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You should carefully consider all the information in this document, including the risks and uncertainties described below, before making an investment in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your investment.

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 unless otherwise stated, will not be updated after the date hereof and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND THE INDUSTRY

The size of our addressable markets and the market demand for our solutions may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations and financial condition.

Our addressable markets are primarily concentrated in industrial sectors in Chinese Mainland and overseas, which have been accelerating their intelligent transformation in recent years. The future market size and the demand for our solutions may, however, be difficult to anticipate since they depend on a number of variables, most of which are beyond our control. For example, the market growth may depend on the prevalence of new technologies, supportive government policies and the performance and cost-efficiency of the available solutions in the market. In order to grow our business and extend our market position, we intend to continuously accumulate our industry experience and know-how to identify customer pain points, educate our existing and prospective customers about the benefits of our solutions and enhance and innovate our technologies and features to increase market acceptance. However, if we fail to cultivate and discover the long-term business needs of existing customers for our solutions, or our solutions do not achieve widespread acceptance across advanced industries, or there is a decrease in customer demand as a result of alternative technologies, competing solutions, technological challenges, data security or privacy concerns, enhanced regulations, decreases in customer spending, macroeconomic downturns, international and regional political tensions, or other causes, our business, results of operations and financial condition would be materially and adversely affected.

In addition, the market acceptance of our solutions may vary across different industries. As we aim to reach out to more customers across different industry sectors, we are focusing on industries in which we already have a presence, such as home appliances, machinery equipment, electronics, automotive, energy and chemicals. However, we may face challenges brought about by more diverse and complex use cases. We cannot assure you that the trend of adopting and utilizing our solutions by potential customers will develop or continue in the future in any given industry sector, which, in turn, would hinder our ability to achieve the desired level of adoption of our solutions.

The industry in which we operate is characterized by constant development. If we fail to continuously improve our technology and provide solutions that meet the expectations of our customers, our business, financial condition and prospects may be materially and adversely affected.

The industry in which we operate is characterized by rapid technological evolution, frequent introduction of new solutions, evolving customer demands and changing industry standards, according to Frost & Sullivan. Our success depends in part on our ability to respond to these changes in a timely and cost-effective manner, including anticipating new technologies, enhancing our solutions and adjusting to changes in customer requirements, market conditions and the regulatory environment. We may encounter technical challenges or delays in developing new or enhanced solutions, which may require substantial investment in research and development. In addition, we

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may not be able to upgrade our technologies promptly or cost-effectively, and new technologies may render our existing technologies or solutions obsolete or less attractive. Any of the foregoing could materially and adversely affect our business, results of operations and prospects.

Significant investment in research and development is required to maintain our competitive edge, and if such efforts fail to deliver the expected outcomes, our financial condition and operating results may be materially and adversely affected.

Our technological capabilities and infrastructure are critical to our success. We need to allocate significant resources, including financial resources, to research and development to lead technological advances, in order to make our solutions competitive in the market. As a result, we have been investing heavily in our research and development efforts. In 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, our research and development expenses amounted to RMB422.4 million, RMB373.2 million, RMB420.5 million, RMB90.6 million and RMB104.2 million, respectively. We expect that our research and development expenses may continue to increase in the future. Furthermore, research and development activities are inherently uncertain, and we might encounter practical difficulties in commercializing our research and development results. Our significant expenditures on research and development may not generate corresponding benefits. Given the fast pace with which the technology has been and will continue to be developed, we may not be able to timely upgrade our technologies in an efficient and cost-effective manner, or at all. New technologies in our industries could render our technologies, our technological infrastructure or solutions that we are developing, or expect to develop in the future, obsolete or unattractive, thereby limiting our ability to recover related research and development expenses, which could result in a decline in our revenue, profitability and market share.

We experienced customer and supplier concentration during the Track Record Period and may continue to be exposed to the risk of such concentration in the future.

Our revenue generated from our top five customers in each year/period during the Track Record Period accounted for approximately 81.7%, 80.2%, 68.1% and 68.3% of our total revenue in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. There is no guarantee that we will maintain relationships with existing customers or secure new contracts from them. If we cannot secure comparable projects from new customers or obtain sufficient new business from existing customers in a timely manner or at all, our business, results of operations and financial condition would be materially and adversely affected and our revenue may fluctuate materially. If any major customer delays or defaults in payment, our cash flow and financial condition would also be adversely affected.

Our purchases from our top five suppliers in each year/period during the Track Record Period accounted for 30.8%, 30.0%, 27.4% and 24.5% of our total purchases in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. Significant supplier price increases would raise our costs and may adversely affect results if we cannot pass them on to customers. Supplier prices may be affected by factors beyond our control, including inflation, regulatory developments and economic cycles. Supplier concentration also exposes us to risks relating to availability and timely delivery, quality consistency and supply chain disruptions caused by capacity constraints, operational interruptions,

A significant portion of our revenue is generated from sales to related parties. Any reduction in the volume or frequency of such transactions could adversely affect our business, financial condition and operating results.

A substantial portion of our revenue during the Track Record Period was derived from transactions with related parties, including entities within the Haier Group. During the Track Record Period, our revenue from the sales to our related parties was RMB3,662.0 million, RMB3,465.1 million, RMB3,585.4 million, RMB820.3 million and RMB852.0 million, in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively, representing 73.3%, 68.4%, 56.5%, 65.5% and 57.8% of our total revenues during the same years/periods, respectively.

