

RISK FACTORS

An [REDACTED] in our H Shares involves various risks. You should carefully consider all the information in this Document, and in particular the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. The occurrence of any of the following risks could materially and adversely affect our business, financial condition and results of operations. If any of these events occurs the trading price of our Shares could decline and you may lose all or part of your [REDACTED].

These factors are contingencies that may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date and, unless otherwise stated, will not be updated after the date hereof and is subject to the cautionary statements in “Forward-looking Statements.”

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We cannot guarantee that the market demand for electric control solutions will grow as rapidly as we anticipate or evolve in our favor to support our growth. If demand for these solutions stagnates or grows more slowly than anticipated, our business, financial condition and results of operations may be adversely affected.

Our growth relies on the continuous expansion of the NEV industry and other emerging sectors such as eVTOL and embodied intelligence to support the demand growth of electric control solutions. Future demand may be affected by factors beyond our control, including changes in industry policies, the pace and direction of technology upgrades across the value chain and macroeconomic conditions affecting customer capital expenditure and production planning. As NEVs are often discretionary purchases, demand may weaken during periods of economic volatility, as consumers and businesses delay or reduce spending, leading to lower NEV sales and reduced demand for our solutions. In addition, shifts in customer preferences, delays in model launches, reductions in production volumes or increased in-house development by OEMs, as well as slower or more volatile market growth or adoption of competing technologies, could adversely affect our business, financial condition and results of operations.

Failure to timely and cost-effectively develop advanced electric control solutions to adapt to evolving customer and regulatory requirements may result in lost opportunities and diminished industry leadership.

Our competitive position and business growth depend on our ability to timely and cost-effectively develop differentiated, high-performance electric control solutions, including power modules, motor controllers and PEBB, that meet evolving market demands and regulatory standards across regions and applications. Such development requires deep expertise in hardware and software technologies, modular design and system-level safety and reliability, as well as sustained innovation, close collaboration with customers and partners and timely adaptation to technological, market and regulatory changes. The development and launch of new solutions also involve technical, production and execution risks, including supply chain disruptions and quality control issues. Rapid technology and regulation evolution, solution launch delays or failure to efficiently adapt or recoup development costs may impair existing program cooperations, limit customer acquisition capabilities, constrain expansion into new markets such as eVTOL and embodied intelligence and materially and adversely affect our business, financial condition, results of operations and competitive position.

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The NEV electric control industry is highly competitive. Failure to respond effectively to intensifying NEV-market competition or technology transitions may adversely affect our market share, business, financial condition and results of operations.

We operate in the NEV-focused electric control market, which is characterized by high technology thresholds, fast product cycles and increasing concentration among leading market participants. According to Frost & Sullivan, the top five participants in each of the NEV motor controller, power module and PEBB markets in China collectively accounted for around 50% of market share by installation volume in 2025. Competition is driven not only by global and domestic solution providers but also by NEV OEMs that are rapidly expanding in-house development of electric control systems to improve vertical integration and cost control. As NEV OEMs accelerate platform upgrades, pursue differentiated performance and seek to localize critical components, suppliers face heightened requirements in software-hardware co-design, system efficiency, thermal performance, functional safety and cost competitiveness.

The NEV market is also marked by frequent technology transitions, including shifts toward higher-voltage platforms, next-generation power semiconductors, integrated power domain architectures and enhanced intelligent control algorithms. These transitions intensify competition by enabling new entrants to challenge established suppliers and by compressing product life cycles. Meanwhile, NEV OEMs may consolidate their supplier base or redirect procurement budgets toward in-house programs, further increasing competitive pressure and reducing available market opportunities for third-party providers like us.

To maintain our competitive position, we must invest significantly in R&D, enhance our intellectual property portfolio and rapidly adapt to changing customer demands and technological trends. We also need to secure long-term customer engagement through early-stage platform collaboration, deliver cost-effective solutions at scale and ensure reliability and functional safety across diverse vehicle models and operating environments. These efforts require substantial capital, talent and engineering resources, and there is no assurance that our investments will be successful or that we will keep pace with the speed of industry change. If we fail to respond to market competition, meet evolving OEM requirements or align our product roadmap with industry technology transitions, we may lose program opportunities, experience reduced content value per vehicle or face pricing pressure, which could adversely affect our business, financial condition and results of operations.

We have incurred net losses and may not be able to achieve or maintain profitability in the near future.

In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, we recorded net losses of RMB237.2 million, RMB335.0 million, RMB331.0 million, RMB160.1 million and RMB127.5 million, respectively. We may continue to incur net losses in the short term, as we are in the stage of expanding our business with continuous investment in R&D. We may not be able to achieve or subsequently maintain profitability in the near future.

Our future revenue growth depends on our ability to continue developing new technologies and solutions, enhance customer experience, execute effective commercialization strategies, compete successfully, maintain and expand our customer base and effectively control costs. Accordingly, you should not rely on the revenue of any prior periods as an indication of our future performance.

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We dedicate substantial resources to secure design wins with major OEMs. However, there is no assurance that these efforts will consistently result in mass production or sustained business relationships.

From initial engagement with OEMs to the final selection of our solutions for integration into specific vehicle models, we commit substantial human, material and financial resources. For example, we deployed 92, 162, 206, and 218 R&D members in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, to engage in the design win processes. Additionally, we recorded selling and distribution expenses of RMB11.6 million, RMB14.4 million, RMB21.9 million, RMB8.3 million and RMB10.9 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. Our direct sales model requires close collaboration with OEMs and significant upfront investment to secure design wins. If we are unable to secure design wins from existing OEM customers or expand our OEM customer base, we may incur substantial upfront costs without achieving expected returns, which could adversely affect our business expansion and operating results. In addition, design wins are typically retained over a vehicle model’s lifecycle, and incumbent suppliers often benefit from established relationships and development continuity, which may increase competitive barriers for us to enter the supply chains of new OEMs. Even after a design win is secured, our solutions involve inherently complex technologies and require ongoing customization and stringent validation, and changes in OEM production forecasts, program schedules or technical requirements may delay, reduce or eliminate anticipated revenue.

Even after securing design wins, revenue realization remains highly uncertain due to non-binding OEM commitments, lengthy validation processes, potential implementation delays and fluctuating production volumes, any of which may materially and adversely affect our business, financial condition and results of operations.

