of our Shares.

Our historical dividends may not be indicative of our future dividend policy, and we cannot assure you whether and when we will pay dividends in the future.

We have declared dividends in the past. However, we cannot assure you that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of Chinese Mainland, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRSs. The declaration, payment and amount of any future dividends are at the discretion of our Directors, after taking into account various factors, including our results of operations, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of Chinese Mainland. See "Financial Information — Dividend Policy" for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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

As our A Shares are listed on the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in Chinese Mainland. As a result, from time to time, we publicly release information relating to us on the Shenzhen 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 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 Shenzhen 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**].

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

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

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Certain facts, forecast and other statistics in this Document are derived from various government and official sources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, [**REDACTED**] or any of their respective affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.