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Our ability to maintain and enhance our existing partnership with the Haier Group and offer more value propositions to Haier Group is critical to our results of operations. There can be no assurance that such relationships will continue on the same terms and secure orders for our products. If we are unable to maintain our relationship with the Haier Group and other related parties, or if our arrangement is modified so that the economic terms become less favorable to us, our business operations, results of operations and financial condition may be materially adversely affected. In addition, we have entered into various framework agreements with the Haier Group and its associates, which govern the connected transactions between us and the related parties. See the section headed “Connected Transactions.” There is no assurance that our related parties will continue to purchase products and services from us on the same level in the future. In addition, any deterioration in our cooperative relationship with these related parties may require us to build new relationships with other customers, which is subject to uncertainties and could be time-consuming.

Our business success depends on our ability to retain existing customers and attract new ones.

Our ability to generate and grow revenue depends largely on retaining existing customers, attracting new customers and increasing customer spending. This depends on factors including our ability to offer solutions meeting customer needs at competitive prices, enhance features and functionalities, strengthen technology and respond to industry trends and competition. We primarily provide data intelligence solutions on a project basis and may need to tailor them to customer requirements, which may limit replicability, cross-selling, up-selling and conversion to chargeable long-term services. Customers may also view existing solutions as sufficient, develop in-house alternatives or reduce reliance on third-party providers. Certain large-enterprise projects during the Track Record Period were obtained through public tenders, which involve intense competition and pricing pressure. If our customer base or customer spending declines, or if we fail to implement our sales and marketing strategies or provide solutions perceived to add value, our business, results of operations, financial condition and prospects could be materially and adversely affected.

If our expansion into new industry sectors and use cases is not successful, our business, prospects and financial condition could be materially and adversely affected.

We have expanded into various new industries and use cases successfully. We provide various solutions to address the diversified needs of our customers across various industry sectors and in different use cases. We cannot assure you, however, that we will be able to maintain this momentum in the future. Expanding into new industries and use cases involves new risks and challenges, such as the difficulty in keeping pace with evolving customer demands and preferences that we may be unfamiliar with. In addition, there may be one or more existing market leaders in such areas. Such companies may be able to compete more effectively than us by leveraging their experience in addressing customer needs in those use cases, as well as their deeper industry insights, greater brand recognition, more advanced technologies and better access to customer base and business opportunities. We could also be subject to additional regulations relating to new industry sectors and use cases that we enter into, and we may not have sufficient experience or resources in dealing with those enhanced requirements and could incur additional compliance costs as a result. Expansion into any new industry sectors and use cases may place significant strains on our management and resources.

If we are unable to manage the risks related to our expansion in international markets, which involves various technical and regulatory risks and uncertainties, our business, financial results and prospects may be adversely impacted.

Our international expansion may require substantial management attention and resources and expose us to risks and uncertainties that differ from those in the PRC. These include the need to localize our solutions for specific markets and incur additional costs; challenges in staffing and managing overseas operations; longer sales and collection cycles and different pricing environments; limited experience, infrastructure or market knowledge in new jurisdictions; intensified or different competitive landscapes; economic and political instability in international markets; foreign exchange

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fluctuations; compliance with complex and evolving cross-border laws and regulations, including those relating to data protection, employment, tax and telecommunications; weaker protection and enforcement of intellectual property rights; local laws or practices favoring domestic competitors; and increased financial reporting and compliance burdens.

Our business and financial performance are exposed to risks related to completed, in-progress or potential acquisitions or strategic partnerships.

We have enhanced our abilities and expanded our market presence through acquisitions, including the acquisition of Hangzhou Chixiao and Shanghai Discovery, and may continue to pursue similar acquisitions or strategic partnerships. We have in the past increased market positions in our product and service areas and entered into new geographic and product areas through acquisitions and may continue to do so in the future. Such transactions and initiatives could require our management to develop expertise in new areas, manage new business relationships and attract new types of customers. Furthermore, such transactions and initiatives may require significant attention from our management, and the diversion of our management’s attention and resources could have a material adverse effect on our ability to manage our business. In addition, we may incur significant acquisition, administrative and other costs in connection with such transactions, including costs related to the integration of acquired or restructured businesses. These costs may include unanticipated costs or expenses, including post-closing asset impairment charges, legal, regulatory and contractual costs and expenses associated with eliminating duplicate facilities.

We may also experience difficulties with integrating any investments, acquisitions and/or partnerships into our existing business and operations. There is no assurance that we will be able to successfully implement these initiatives or that we will be able to identify successful initiatives in the future. These acquisitions and business initiatives may also expose us to potential risks, including risks associated with: (i) operational, managerial and organizational challenges arising from the integration of new business lines, operations and personnel; (ii) difficulties in achieving effective cultural integration, as differences in corporate culture, management approaches and business practices may adversely affect integration effectiveness; (iii) failure to realize the anticipated synergies, cost savings, revenue enhancement opportunities or other expected benefits from acquired businesses, or to operate such businesses at a level of profitability acceptable to us; (iv) valuation risks resulting from misjudgments regarding the value of acquisition targets or the expected synergies and benefits, which may lead to overpayment, impairment of goodwill or other intangible assets, or lower-than-expected returns; (v) difficulties in exercising effective control and supervision over newly acquired operations, including delays or failures in implementing our internal controls and risk management procedures; (vi) the loss of, or deterioration in, relationships with key employees, customers or business partners of acquired businesses; and (vii) unforeseen, contingent or hidden liabilities associated with acquired businesses.