Our solutions play an integral role in OEM design and mass production processes. As of May 31, 2026, we had secured 59 design wins covering over 92 vehicle models, of which 74 had entered mass production. After securing a design win, we typically receive project confirmation from the OEM; however, such confirmation is not legally binding, and a nomination only indicates that our solution has been selected for development for a specific vehicle model and does not guarantee revenue realization.

To manage supply chain volatility, OEMs may issue large-volume order forecasts, but if actual vehicle production falls short, OEMs may prioritize consumption of existing inventory before placing new orders, which may delay or reduce our revenue. As a result, any projections based on OEM forecasts are inherently uncertain, and our actual results may differ materially from expectations. The development, implementation and validation of our solutions are typically lengthy and resource-intensive. Throughout this process, OEMs may revise production schedules, postpone or cancel vehicle programs or adjust technical requirements, and supply chain shortages may further delay implementation. In addition, OEMs may choose to internally develop key components or engage alternative suppliers, which may adversely affect the pricing and profitability of our solutions. Even if we receive upfront design or licensing fees, implementation challenges, program changes or weak sales performance of vehicle models incorporating our solutions may reduce or eliminate anticipated revenue, which could materially and adversely affect our business operations, operating results and financial condition.

Evolving commercial expectations from OEM customers with significant bargaining power may affect our business prospects and results of operations.

Many of our current and target customers, particularly automotive OEMs, possess significant bargaining power over their suppliers, including us, due to their large scale, stringent procurement standards and, in some cases, the ability to develop competing solutions internally. The automotive supply chain is highly competitive and serves a limited number of OEMs, with competition intensifying as both established players and new entrants vie for market share. As a result, we are subject to pressure from automotive OEMs and other major customers to reduce prices, and these

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pricing pressures may intensify further as OEMs pursue restructuring, consolidation and cost-cutting initiatives. If we are unable to offset price reductions through improved operational efficiency or by introducing new solutions with higher sales prices or gross profit margins, our profitability could be materially and adversely affected.

Given the inherently high concentration in the automotive industry and our deep integration with a relatively small group of major customers in electric control solutions, any loss or reduction of key customer cooperation could expose us to significant revenue volatility and financial risk.

The automotive industry we operate in is characterized by a relatively high degree of concentration, with a limited number of OEMs and leading system integrators accounting for the majority of procurement in electric control solutions. Revenue derived from our five largest customers in each year/period during the Track Record Period amounted to RMB137.5 million, RMB1,066.9 million, RMB1,871.4 million and RMB878.7 million for 2023, 2024, 2025 and the five months ended May 31, 2026, respectively, accounting for 86.1%, 92.0%, 93.5% and 91.9% of our total revenue for the respective year/period. Revenue from our largest customer in each year/period during the Track Record Period amounted to RMB47.9 million, RMB422.3 million, RMB1,142.8 million and RMB477.8 million, respectively, accounting for 30.0%, 36.4%, 57.1% and 50.0% of our total revenue for the respective year/period. See “Business — Our Customers.”

Customer decisions may be affected by factors beyond our control, including macroeconomic conditions, shifts in NEV demand, internal policy adjustments, cost optimization initiatives, in-house development plans, model launch delays or supply chain restructuring. Changes in our key customers’ product strategies, sales performance, platform cycles or supplier selection criteria may directly influence our order volume and production planning. The loss of a major customer, reduction in orders, failure to secure new platform awards or delays in customer production schedules may lead to significant fluctuations in our revenue and profitability. Securing new customers or replacing lost business may require substantial time and resources and may not fully offset the impact of reduced orders from existing customers. Any such developments may adversely affect our business, financial condition and results of operations.

We may face supply chain risks as a result of our reliance on a limited number of component suppliers.

Procurement from certain major component suppliers is essential to our operations. Purchases from our five largest suppliers in each year/period during the Track Record Period amounted to RMB165.2 million, RMB796.3 million, RMB912.2 million and RMB483.3 million, respectively, accounting for 66.2%, 59.2%, 52.4% and 52.7% of our total purchases for the respective year/period. Purchases from our largest supplier in each year/period during the Track Record Period amounted to RMB95.4 million, RMB297.4 million, RMB309.4 million and RMB153.4 million, respectively, accounting for 38.2%, 22.1%, 17.8% and 16.7% of our total purchases for the respective year/period. Any deterioration or termination of our relationships with these major suppliers, or any interruption in their operations, could adversely affect our supply chain and production capabilities.

The stability of our suppliers’ operations and business strategies is subject to factors beyond our control, and we cannot guarantee that we will be able to maintain stable relationships with them. Identifying and qualifying alternative or additional suppliers is often a lengthy process that may result in production delays, interruptions and additional costs, and such alternatives may not be available on commercially reasonable terms or at all. If our suppliers are unable to deliver necessary production parts and components, our production processes and ability to implement our business strategy could be disrupted. Suppliers may also extend lead times, face capacity constraints, limit supplies, increase prices or experience quality or other issues that could interrupt or increase the cost of our supply and services.

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Undetected defects or serious errors in our electric control solutions could lead to safety issues, product recalls or liability claims, materially and adversely affecting our business and reputation.

Our electric control solutions are core components that impact the safety, reliability and performance of our customers’ vehicles. Despite our quality control and validation measures in place, it is not possible to eliminate all risks of defects or errors. Should any of our products be found to have safety-related issues or fail to perform as expected, we may be required to conduct recalls, provide replacements or repairs or face product liability claims and regulatory penalties. Such events could result in significant financial costs, loss of customer trust, reputational damage and a decline in market share. Furthermore, negative publicity or concerns regarding the safety and reliability of our products could adversely affect our relationships with OEMs and other business partners.

We have a relatively short operating history compared to many of our industry peers, with limited historical information available for investors to evaluate our business or assess associated risks.

We were established in 2017 and have a relatively short operating history compared to many of our industry peers. As a result, there is limited historical information available for investors to evaluate our business, financial condition and prospects or to assess the risks and challenges we may face. Our revenue increased significantly from RMB159.8 million in 2023 to RMB1,159.0 million in 2024, and further increased by 72.6% to RMB2,000.2 million in 2025. Our revenue also increased from RMB551.6 million in the five months ended May 31, 2025 to RMB956.0 million in the five months ended May 31, 2026. However, there is no assurance that we will be able to sustain such level of growth in future periods. As a young company, we may encounter unforeseen challenges, such as changing market conditions, intense industry competition and evolving regulatory requirements, which are difficult to manage due to our limited experience. Any failure to address these risks and challenges in a timely and effective manner could have a material adverse effect on our business, financial condition and results of operations. Accordingly, investors should not rely solely on our historical growth as an indicator of our future performance.