There can be no assurance that we will be able to successfully integrate any businesses we acquire into existing operations or that such businesses will perform according to expectations once integrated. There also can be no assurance that we will reach the synergy we expect. Similarly, disposals of certain non-core assets may prove to be not as profitable as anticipated and may affect our net sales and results of operations. There can be no assurance that we will be able to identify and acquire, on reasonable terms, if at all, suitable acquisition candidates or investment opportunities. With continuing consolidation a likely industry trend, we could be faced with increasing competition for attractive acquisition candidates. Compliance with antitrust or any other regulations may delay proposed acquisitions or prevent us from closing such acquisitions or investments in the manner proposed, if at all. Such delay or failure to close proposed acquisitions could impair our ability to achieve our strategic objectives.

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We recorded net loss during the Track Record Period and may continue to incur net loss in the future.

For the year ended 31 December 2023, our net loss amounted to RMB82.7 million. We recorded a net profit in 2024, 2025 and the three months ended March 31, 2025 and 2026. Our historical profitability may not continue, and we cannot assure you that we will be able to maintain profitability or avoid net losses in the future. Our ability to achieve and sustain profitability depends on a number of factors, including, among others, our ability to effectively manage our operating and development costs, improve operating efficiency, expand our revenue base and respond to changes in market demand and competitive conditions. In addition, we may continue to incur substantial expenses in connection with our business expansion, technology development, marketing and personnel costs, which may outpace our revenue growth from time to time. Furthermore, our results of operations may be subject to fluctuations due to factors beyond our control, including changes in customer demand, competitive pressures, macroeconomic conditions and industry dynamics. If we are unable to generate sufficient revenue to offset our costs and expenses or to effectively manage our cost structure, we may continue to incur net losses. Any continued or future net loss position may expose us to risks relating to liquidity constraints and could adversely affect our ability to fund our operations, raise additional capital, make investments or declare and pay dividends.

If we are not able to enhance our brand recognition and sales and marketing capabilities, this could harm our ability to increase our customer base and adversely affect our business, results of operations and prospects.

Successfully maintaining and enhancing our brand recognition will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable solutions that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers’ trust, our ability to continue to develop better functionalities and services and our ability to successfully differentiate our services from competitive services. However, our efforts may not always be successful or yield increased revenue. Moreover, the promotion of our brand also requires us to make expenditures, and we expect that these expenditures will increase as the market competition intensifies. Our selling and distribution expenses were RMB315.4 million, RMB285.0 million, RMB311.5 million, RMB65.2 million and RMB75.6 million in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively, accounting for 6.3%, 5.6%, 4.9%, 5.2% and 5.1% of our total revenue in the same years/periods. We may also be unable to hire and train sufficient numbers of qualified sales and marketing personnel or ensure the productivity of our sales and marketing personnel in acquiring new customers or cross-selling to our existing customers.

Our success relies on senior management and highly qualified personnel such as research and development staff with specialized skills and profound industrial experience.

Our success depends on the continued service of our senior management and research and development personnel and on our ability to continue to attract, retain and motivate qualified research and development staff, especially during periods of rapid growth or technical change. In particular, our focus on introducing new solutions means that we must aggressively recruit engineers with expertise in advanced technologies. There is substantial competition for top research and development personnel in the industry, both in China and in the overseas jurisdictions in which we operate, and there can be no assurance that we will be able to attract or retain such personnel. The loss of the services of our research and development and engineering personnel without adequate replacement, or the inability to attract new qualified personnel, would have a material adverse effect on our business, results of operations and financial condition.

Our historical financial performance and results of operations may not be representative of our future performance.

We commenced our operations in 2017 and have continued to expand our business since our inception. We have developed, and will continue to develop, solutions across diversified use cases. Our new business initiatives have not been fully proven, given the limited track record of such offerings, which may subject us to a number of uncertainties and additional costs and expenses, and

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adversely affect our ability to project and plan for future growth. Our revenue increased from RMB5,069.5 million in 2024 to RMB6,351.1 million in 2025. Our revenue increased from RMB1,252.6 million in the three months ended March 31, 2025 to RMB1,474.9 million in the three months ended March 31, 2026. However, you should not consider our historical performance as indicative of our future financial performance. As a result of our evolving business portfolio and limited operating history in certain of our solutions, it is difficult to draw an exact period-over-period comparison of our business, results of operations and financial condition as a whole. Furthermore, as our business further develops, we may modify our business model or continue to change our business portfolio. We may launch new solutions or discontinue any existing ones for strategic purposes. Any of such changes may have a material adverse effect on our business, results of operations, financial condition and prospects.

We are susceptible to supply shortages, longer lead times and increased costs of raw materials and key components, any of which could disrupt our supply chain, increase our production costs, adversely affect our profitability and delay deliveries of our products to customers.

Our production operations rely on securing sufficient raw materials, mainly including electronic components for IoT products. During the Track Record Period, costs of raw materials accounted for a large amount of our cost of sales, amounting to RMB3,082.5 million, RMB2,946.1 million, RMB3,357.7 million, RMB745.3 million and RMB845.5 million, respectively, representing 75.1%, 71.0%, 64.3%, 72.1% and 69.5% of our total cost of sales in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively. Our production operations rely on securing sufficient raw materials. In the event that our suppliers fail to cater to our growing demands, we may be unable to fulfill customers’ customized requirements or meet market demand for our products, which may have an adverse impact on our reputation and profitability. Additionally, factors that are beyond our control, including natural disasters, public health hazards, civil unrest, wars, strikes or trade sanctions or restrictions, may impact the supply and market price of raw materials.

We may be subject to inventory obsolescence risk and may not be able to manage our inventory efficiently.

Our inventories amounted to RMB943.8 million, RMB916.8 million, RMB1,251.3 million and RMB1,296.5 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively. For the same periods, our inventory turnover days were 90 days, 81 days, 75 days and 94 days, respectively. As our business continues to expand and our inventory levels increase, our exposure to inventory obsolescence risk may also increase. We maintain our inventory levels based on our internal forecasts of customer demand. We cannot guarantee that we will be able to maintain appropriate inventory levels for our raw materials, work-in-progress and finished products. If our forecast demand exceeds actual demand, we may experience an accumulation of excess or slow-moving inventory, which may increase our inventory holding costs and the risk of inventory obsolescence or impairment. Failure to effectively manage our inventories may result in elevated financial risks, including the need to make provisions for inventory write-downs if the net realizable value of our inventories falls below their carrying value prior to sale. With changes in market demand, product upgrades, aging inventories and the scaling of our business operations, the amount and proportion of our inventory provisions may further increase. Conversely, if our forecast demand is lower than actual demand, we may not be able to maintain an adequate level of inventory in a timely manner, which could result in lost sales opportunities and erosion of our market share.

Our success depends in part on our ability to maintain, enhance and expand our manufacturing capabilities that respond to market trends.

Our success depends in part on our ability to maintain, enhance and expand our manufacturing capabilities, including expanding capacity, improving efficiency and upgrading our solutions to meet evolving and customized customer demands. If we are unable to achieve the desired economies of scale, reduce manufacturing costs or maintain our competitive advantages, our business and results

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of operations may be adversely affected. Our efforts to enhance our manufacturing capabilities are subject to various risks and uncertainties, including our ability to obtain sufficient funding for capital expenditures and working capital, potential delays and cost overruns arising from factors such as increases in raw material or energy prices, labor shortages, transportation constraints, supplier or service provider disruptions, equipment malfunctions, as well as our ability to obtain or renew the necessary permits, licences, approvals, technology or equipment from third parties or through internal research and development. In addition, our facility expansion plans may not be completed in time or within budget.

If we fail to provide satisfactory solutions and customer services, our brand image, business, results of operations and financial condition may be harmed.

We may fail to maintain the standards of our customer service, retain a sufficient number of customer support personnel and provide them with adequate training. Moreover, our customer service may fail to timely and effectively resolve the problems associated with our solution offerings. Furthermore, to grow our operations and expand our customer base, we need to continuously provide effective maintenance and technical support that meets our customers’ needs at scale. Any failure to maintain satisfactory maintenance and technical support services or a market perception that we do not maintain such services for our customers would harm our business. We may also receive complaints from our customers regarding our services. If we do not handle customer complaints effectively, our brand and reputation may suffer, our customers may lose confidence in us and reduce or cease their use of our solutions. As our solutions are frequently adopted by entities in their routine operations, our failure to resolve the problems of our offerings may result in significant disruptions to their businesses and our brand image and ability to retain and bring in customers may be negatively affected thereby. Our customers may post and discuss on social media and other channels about our offerings, and complaints or other forms of negative publicity on those channels may arise from our failure to provide satisfactory services. Further, our customers may seek compensation for business interruptions or other adverse impacts resulting from software failures. Such claims can be costly and time-consuming to resolve, diverting management’s attention from other business activities.

Our business operations could be harmed by real or perceived material defects or errors in our solutions, as well as flaws or inappropriate usage of new technologies.

The technology underlying our solutions is complex and may contain defects, errors, vulnerabilities or bugs, particularly when new versions or features are introduced or when our solutions are integrated with third-party hardware or software. Any actual or perceived defects or failures may result in negative publicity, system downtime, data loss or performance issues, which could harm our reputation, customer relationships and business operations. The identification and remediation of such issues may be costly and time-consuming, and we may also be exposed to disputes or legal liabilities arising from such defects or failures.

In addition, certain new technologies adopted in our solutions, including artificial intelligence, continue to evolve and may contain flaws or deficiencies that affect the accuracy or reliability of their outputs. AI technologies also present operational, compliance and reputational risks, including potential misuse, biased or inappropriate outputs, data manipulation, intellectual property infringement, or breaches of applicable laws and regulations. We cannot assure you that the measures we adopt to prevent misuse, address data protection issues or comply with existing or future laws and regulations will always be effective. Any misuse, regulatory changes or restrictions on the use of AI or other new technologies may limit our ability to offer or enhance our solutions and could materially and adversely affect our reputation, business, results of operations and financial condition.

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Our sales cycle to large enterprises can be lengthy and unpredictable and requires considerable time and expense.

We offer our IoT products and data intelligence solutions primarily to large enterprises in home appliances, machinery equipment, electronics, automotive, energy and chemicals. A significant portion of our revenue is derived from these large enterprises. The length of our sales cycle, which is the time between initial contact with a potential customer and the ultimate sale to that customer, varies depending upon the size of the potential customer and project. Based on our experience, the sales cycle for large enterprises is often lengthy and unpredictable, especially when we serve them on a project basis. Many of our prospective customers are at the early stage of their intelligent transformation and do not have prior experience with industrial internet services. Therefore, they typically spend significant time and resources evaluating our solutions before they purchase from us. Similarly, we typically spend more time and efforts determining their requirements and educating these customers about the benefits and uses of our solutions. Large enterprises also tend to demand more customization and additional features than their smaller counterparts. As a result, we may be required to divert more sales, product fulfillment and research and development resources to large enterprises and will have less personnel available to support other customers, or we may need to hire additional personnel, which would increase our operating expenses. Large enterprises may delay their purchases as they assess their budget constraints, negotiate early termination with their existing providers or wait for us to develop new features. Any delay in closing, or failure to close, a sales opportunity with such customers in a particular period or year could significantly harm our projected growth rates and cause the amount of new sales we book to vary significantly from period to period. If we fail to effectively execute the sales, configuration, implementation and ongoing support of our solutions to large enterprises, our results of operations and our overall ability to grow our customer base could be materially and adversely affected.