We have made and expect to continue making significant investments in research and development, and there is no guarantee that these investments will achieve the desired outcomes, which may adversely affect our results of operations.

To maintain technological competitiveness in electric control solutions, we allocate considerable resources to hardware design, software algorithms, system integration capabilities and reliability testing, while also investing significantly in R&D activities in new sectors such as eVTOL and embodied intelligence to capture emerging opportunities. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, our research and development expenses amounted to RMB126.5 million, RMB205.7 million, RMB205.8 million, RMB81.7 million and RMB95.1 million, respectively, representing 79.1%, 17.7%, 10.3%, 14.8% and 9.9% of our total revenue for the same respective year/period. See “Business — Research and Development.” We expect to continue expanding these efforts as downstream requirements evolve and new performance standards emerge. These expenditures may increase our operating costs and affect our profitability and operating cash flow, particularly during periods of product transition or development of new platforms.

Our R&D activities involve inherent risks, including technical feasibility uncertainties, engineering challenges, extended validation timelines and changes in customer specifications. The commercial success of our technologies depends on market acceptance, cost competitiveness and alignment with OEM model launch schedules, which are subject to external factors beyond our control. Newly developed technologies may fail to achieve expected performance, reliability or cost targets, require additional investment prior to commercialization or fail to recover related R&D costs through future sales. In addition, rapid technological change may render our existing or

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developing technologies or solutions obsolete or less competitive. As a result, our R&D efforts may not generate expected returns, may take several years to contribute to operating results or may not contribute at all, which could materially and adversely affect our business, financial condition, results of operations and competitive position.

If our key R&D personnel were to leave the company, join competitors, fail to achieve the anticipated research outcomes or breach confidentiality obligations, our capacity to advance core technologies and solutions could be significantly compromised, adversely affecting our product development and overall competitiveness.

Our R&D activities rely on a team of experienced engineers and technical specialists with expertise in module design, packaging and testing, as well as electric control, motor and vehicle integration. As of May 31, 2026, our R&D team comprised 373 personnel, representing 36.1% of our total workforce. See “Business — Research and Development — R&D Team.” The loss of key R&D personnel or their engagement with competitors could disrupt technical continuity and impair our innovation capabilities. Intense competition for skilled R&D talent, together with external factors such as labor market conditions, rising compensation expectations and evolving employment regulations, may increase the difficulty and cost of attracting and retaining qualified personnel. In addition, if our R&D efforts fail to achieve expected outcomes or if proprietary technologies are disclosed through breaches of confidentiality, our solution development, intellectual property and competitive position could be adversely affected, which may materially and adversely impact our business, results of operations and financial condition.

Any failure to maintain high standards of technical support, project integration or ongoing service could undermine our customer relationships, adversely impact repeat business and negatively affect our operational and financial performance.

As our customer base continues to expand, we must consistently deliver efficient and high-quality maintenance and technical support services to meet the demands of customers. Many of our solutions are deployed in scenarios requiring rapid response and reliable after-sale service, and growing customization needs further increase the complexity of project integration and technical support. Rapid business expansion may challenge our ability to scale service capacity, including recruiting and training technical personnel and achieving adequate regional coverage.

Inadequate or delayed after-sales service may result in customer dissatisfaction, negative reviews, warranty claims or even legal disputes, damaging our reputation and reducing customer loyalty, renewals and referrals. Our customized solutions also require close technical collaboration with OEMs. Failure to respond in a timely manner to OEMs’ technical upgrades, model iterations or integration requirements, or to maintain a service network, may undermine customer confidence and adversely affect future cooperation opportunities.

We may not be able to adequately establish, maintain and protect our intellectual properties and proprietary rights, or may inadvertently infringe third parties’ propriety rights, which could harm our business and competitive position and subject us to litigations.

We rely primarily on a combination of our patents, trade secrets, trademarks and confidentiality agreements signed with employees and business partners to protect our intellectual property rights. See “Business — Intellectual Property.” The application and maintenance of intellectual property protection can be costly and time-consuming and, in multiple jurisdictions, may involve differing standards and interpretations, which may limit the scope and commercial value of our intellectual property portfolio. In addition, certain proprietary technologies, processes and know-how are protected primarily as trade secrets rather than patents. The protection of such trade secrets depends on the effectiveness of our confidentiality procedures, internal controls and contractual arrangements with employees, contractors and business partners, which may not always

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prevent unauthorized disclosure or misappropriation. Once disclosed, we may be unable to re-establish trade secret protection, and competitors may gain access to or independently develop similar technologies, which could diminish our competitive position and the commercial value of our proprietary know-how.

We may face risks arising from third parties infringing, misappropriating or otherwise violating our intellectual property rights. Monitoring and enforcing our rights across multiple jurisdictions can be difficult, costly and time-consuming, and infringements may not be detected or successfully remedied, which could weaken the exclusivity and commercial value of our intellectual property. Conversely, we cannot assure you that our products, technologies or business operations will not inadvertently infringe third-party intellectual property rights. Given the complexity and evolving nature of IP in our industry, we may face infringement claims requiring substantial resources to address, and we may be required to obtain licenses on unfavorable terms, modify or cease certain offerings or engage in protracted legal proceedings.

Any unexpected disruption at our production facilities could significantly impact our ability to deliver customized electric control solutions, thereby adversely affecting our business, financial condition and results of operations.

Our production operations are concentrated in four production key bases in China, namely Liuzhou, Wuhu, Jiaying and Chongqing, which collectively support the manufacturing, assembly and quality control of our solutions. The uninterrupted operation of our production bases depends on factors such as the availability of skilled personnel, stable supplies of components and utilities, effective equipment maintenance and compliance with safety and environmental requirements. Our facilities remain exposed to operational risks, including natural disasters, industrial accidents, equipment failures, power or utility outages and supply chain disruptions. Any significant interruption or shutdown could delay order fulfillment, increase operating costs and reduce revenue, damage our reputation and customer relationships and require substantial repair or replacement costs that may exceed our insurance coverage, which could materially and adversely affect our business and results of operations.

Failure to successfully implement our business plans and strategies, including our production expansion initiatives, could materially and adversely affect our operations and prospects.