We may not be able to adequately protect our intellectual property rights, and uncertainty regarding the validity, enforceability or scope of our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly.

We believe that our patents, copyrights, trademarks and other intellectual properties are essential to our success. The protection of our intellectual property rights may not be adequate. Infringement upon, or the misappropriation of, our proprietary technologies could have a material adverse effect on our business, results of operations and financial condition. Our intellectual properties may be pirated or otherwise infringed by competitors or other third parties. Moreover, our trade secrets may become known or be independently discovered by our competitors. In addition, litigation may be necessary to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of the proprietary rights of others. Such litigation may be costly and divert management’s attention away from our business. An adverse determination in any such litigation would impair our intellectual property rights and may harm our business, prospects and reputation. There is no assurance that we will prevail in such litigation, and even if we do prevail, we may not obtain an effective and full recovery in the event that the enforceable assets of the losing party are insufficient to compensate for our losses. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits challenging the validity and enforceability of our intellectual property rights. Furthermore, we have no insurance coverage against litigation costs and would have to bear all costs arising from such litigation to the extent that we are unable to recover them from other parties.

We may be exposed to infringement or misappropriation claims by, or disputes with, third parties, which could cause us to lose significant rights and pay substantial damages.

We cannot assure you that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. We also cannot assure you that holders of patents purportedly relating to some aspects of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. For example, third parties may

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claim that our employees have misappropriated or divulged their former employers’ proprietary rights or confidential information. Furthermore, we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time-consuming and may divert management’s time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question.

We are subject to risks related to protecting customers’ business and operation data, and the improper collection, use or disclosure of such data could harm our reputation and have a material adverse effect on our business and prospects.

We view data privacy and security of vital importance to our brand and reputation, and our customers’ confidence in our offerings. We may have access to certain data of our customers when we conduct on-site solution deployment or maintenance for customers. We may be subject to certain challenges and risks inherent to handling and protecting the customers’ business and operation data to which we have access. Development and construction defects in the technical infrastructure, or errors or malfeasance of our staff implementing the operation and maintenance services, may also subject us to cyberattacks, computer viruses, physical or electronic break-ins or similar disruptions.

The improper collection, use or disclosure of customers’ business and operation data could result in a loss of customers and other business partners, loss of confidence or trust in our solutions, litigation, regulatory investigations, penalties or actions against us, and significant damage to our reputation, any of which could, in turn, have a material adverse impact on our business, results of operations, financial condition and prospects. Our security protocols, network protection mechanisms or other defense procedures deployed to safeguard the data security during our business operations may not function as we expect or could be breached. Because the technologies and mechanisms used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognizable until they are launched against a target, we may be unable to anticipate, or to implement adequate preventative measures against, such technologies and mechanisms. Any accidental or willful security breaches or other unauthorized access could cause confidential data to be stolen and used for improper or criminal purposes. Security breaches or unauthorized access because of third party actions, employee errors, malfeasances or other similar factors, or design flaws in our technology infrastructure, if any, could damage our relationships with our customers and other business partners, and we could incur significant liabilities or become subject to legal or regulatory actions that may materially and adversely affect our business, results of operations, financial condition and prospects.

We have been and may in the future continue to be subject to claims, disputes, lawsuits and other legal and administrative proceedings from time to time.

We are susceptible to claims, disputes, fines and various legal and administrative proceedings. Claims arising out of actual or alleged violations of law, breach of contract, torts or liability allocation with other third parties could be asserted against us by customers, business partners, suppliers, competitors, employees or governmental entities in investigations and legal proceedings, and could take the form of either individual action or class action. As of the Latest Practicable Date, we were named as a defendant in three material pending legal proceedings, each involving an amount in dispute of less than RMB3.0 million. As of the Latest Practicable Date, we were preparing to appeal against the first-instance judgment rendered in one of the proceedings, pursuant to which we were ordered to pay approximately RMB1.9 million, and the remaining two proceedings were at the first-instance trial stage. In addition, the result of such legal and regulatory proceedings cannot be

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predicted with certainty, and ongoing or threatened litigation, legal or contractual disputes, investigations or administrative proceedings may divert our management’s attention and consume their time and our other resources, thereby disrupting our business operations and adversely impacting our financial condition. For some matters, such as class actions, insurance may not be cost-effectively available. Regardless of the merit of the particular claim, legal and administrative proceedings may be expensive, time-consuming or disruptive to our operations and distracting to management. Such proceedings could also lead to adverse publicity and have a negative impact on our reputation and brand image. In recognition of these considerations, we may enter into agreements to settle litigation and resolve such disputes. We cannot guarantee that such agreements can be obtained on acceptable terms or that litigation will not occur. These agreements may also significantly increase our expenses. New legal or administrative proceedings and claims may arise in the future, which may cause us to incur defense costs, and our business, financial condition and results of operations could be materially and adversely affected. In addition, our Directors, management, shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our business, financial condition and results of operations.