As our business grows, we may need to expand production capacity by adding new lines, upgrading facilities or establishing new bases. Such expansion may be subject to delays, higher-than-expected costs or other challenges, including funding constraints, regulatory approvals, site selection, equipment sourcing, shortages of skilled personnel and other unforeseen factors, and there is no assurance that expanded capacity will be completed on time or meet future demand.

In connection with our planned production expansion, facility upgrades and capacity enhancement initiatives, we expect to incur significant capital expenditures and ongoing operating costs, including costs related to the purchase of advanced production equipment, recruitment of additional production and technical personnel, increased depreciation and amortization expenses, and higher fixed overheads. If such expansion is delayed or implemented at a higher cost than anticipated, or if the expanded capacity is not utilized as expected, our cost structure, cash flows and results of operations may be adversely affected.

In addition, our ability to achieve our strategic objectives depends on a variety of factors, including our capacity to adapt to market changes, respond to competitive pressures and effectively allocate resources. Our business plans also involve substantial investments in R&D, international expansion, digital and intelligent management systems, and potential strategic collaborations, investments or acquisitions, which may require significant financial resources and may not generate corresponding returns within the expected timeframe, or at all. If we are unable to execute our business strategies as planned, we may lose market opportunities, fail to capture anticipated synergies or be unable to respond promptly to evolving industry trends. Even if expansion is

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achieved, inaccurate demand forecasts or reduced customer demand could lead to excess capacity and underutilization, which may result in lower margins, impairment of assets and increased pressure on our liquidity and capital resources, adversely impacting profitability. Moreover, if we fail to execute our business strategies as planned, or if the financial returns from our planned investments are lower than expected, our growth objectives may not be achieved, and our business, financial condition, results of operations and prospects may be materially and adversely affected. See “Business — Our Strategies” and “Future Plans and Use of [REDACTED].”

Our business success depends on the continued service of our key management. Any failure to attract, retain or motivate key employees, or any significant increase in labor costs, could adversely affect our operations and growth prospects.

Our key management team is responsible for strategic planning, operational oversight and customer relationship management. Competition for experienced management talent in our industry is intense, and the pool of qualified candidates is limited. If we fail to attract, retain or motivate such personnel, our ability to execute our business strategies, maintain operational stability and pursue growth opportunities could be adversely affected. In addition, any significant increase in labor costs could increase our operating expenses and negatively impact our profitability. The loss of any key management personnel, or our inability to hire and integrate qualified replacements in a timely manner, could materially and adversely affect our business, financial condition, results of operations and growth prospects.

We are exposed to risks arising from shortages, cost increases or quality issues of key components, which could materially and adversely affect our business operations, financial condition, results of operations and future prospects.

As a provider of electric control solutions NEVs, our business relies on the stable and timely supply of high-quality electronic materials, modules, structural parts and non-production related components sourced from both domestic and international suppliers. Our material costs in cost of sales amounted to RMB135.7 million, RMB976.9 million, RMB1,642.9 million, RMB449.0 million and RMB773.0 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively, accounting for 78.4%, 85.4%, 87.1%, 82.2% and 88.9% of our total cost of sales in each respective year/period. External factors such as global semiconductor shortages, geopolitical tensions, trade restrictions or natural disasters could disrupt supply or significantly increase component costs, leading to production delays, higher manufacturing costs or an inability to fulfill customer orders.

Price volatility of key components driven by supply-demand dynamics, geopolitical developments, trade policies or currency fluctuations may also affect our cost structure and profitability. In addition, any failure by suppliers to meet required specifications or quality standards may result in increased scrap rates, production delays, higher defect rates, product returns, warranty claims or reputational harm, which could adversely affect our business operations and financial performance.

Our reliance on third-party contract manufacturers for a significant portion of our production exposes us to risks relating to supply chain disruptions, quality control and potential leakage of confidential information, which could materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period, we relied on certain third-party contract manufacturers mainly for SMT assembly and production of power modules and PCBA. During the Track Record Period, our purchases from third party manufacturers accounted for approximately 21.3%, 19.6%, 17.5%, 14.4% and 16.6% of our total cost of sales, and 14.8%, 16.7%, 19.0%, 20.5% and 15.6% of our total production procurement, in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. Any failure by these manufacturers to comply with our requirements, or any disruption in their operations due to unforeseen events, could result in production delays, increased

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costs or quality issues. Furthermore, working with external manufacturers increases the risk of unauthorized disclosure or misuse of our proprietary technologies, trade secrets or other confidential information. Any significant supply chain disruption, quality control failure or breach of confidentiality by third-party manufacturers could materially and adversely impact our ability to deliver products to customers on time and to specification, damage our reputation and negatively affect our business, financial condition and results of operations.

If we fail to maintain appropriate inventory levels or effectively manage our inventory, we may experience lost sales opportunities or inventory overstock, which could adversely affect our financial condition and business operations.

Our inventory primarily consists of components, goods dispatched and finished goods. As of December 31, 2023, 2024, 2025 and May 31, 2026, our inventories were RMB191.0 million, RMB470.5 million, RMB562.2 million and RMB727.5 million, respectively. In 2023, 2024, 2025 and the five months ended May 31, 2026, our inventory turnover days were 317 days, 116 days, 109 days and 120 days, respectively. We must meet stringent requirements from OEMs regarding safety, reliability and delivery timelines, and are required to stock inventory in advance to ensure stable supply. In the context of rapid advancements in our industry, OEMs’ demand for electric control solutions remains uncertain, particularly in terms of vehicle model launch schedules, project mass production timelines and strategic adjustments. If we fail to accurately forecast customer demand or market changes, or adjust our procurement and production plans in a timely manner, we may experience inventory overstock or shortages, which could affect customer delivery, damage customer relationships and even result in lost sales.

In addition, if customer demand falls short of expectations or technological changes alter solution development paths, we may incur inventory impairment, discounted sales or scrapping, putting pressure on our gross margin and cash flow. As our solution portfolio expands, ineffective coordination of inventory across product lines may further increase management complexity. Failure to establish flexible and accurate inventory forecasting and management mechanisms could materially and adversely affect our business, financial condition and operating results.

Changes in international trade policies, geopolitical tensions, export controls and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

Our business operations, cross-border transactions and supply chain may be affected by changes in international trade policies, export control regimes, economic sanctions, geopolitical tensions and trade protection measures. Such changes may restrict our ability to source components or equipment, supply products to certain markets or engage with certain customers or suppliers, and may increase tariffs, compliance costs or regulatory burdens. In addition, evolving and unpredictable trade and geopolitical developments across the jurisdictions in which we operate, source from or sell to may require us to adjust our supply chain, market focus or compliance procedures, and any failure to do so on a timely and effective basis could materially and adversely affect our business, financial condition and results of operations.