Our legal rights to some leased properties may be challenged.

We lease properties mainly for operating our business. As of the Latest Practicable Date, some of our leased properties either (i) have yet to complete registration and filing procedures or (ii) the lessor of which failed to provide the property ownership certificate or sublease consents from the property owners. See “Business — Properties — Leased Properties.” Any dispute or claim in relation to these properties could affect our leasehold interests or subject us to fines. If our right to use these properties is challenged, we would need to seek alternative properties on short notice and incur relocation costs, and there is no guarantee that we would be able to find suitable alternative properties on reasonable commercial terms, or at all.

Some of our owned properties have defects in ownership, which could expose us to legal and operational risks.

As of the Latest Practicable Date, in Chinese Mainland, we had obtained the property ownership certificates for 14 of these properties, while the remaining 10 properties, with an aggregate gross floor area of approximately 2,148 sq.m. (accounting for less than 2.0% of our total owned properties), did not have building ownership certificates. These uncertified properties are primarily used for substations, compressed air stations, storage rooms, warehouses, gatehouses, security rooms and waste disposal rooms. See “Business — Properties — Owned Properties.” These deficiencies may result in regulatory non-compliance and expose us to potential administrative penalties, fines, or restrictions on the use of such properties. In addition, the absence of proper ownership documentation could lead to disputes over property rights, which may adversely affect our operations. We may not be able to ultimately obtain these title certificates, and our ownership and use of such properties may be affected.

We may experience increases in employee salaries and benefits, shortage of labor or deterioration in labor relations, as well as potential non-compliance with labor-related laws and regulations in the PRC, all of which could adversely affect our business, financial condition and operating results.

Our relationship with employees is key to our sustainable growth. There can be no assurance that we will not encounter any major labor problems in the future. If our employees were to engage in a strike or other work stoppage, we could experience significant disruption of our operations and/or higher ongoing labor costs. In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our manufacturing costs. Additionally, regulatory changes or enhanced employee benefits mandated by law could further increase these costs.

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Pursuant to the PRC laws and regulations, we are required to participate in the employee social insurance and housing provident fund program, under which we are required to contribute for each of our employees based on the employee’s actual salary level of the previous year, and be subject to a minimum and maximum level as from time to time prescribed by local authorities. During the Track Record Period, we did not make full contributions of social insurance and housing provident fund for certain employees that were not based on their actual salary levels and failed to make such housing provident fund contributions for certain employees. The total shortfall of the social insurance and housing provident funds is RMB5.2 million, RMB5.4 million, RMB8.7 million and RMB8.7 million, respectively, in 2023, 2024, 2025 and in the three months ended March 31, 2026. Pursuant to PRC laws and regulations, in the event of under-contribution to social insurance, we may be required to pay the outstanding amount within a prescribed period and be subject to a daily overdue charge of 0.05% of the delayed payment amount. Failure to comply within the prescribed timeline may also lead to fines ranging from one to three times the overdue amount. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Similarly, if there is any failure to pay the full amount of housing provident fund as required, the competent housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is still not made within such time limit, the authorities may seek enforcement through the PRC courts.

In addition, during the Track Record Period, we engaged third-party agencies to manage social insurance and housing provident fund contributions for certain employees. However, PRC regulations stipulate that employers must directly make these contributions from their own accounts rather than through third-party intermediaries. This could lead to additional payments for any outstanding contributions, late payment penalties, or enforcement actions by governmental authorities. As of the Latest Practicable Date, we had terminated the arrangement of engaging third-party agencies to manage such contributions. We cannot assure you that we will not be subject to any order to rectify this in the future, nor can we assure you that there are no, or will not be any, relevant employee complaints against us. Any such order may adversely affect our business, financial condition and operating results.

Negative publicity involving us, our solutions, our management, business partners or other stakeholders, or the industries we operate in, may materially and adversely affect our reputation and business.

We may, from time to time, receive negative publicity about us, our business partners and the solutions we provide. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. Any such negative perception and publicity, with or without merit, could tarnish our reputation, reduce the value of our brand and have a negative impact on our ability to attract and retain customers. In addition, if other companies offering industrial internet applications or operating in similar industries receive a high degree of negative media coverage or citation concerning their products, services, customers and business practices, the perception of our reputation as a trustworthy solution provider may also be harmed. However, we cannot preclude negative media coverage of a similar nature from being made, nor can we assure you that we will be able to defuse such negative coverage to the satisfaction of our investors, customers and business partners or prevent related misconceptions and other damages caused by such negative coverage. Preventing and mitigating the impact of such negative media coverage could also incur significant resources and management attention.

We are subject to various risks relating to third-party payments.

During the Track Record Period, we accepted payments made on behalf of certain customers through the accounts of third-party payors. See “Business — Sales, Marketing and Pricing — Our Sales — Key Terms of Sales Contracts — Third-Party Payment Arrangements.” We were subject to various risks relating to such Third-Party Payment Arrangements, such as (i) possible claims from

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third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors and (ii) potential money-laundering risks, as we have limited knowledge about the source of the funds utilized by the third-party payors and their identities. In the event of any claims from third-party payors or their liquidators, or legal proceedings, including civil, criminal or regulatory actions, instituted or brought against us to demand return of the relevant payment or for violation of, or non-compliance with, laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims, legal proceedings or regulatory actions, and we may be forced to comply with the court ruling or order and return the payment for the products that we sold and services that we provided.