In recent years, the United States has increased export control restrictions on China through the Export Administration Regulations (the “EAR”), administered by the Bureau of Industry and Security of the U.S. Department of Commerce, which includes a list of foreign persons on whom certain trade restrictions are imposed (the “Entity List”). If certain of our customers or suppliers are listed on the Entity List, or otherwise become subject to restrictions on sourcing technologies, software or products from, or selling technologies, software or products to us, there can be no assurance that we will be able to obtain, extend and maintain the requisite regulatory permits in relation to our transactions with these customers and suppliers, or that such permits will cover all our existing and potential transactions with such customers and suppliers. We cannot be certain what additional export control actions the U.S. government may take that could impact our products, suppliers or customers. Such actions may include ownership- or affiliation-based controls

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that extend restrictions to certain non-listed foreign affiliates of listed entities. Similar or more expansive restrictions or sanctions, including those imposed or that may be imposed in the future by the Office of Foreign Assets Control of the United States or other relevant authorities in other jurisdictions, may affect our customers’ and suppliers’ ability to acquire or use technologies, systems, software, devices or components that may be critical to their products, service offerings and business operations, which in turn may adversely affect our business, results of operations and financial condition.

On August 9, 2023, the Biden Administration issued the Executive Order on Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern, granting the U.S. government the authority to establish and enforce an outbound investment screening regime. On October 28, 2024, the U.S. Department of the Treasury issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the “Final Rule”) to implement Executive Order 14105 of August 9, 2023. Effective on January 2, 2025, the Final Rule imposes additional requirements and restrictions on U.S. persons and their controlled foreign entities engaging in certain transactions with entities or persons associated with China that perform defined activities relating to semiconductors and microelectronics, quantum information technologies or artificial intelligence. The Comprehensive Outbound Investment National Security (the “COINS”) Act, enacted as part of the National Defense Authorization Act for Fiscal Year 2026, further directs the U.S. Department of the Treasury to issue regulations restricting certain outbound investments in countries of concern involving certain technologies, and the scope of the regime may evolve. However, the Final Rule may cause certain U.S. investors to adopt a more cautious approach in their investments, affecting investor sentiment towards us, and therefore negatively impacting our ability to raise capital.

Recent tariff actions between China and the United States have created additional uncertainty for companies participating in cross-border manufacturing and trade. The United States has maintained tariff actions targeting China pursuant to Section 301 of the Trade Act of 1974 since 2018, which have been expanded and increased since that time. The United States has also imposed a temporary import surcharge under Section 122 of the Trade Act of 1974, and United States Trade Representative (the “USTR”) has proposed additional duties in Section 301 investigations, relating to forced-labor import prohibitions. These and other Section 301 actions, including investigations targeting China or other economies relevant to global supply chains, could lead to new or increased tariffs covering products manufactured in China or incorporating China-origin components. Higher tariffs may raise the cost of components sourced from overseas suppliers, reduce the competitiveness of products exported to the United States or lead to adjustments in global procurement strategies by upstream and downstream industry participants. Any escalation in tariff measures may increase our operating cost, reduce customer demand or require changes to our sourcing, pricing or market strategies in affected markets.

We are subject to extensive laws, regulations and customer compliance requirements relating to our electric control solutions, and any failure to comply could adversely affect our business and financial condition.

As a provider of core components for NEVs, our operations must comply with regulatory requirements in areas such as product safety, environmental protection, technical standards, intellectual property, export controls and data security, both in China and in overseas markets where we operate. See “Regulatory Overview.” Any failure to comply with applicable laws, regulations or customer requirements could result in fines, penalties, product recalls, loss of certifications or restrictions on our ability to sell products in certain markets. Such events could disrupt our business operations, damage our reputation and materially and adversely affect our financial condition and future growth prospects.

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Seasonal fluctuations in the automotive industry may cause variations in our revenue and operating results.

Our revenue, cash flow and results of operations are subject to seasonal fluctuations, primarily driven by customer purchasing habits and the cyclical nature of the automotive industry. According to Frost & Sullivan, OEMs generally schedule new vehicle launches and deliveries toward the end of the year, which leads to progressively increased demand for our solutions in the last quarter of each year. Additionally, such seasonal fluctuations are in line with the market practice in the NEV industry and it is not uncommon for market players in China of similar business nature to recognize more of their revenue in the last quarter of each year. In 2023, 2024 and 2025, approximately 72.1%, 43.3% and 39.1% of our revenue was recognized during the last three months of the year, respectively. Consequently, our sales volume and related revenue typically experience a gradual increase during the second half of each year. We expect this seasonal pattern to continue, and therefore quarterly comparisons of our operating results may not be meaningful or indicative of full-year performance. If our growth rate slows or if seasonal fluctuations become more pronounced, this customer-driven seasonality could have a material adverse effect on our revenue, cash flow and results of operations for any given period.

We have historically recorded net operating cash outflows, and there can be no assurance that we will not continue to experience net cash outflows from operating activities in the future.

In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, we recorded net cash flows used in operating activities of RMB253.8 million, RMB635.1 million, RMB179.0 million, RMB224.4 million and RMB179.4 million, respectively. See “Financial Information — Liquidity and Capital Resources — Cash Flow.” If we continue to record net operating cash outflows, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity primarily depends on our ability to maintain adequate cash inflows from our operating activities and to secure adequate external financing, such as through offering and issuing securities or obtaining external debt. These sources may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms or at all, we may be unable to meet our payment obligations or expand our business. As a result, our business, financial condition and results of operations may be adversely affected.

We are subject to credit risks related to delays in payment and defaults of customers, any of which could adversely affect our liquidity, financial condition and results of operations.

Our trade receivables primarily arise from sales of our solutions to customers who are granted credit terms in the ordinary course of business. Our trade receivables were RMB129.7 million, RMB518.7 million, RMB651.8 million and RMB600.1 million as of December 31, 2023, 2024, 2025 and May 31, 2026, respectively. In 2023, 2024, 2025 and the five months ended May 31, 2026, our trade receivables turnover days were 246, 104, 109 days and 101 days, respectively. We may not be able to collect all such receivables due to factors beyond our control, including long payment cycles of certain customers, adverse operating conditions or financial difficulties of customers and customers’ inability to pay caused by their own end users’ delay in payment. If our customers delay or default in their payments, we may have to make impairment provisions and write off the relevant receivables, which would adversely affect our liquidity and financial condition. Delays or defaults in payment could result in slower turnover, increased working capital requirements and liquidity pressure. Disputes arising from payment defaults may be time-consuming and costly and recovery may not always be successful. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Trade Receivables.”

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We are subject to risks relating to our equity investments. In particular, the fluctuation of fair value changes of our equity investment may affect our financial performance, our business and results of operations.

We have made, and may from time to time in the future make, equity investments in other companies for strategic, financial or business development purposes. Our unlisted equity investments measured at fair value under financial assets at fair value through profit or loss amounted to RMB6.7 million, RMB14.8 million, RMB20.5 million and RMB25.5 million as of December 31, 2023, 2024, 2025 and May 31, 2026, respectively. Our fair value gains on financial assets at investments in equity instruments, primarily related to fair value gains on our unlisted equity investments, amounted to RMB1.2 million, RMB8.1 million, RMB5.7 million, nil and nil in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. Our equity investments are subject to valuation fluctuations and market volatility, and changes in fair value may be recognized in profit or loss under applicable accounting standards, resulting in volatility in our financial performance regardless of whether any economic gain or loss is realized. In addition, we may have limited ability to influence investee companies, whose performance or financial condition may deteriorate, and there is no assurance that we can divest such investments on acceptable terms or at all. Any resulting fair value reductions could adversely affect our profit or loss, financial position and capital resources available for our core business operations.

The fair value measurements of certain financial assets require the use of estimates that are based on unobservable inputs, which inherently involves a certain degree of uncertainty.

Some of our financial assets are measured at fair value, such as the financial assets at fair value through profit or loss. As of December 31, 2023, 2024, 2025 and May 31, 2026, our financial assets at fair value through profit or loss amounted to RMB187.6 million, RMB14.8 million, RMB20.5 million and RMB276.3 million, respectively. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Financial Assets at Fair Value Through Profit or Loss.” For financial reporting purposes, fair value measurements of these financial assets are categorized into level 1, 2 or 3, based on, among other things, the observability and significance of the inputs used in the valuation technique. See Note 2.3 of Appendix I to this Document. The fair value of our financial assets is subject to changes in estimates influenced by factors beyond our control, including general economic conditions, market interest rates and capital market stability. Any adverse changes in these estimates may cause significant fair value fluctuations, and for financial assets measured at fair value through profit or loss, such fluctuations are directly reflected in our results of operations. As a result, our financial position and results of operations may be materially and adversely affected.

We have granted, and may continue to grant, share-based awards, which may further increase our share-based payment expenses, adversely affect our financial performance and dilute the stakes of existing Shareholders.

In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, we recorded equity-settled share-based payment expenses of RMB28.6 million, RMB27.8 million, RMB27.0 million, RMB11.0 million and RMB18.2 million, respectively. To attract, retain and motivate our key individuals, we may continue to grant share-based awards in the future. As a result, our share-based payment expenses may increase, which would adversely affect our financial condition and results of operations. In addition, such awards may dilute the ownership interests of our existing Shareholders.

We may be involved in legal proceedings and disputes, which could materially and adversely affect our reputation, business, financial condition and results of operations.

We may become involved in legal proceedings and other disputes from time to time in the ordinary course of our business, which could expose us to additional risks, losses and legal costs. Such matters may result in inquiries, investigations or actions by regulatory authorities or

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government agencies, cause reputational damage, increase operating costs and divert management attention from our core business. Adverse judgments, arbitration outcomes or proceedings against us, our directors, senior management or key employees could disrupt our operations and materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

Our overseas operations involve inherent risks, which may adversely affect our business, financial condition and results of operations.

We have established a presence in overseas markets such as Japan and Europe. As part of our future growth strategy, we plan to continue to expand our overseas sales network. Establishing our global footprint and generating overseas sales is an important part of our future development, but these efforts may not be successful and may expose us to a range of operational, financial and regulatory risks. Overseas operations are subject to a number of risks, such as foreign exchange controls and currency fluctuations, political or economic instability, health crises, potential violations of anti-corruption laws, local competition and consumer preferences, challenges in inventory management and receivables collection, weaker intellectual property protection, stringent product and consumer compliance requirements, difficulties in staffing and managing overseas operations, differing data privacy regimes and changes in tax or import/export laws and related enforcement. The occurrence of any of these risks could negatively impact our overseas expansion and, consequently, our business, financial condition and results of operations.

Our performance may suffer from business disruptions associated with information technology, system implementations or catastrophic losses affecting our IT systems.

We rely on our information technology systems throughout our operations. See “Business — Information Technology.” Any damage to these systems or computer virus attacks that disrupt operations or compromise data accuracy could materially and adversely affect our business and results of operations. Our network security may be breached due to external attacks, employee error, misconduct or a combination of these factors. In the event of an actual or perceived security breach, we could face litigation or other proceedings related to such incidents. These proceedings may divert management’s attention from core business activities and result in significant unplanned losses and expenses, including remediation costs, investigation expenses and investments in enhanced system protection. Any of these outcomes could harm our reputation and negatively impact our business and financial performance.

Our insurance coverage may be insufficient to cover all customer losses or potential claims, which could adversely affect our business, financial condition and results of operations.

Our business is exposed to risks that may not be adequately covered by insurance, or covered at all. We cannot assure that product liability claims or other litigation will not arise, or that we will be able to obtain or maintain insurance coverage on acceptable terms. Significant losses arising from natural disasters, disruptions to our network infrastructure, production facilities or operations or major litigation may exceed our insurance coverage or may not be recoverable in a timely or full manner. If we incur uninsured losses or liabilities exceeding our insurance limits, our business, financial condition and results of operations could be materially and adversely affected.

Labor relations, rising labor costs and potential liabilities relating to housing provident fund contributions may adversely affect our business and financial performance.