We are subject to credit risk related to defaults of customers, and any significant default on our receivables could materially and adversely affect our liquidity, financial condition and results of operations.

We are exposed to credit risk related to defaults of our various customers. As of December 31, 2023, 2024 and 2025 and March 31, 2026, our trade and bills receivables were RMB1,698.1 million, RMB1,649.2 million, RMB2,217.2 million and RMB2,140.5 million, respectively. Our trade and bills receivables turnover days were 122, 119, 110 and 133 in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. See “Financial Information — Discussion of Key Items of Consolidated Statements of Financial Position — Current Assets/(Liabilities) — Trade and Bills Receivables.” We may not be able to collect all such trade receivables due to a variety of factors that are outside of our control. If the relationship between us and any of our customers is terminated or deteriorates, or if any of our customers experience financial difficulties in settling the trade receivables, our corresponding trade receivables might be adversely affected in terms of recoverability. Our trade receivables balance may continue to grow alongside our business expansion, which may increase our risks for uncollectible receivables. If we are unable to collect our trade receivables from our customers, our business, financial condition and results of operations may be materially and adversely affected.

We recorded a significant amount of goodwill and other intangible assets, and our operating results may vary significantly due to the impairment of goodwill and other intangible assets.

As of March 31, 2026, we had goodwill of RMB517.9 million and other intangible assets of RMB50.2 million recorded in our consolidated financial statements. Under IFRS, we are required to annually (or more frequently) test our recorded goodwill to assess the carrying values of other intangible assets when impairment indicators exist which involves a significant degree of management judgments as well as estimates in determining the key assumptions. As a result of such tests, we could be required to book impairment charges in our statement of profit or loss if the carrying amount of an asset or a cash-generating unit is in excess of its recoverable amount. The amount of any potential impairment is not predictable. Factors that could trigger an impairment of such assets include the underperformance of our business relative to projected future operating results, negative industry or economic trends, including changes in market rates or weighted average cost of capital or applicable tax rates. Any potential future impairment, if required, could have a material adverse effect on our business, financial condition and results of operations.

We experienced net operating cash outflow for the three months ended March 31, 2025.

Due to the nature of our business, we may incur upfront operating expenditures and working capital outflows before we receive the corresponding cash inflows from customers. Historically, we recorded net cash used in operating activities of RMB80.1 million for the three months ended March 31, 2025. Our future liquidity, the payment of trade payables and other payables, and the repayment of any potential debt obligations as and when they become due, will primarily depend on our ability to maintain adequate cash inflows. We cannot assure you that we will be able to match the timing and amounts of our cash inflows with the timing and amounts of our payment obligations and other cash outflows. As a result, we cannot assure you that we will not experience negative net operating cash flows in the future. Negative operating cash flow requires us to utilize cash reserve or obtain

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sufficient external financing to finance our business operations, and meet our financing needs and obligations. If we are unable to do so, we may be in default of our payment obligations and our daily business activities may be impacted. Thus, our business, financial condition and results of operations may be materially adversely affected.

We may need additional capital, and we may be unable to obtain such capital in a timely manner or on acceptable terms, or at all.

We intend to continue to make investments in the long-term operating and development of our business and may require additional funds. In particular, we may seek additional funds to develop new products and enhance our platform and existing products, expand our operations, including our sales and marketing efforts and our presence outside of China, improve our infrastructure or acquire complementary businesses, technologies, services, products and other assets. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our shareholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to holders of our ordinary shares and the ADSs. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, scale our infrastructure, develop product enhancements and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected.

Discontinuation of any government grants could result in additional compliance obligations and costs.

Government agencies may decide to reduce, eliminate or cancel our tax preferences at any time. Therefore, we cannot assure you of the continued availability of such tax preferences as we currently enjoy. The discontinuation, reduction or delay of the preferential tax treatment could adversely affect our financial condition and results of operations. We also receive government grants, primarily in the form of non-recurring financial assistance from the local government in China. Our government grants recognized under other income and gains amounted to RMB97.6 million, RMB79.7 million, RMB82.6 million, RMB8.3 million and RMB12.6 million in 2023, 2024, 2025 and in the three months ended March 31, 2025 and 2026, respectively. See “Financial Information — Description of Major Components of Our Results of Operations — Other Income and Gains.” As these government grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefiting from them in the future. In some cases, we are required to satisfy certain conditions or contractual obligations before receiving government grants. However, there can be no assurance that we will be able to fully satisfy these conditions or perform such obligations, and it is possible that governmental authorities may discontinue such grants, or require us to repay part or all of the government grants we previously received. Any reduction, cancellation or repayment resulting from our failure to perform such obligations could adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operations may be materially and adversely affected by *force majeure* events, natural disasters or other issues beyond our control.

Natural disasters and other *force majeure* events beyond our control, including earthquakes, floods, epidemics and other public health or public security incidents, may disrupt economic activity, infrastructure and daily life in affected areas. Any such events could disrupt our operations, including closures of offices or facilities, delays in production schedules, disruptions to transportation or communications, and shortages or price increases of raw materials due to supplier interruptions. In addition, pandemics or other public health incidents may require remedial

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measures such as temporary shutdowns of our facilities, which could adversely affect our operations. Any future occurrences of such natural disasters or force majeure events may materially and adversely affect our business operations, financial condition, results of operations and prospects.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE

Changes in global or regional political and economic policies could have an adverse effect on our business, financial condition and results of operations.