Our operations and future growth depend on our ability to attract, retain and motivate qualified personnel, particularly those with expertise in electric control technologies. Deterioration in labor relations, including employee dissatisfaction or high turnover, may disrupt operations and increase costs. In addition, labor costs may rise due to competition for skilled personnel, changes in wage and statutory benefit requirements or inflationary pressures, which could adversely affect our profitability. Under applicable PRC laws and regulations, employers are required to make

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contributions to the housing provident fund for eligible employees. During the Track Record Period, we did not make full housing provident fund contributions for several employees due to their personal preference, resulting in a shortfall of approximately RMB4,512, RMB4,512 and RMB6,370 in 2023, 2024 and 2025, respectively. As advised by our PRC Legal Advisor, if the competent authorities require us to make up such shortfall and we fail to do so within the prescribed time limit, the competent authorities may apply to the a people’s court for compulsory enforcement. We have rectified such arrangement and made full housing provident fund contributions for the relevant employees starting from 2026. However, we cannot assure you that the relevant authorities will not require us to rectify any non-compliance in the future. Any such requirement may increase our operating costs and, in turn, adversely affect our financial condition and results of operations.

We lease properties in various places as premises primarily for office use and production. Any non-renewal of leases, substantial increase in rent or any third-party challenge to our leasehold interest may affect our business and financial performance.

We lease properties in multiple locations primarily for office, R&D, warehouse and production purposes. However, there is no assurance that our leases could be renewed on the same or favorable terms. If any lease is not renewed, if there is a substantial increase in rent or if a third party challenges our leasehold interests, our business and financial performance may be affected. Similarly, there is no assurance that our existing leases will not be terminated by the landlords before the expiration of the relevant term. Any early termination without alternatives secured in a timely manner may result in disruptions to our daily operations.

As of the Latest Practicable Date, we had not completed the registration of lease agreements for certain of our leased properties in China. See “Business — Properties — Leased Properties.” However, the imposition of the aforementioned administrative penalties may adversely affect our results of operations.

Changes in ESG compliance requirements may adversely affect our business, financial condition and results of operations.

As awareness of ESG issues, such as waste management and environmental protection, continues to grow, we may need to devote more effort and resources to ensure compliance with increasingly stringent laws and regulations. We have already established a series of ESG-related compliance measures. See “Business — Environmental, Social and Corporate Governance.” However, we cannot assure you that these measures will effectively enable us to navigate the complex and evolving regulatory environment. Any non-compliance with relevant ESG-related laws and regulations may result in administrative penalties and adversely affect our reputation and results of operations. Changes to existing ESG-related laws and regulations or the introduction of new ones may increase our compliance costs, which could adversely affect our business, operating results and financial performance.

Our business may be materially and adversely affected by force majeure events, natural disasters or outbreaks of infectious diseases.

Any future occurrence of force majeure events, natural disasters or epidemics and outbreaks of infectious diseases could materially and adversely impact our business, financial condition and operating results. The outbreak of epidemics or infectious diseases may lead to widespread health crises and restrict business activities in affected regions, which could significantly disrupt our operations. In addition, natural disasters such as snowstorms, earthquakes, fires and floods may cause substantial damage to our production facilities, equipment and inventory, resulting in production delays, inventory shortages and obsolescence, thereby increasing our impairment losses and repair or replacement costs. These events may also lead to power outages, communication disruptions and transportation interruptions, further hindering our business operations.

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RISKS RELATING TO DOING BUSINESS IN THE COUNTRIES AND REGIONS WHERE WE OPERATE

Changes in the economic, political or social conditions or government policies in the countries and regions where we operate could affect our business, financial condition and results of operations.

Our business is affected by economic, political and social conditions in the markets where we operate. Economic slowdowns, inflation, interest rate changes or reduced credit availability may weaken demand for NEVs and alter downstream OEMs’ procurement plans, impacting demand for our solutions. Political or social instability, regulatory shifts, trade policies or compliance requirements may disrupt supply chains or competitiveness. Regulatory changes in product standards, labor, taxation or environmental rules may require further investment. Any significant deterioration in these environments could adversely affect our operations, financial condition and results.

Changes in the existing regulatory regime of the industry in which we operate may affect our ability to provide solutions, which could materially and adversely affect our business, financial condition and results of operations.

In recent years, the Chinese government has promoted the regulation and safety standards of the automotive industry. New laws, rules and regulations relating to our business may be introduced in the future, or existing applicable regulations may be amended or replaced in other ways. We cannot guarantee that we will be able to adapt to the evolving regulatory environment in a timely or cost-effective manner, which may adversely affect our operations and result in significant compliance costs. At the same time, we may need to make changes to our facilities, equipment, personnel or solutions to comply with the latest laws and regulations, which may increase our capital and operating expenditures and thereby adversely affect our business, financial condition and results of operations.

Certain judgments obtained against us by our Shareholders may be difficult to enforce.

We are a company incorporated under the laws of the PRC, and nearly all of our assets and subsidiaries are located in the PRC. The majority of our Directors and senior management reside within the PRC. Judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) are met. Nonetheless, it may be difficult for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals, in the event that you believe that your rights have been infringed under the applicable securities laws or other laws.

In addition, it may be difficult for you to bring an original action against us or our PRC resident officers and Directors in a PRC court based on the liability provisions of non-PRC securities laws. Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [REDACTED] of our Shares on the Stock Exchange, the holders of the Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

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Policies and regulations regarding foreign currency conversion may impact our foreign exchange transactions, including dividend payments to holders of our Shares and our ability to finance in foreign currencies.

The conversion of Renminbi (“RMB”) into foreign currencies must comply with relevant laws and regulations. We receive substantially all of our revenue in RMB and undertake certain transactions denominated in foreign currencies, particularly in connection with our international business activities, procurement of imported components and potential overseas capital expenditures. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade- and service-related foreign exchange transactions, can generally be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (“SAFE”), provided that certain procedural requirements are met. However, the laws, regulations and governmental policies regarding currency conversion are complex and evolving.

Our ability to convert and remit foreign currencies is critical for supporting our cross-border operations, fulfilling obligations to international suppliers and customers and distributing profits to Shareholders outside of China. If we are unable to obtain sufficient foreign currency through the foreign exchange regulatory system, we may not be able to pay dividends or make other distributions in foreign currencies to our Shareholders, or to meet our foreign currency obligations for capital expenditures and international expansion.

Furthermore, foreign exchange transactions under our capital account, such as equity financing or capital injections, are subject to additional regulatory requirements and may require approval from SAFE or its local branches. Any changes in foreign exchange regulations or policies, or any failure to comply with applicable procedures, could adversely affect our ability to obtain foreign exchange for our business needs, limit our access to international capital markets and have a material adverse effect on our financial condition, results of operations and the value of our securities.

Fluctuations in exchange rates could result in foreign currency exchange losses.

We are subject to foreign exchange risk arising from commercial transactions and recognized assets and liabilities denominated in currencies other than RMB. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, we had exchange rate fluctuations resulted from foreign exchange differences of RMB0.6 million, RMB1.2 million, RMB1.6 million, RMB0.8 million and RMB1.0 million, respectively, which were recognized in profit or loss and affected our loss before tax. The Renminbi is subject to fluctuations against foreign currencies due to changes in international political and economic conditions and market supply and demand, and the future exchange rate between the Renminbi and the Hong Kong dollar, U.S. dollar or other currencies is difficult to predict. As the [REDACTED] from the [REDACTED] will be received in Hong Kong dollars, any appreciation of the Renminbi against any other foreign currency may reduce the value of such [REDACTED], while any depreciation of the Renminbi against any other foreign currency may adversely affect the value of, and dividends payable on, our Shares in foreign currency terms. In addition, we have limited ability to hedge our foreign currency exposure at reasonable costs, and remittances of Renminbi into and out of China are subject to strict regulatory restrictions. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

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

Under the PRC Enterprise Income Tax Law (“EIT Law”) and its implementation rules, and subject to any applicable tax treaty or similar arrangement between the PRC and a non-PRC investor’s jurisdiction of residence, dividends from the PRC sources paid to investors that are

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non-PRC resident enterprises — who do not have an establishment or place of business in the PRC, or whose relevant income is not effectively connected with such establishment or place of business — are generally subject to a PRC withholding tax at the rate of 10%. Any gains realized on the transfer of our Shares by such investors are also subject to a 10% PRC income tax rate if such gains are regarded as income from sources within the PRC, unless a treaty or similar arrangement provides otherwise.

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to PRC withholding tax at a rate of 20%, and gains from PRC sources realized by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. If PRC income tax is imposed on gains realized from the transfer of our Shares or on dividends paid to our non-PRC resident investors, the value of your [REDACTED] in our shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements. As a PRC domestic company with substantial operations, our ability to distribute profits to non-PRC investors and the after-tax returns of such investors may be materially and adversely affected by changes in PRC tax laws or regulations, or their interpretation and enforcement.

RISKS RELATING TO THE [REDACTED]

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

Prior to the [REDACTED], there has been no public market for our H Shares. We cannot assure you that an active public market with adequate liquidity and trading volume for our H Shares will develop or be sustained following the completion of the [REDACTED]. The [REDACTED] of our H Shares is expected to be determined by agreement between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us, and may not reflect the [REDACTED] of our H Shares after the [REDACTED] is completed. If an active and liquid public market for our H Shares does not develop or is not sustained, the market price and liquidity of our H Shares may be materially and adversely affected, which could in turn negatively impact the value of your [REDACTED].

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and Shareholders, could adversely affect the market price of our Shares.

Future sales of a substantial number of our Shares by our Directors, executive officers or Shareholders, or the perception or anticipation that such sales may occur, could adversely impact the market price of our H Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. While we are currently not aware of any intention of our Shareholders to dispose of significant amounts of their Shares, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Any such sales, or the perception that such sales may occur, could result in a decline in the market price of our H Shares, regardless of our operating performance or prospects.

The liquidity, trading volume and market price of our H Shares following the [REDACTED] may be volatile.

The price at which our H Shares will trade after the [REDACTED] will be determined by the marketplace and may be affected by many factors, some of which are beyond our control, such as our financial performance, analyst estimates, industry prospects, management assessments, stage of development, peer company valuations, regulatory changes in the PRC and our competitive

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position, and broader political, economic, financial and social developments domestically and globally. In addition, investors in our H Shares may experience volatility in the market price of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects.

You will incur immediate and significant dilution and raising additional capital may cause further dilution or restrict our operations.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. As a result, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value, while our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible assets per Share of their Shares. If we raise additional capital through the sale of equity or convertible debt securities in the future, your ownership interest may be further diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a Shareholder. In addition, debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends or other operating restrictions. These restrictions could limit our operational flexibility and adversely affect our business, financial condition and results of operations.

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

The trading market for our H Shares may be affected by research reports about us or our business published by industry or securities analysts. The market price of our H Shares could decline if one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, regardless of the accuracy of the information. In addition, we may lose visibility in the financial markets if one or more of these analysts cease coverage of us or fail to regularly publish reports on us, which could cause the market price or trading volume of our H Shares to decline.

Our Single Largest Group of Shareholders may have substantial influence over our Company and their interests may not be aligned with the interests of other Shareholders.

Our Single Largest Group of Shareholders has substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the [REDACTED] and assuming the [REDACTED] is not exercised, our Single Largest Group of Shareholders will hold approximately [REDACTED]% of our total [REDACTED] share capital. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of the opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our H Shares. These events may occur even if they are opposed by our other Shareholders.

In addition, the interests of our Single Largest Group of Shareholders may differ from the interests of our other Shareholders. It is possible that our Single Largest Group of Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

We may not be able to distribute dividends to our Shareholders.

We cannot assure you when and in what form dividends will be paid on our H Shares after the [REDACTED]. The declaration and distribution of dividends is at the discretion of our Board, and our ability to pay dividends or make other distributions to our Shareholders is subject to various

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factors, including our business and financial performance, capital and regulatory requirements and general business conditions. We may not have sufficient profits, if any, to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. We currently intend to retain most, if not all, of our available funds and any future earnings after the [REDACTED] to fund our business operations. As a result of the above, we cannot assure you that we will be able to make dividend payments on our Shares in the future.

Certain facts, forecasts and other statistics contained in this Document are derived from official government sources.

Certain facts, forecasts and statistics in this Document relating to the PRC and global economy and the industry in which we operate are obtained from official government publications. We believe that the sources of this 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. However, the information from official government sources has not been independently verified by our Group, the Joint Sponsors or any other party involved in the [REDACTED], and no representation is given as to its accuracy, reliability and/or completeness. Due to possibly flawed or ineffective sampling or discrepancies between published information and market practice and other problems, the statistics in this Document relating to the PRC and the global economy and the industry in which we operate may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon. You should carefully consider how much weight or importance such facts or statistics carry and should not place undue reliance on them.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this Document, there has been press and media coverage concerning us and the [REDACTED], which may include references to information not contained in this Document, including certain operating and financial information, projections, valuations and other data. We have not authorized the disclosure of any such information and do not accept any responsibility for the accuracy or completeness of any press or media coverage. 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 with or conflicts with the information contained in this Document, we disclaim responsibility for it and you should not rely on such information.