Our business, financial condition and results of operations are subject to the economic, political, social and legal environments of the countries and regions in which we operate. Any adverse developments in these areas could materially and adversely affect our operations and prospects. Governments around the world have implemented, and may continue to implement, various policies and regulatory measures to promote economic growth, manage industrial development and guide resource allocation. In addition, regional economic downturns or shifts in government priorities, such as reduced support for intelligent manufacturing initiatives, could lead to slower adoption of our solutions. These factors may adversely affect our revenue growth, profitability and ability to maintain a competitive position in the global market.

Our imports and exported products may be adversely affected by international trade barriers.

We have been, and may continue to be, adversely affected by trade barriers, such as tariffs and countervailing duties imposed on imports from jurisdictions in which we manufacture our products or otherwise source merchandise, parts and components. Furthermore, international market conditions and the international regulatory environment have historically been affected by competition among countries and geopolitical frictions. Changes to trade policies, treaties and tariffs of the jurisdictions in which we operate, or the perception that these changes could occur, could adversely affect the financial and economic conditions of the jurisdictions in which we operate, and subsequently our financial condition and results of operations. Non-tariff trade barriers, such as potential restrictions on transfer of technology or intellectual property rights, may adversely affect the technology know-how we may rely on for the development of, and the innovation in our products. The tariffs described above, together with any further tariffs that the U.S. administration may impose on Chinese goods, or any similar additional tariffs imposed by other jurisdictions in which we operate, may further adversely affect our results of operations. Further, any other barriers to trade or protectionist measures imposed on goods that include our products exported to our key overseas markets could materially adversely affect our exports to those regions and, in turn, our results of operations and financial condition.

We are subject to economic sanctions and export control laws that could expose us to liability and impair our ability to compete in overseas markets.

Our global operations subject us to various sanctions and export control regulations that may be applicable to us. We have exported our products to several countries and regions. The U.S. and other jurisdictions have implemented trade measures, such as tariffs, economic sanctions and export restrictions, which directly or indirectly affect companies operating in certain jurisdictions. These measures, together with potential retaliatory actions, could disrupt established trade relationships and supply chains. We cannot predict how trade policies will be interpreted or enforced by the U.S. or other major economies, nor can we assure you that future changes in international trade relationships will not adversely affect our operations. We may face challenges such as: (i) restrictions on technology exports or component sourcing, which could limit our ability to procure critical materials or deliver products; (ii) heightened compliance obligations, requiring additional resources to monitor and adhere to evolving sanctions and export control regimes; and (iii) indirect impacts from geopolitical tensions, including reputational risks and potential limitations on financing or partnerships in certain jurisdictions.

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During the Track Record Period, we sold intelligent controllers for home appliances to one related-party customer within Haier Group in Russia and one third-party customer in Belarus (the “**Russia and Belarus Sales**”), which in aggregate accounted for approximately 2.3%, 3.4%, 1.0% and 0.4% of our total revenue in 2023, 2024, 2025 and in the three months ended March 31, 2026, respectively. These products were shipped from the PRC, settled in Renminbi, designed using PTC Creo computer-aided design (CAD) software, and incorporated certain U.S.-origin items and items procured from the United States, all of which were classified as EAR99. See “Business — Impact of U.S. Sanction and Export Control” for a detailed discussion of our sanction and export control exposures. As advised by our International Sanctions Counsel: (i) we are not a Sanctioned Target and are not located, incorporated, organized or resident in a Sanctioned Country, nor do we qualify as a Sanctioned Trader; (ii) none of the items involved in the Russia and Belarus Sales were identified on the Common High Priority List; (iii) no customer involved in the Russia and Belarus Sales was identified as a sanctioned person; (iv) the Russia and Belarus Sales did not violate applicable sanctions measures nor involve activities that would constitute secondary sanctionable conduct under applicable U.S. sanctions laws; and (v) the sanctions risks to our Company under current international sanctions regimes are not significant. Based on the foregoing, our Directors are of the view that (i) our activities during the Track Record Period would not constitute Primary Sanctioned Activity or Secondary Sanctionable Activity under U.S. sanctions and (ii) the Russia and Belarus Sales did not have a material impact on our results of operations or financial condition during the Track Record Period.

Such sanction or export control 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 for our international business and may materially and adversely affect us, our business partners and our key suppliers’ and customers’ abilities to obtain technologies, systems, devices or components that may be critical to our solution offerings and business operations, and may affect our sales to certain foreign markets.

Our business is subject to extensive governmental regulations and approvals.

In order to operate our businesses and in response to our expanded international markets, we are required to obtain and comply with various permits, licenses, certificates, consents and other approvals from relevant administrative authorities. Each permit, license, certificate, consent and 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. There can be no assurance that we will be able to fulfil the pre-conditions necessary to obtain the required governmental approvals or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to our operations. There may be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other payments.

A significant portion of our revenue and expenses is denominated in Renminbi, which is not freely convertible into foreign currencies. The conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. Under current PRC laws and regulations, payments under the current account, such as profit distributions and operating expenses, may be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (“SAFE”), subject to certain procedural requirements. In contrast, capital account transactions, including the repayment of loan principal and returns on direct investments, remain subject to approval or registration with SAFE. There can be no assurance that we will be able to obtain such approval in a timely manner, or at all. Any restrictions on the conversion or remittance of Renminbi,

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or changes in policies relating to dividend payments in foreign currencies, may adversely affect our foreign exchange transactions and our ability to pay dividends in foreign currencies, and could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks relating to fluctuations in foreign exchange rates.

We are exposed to foreign exchange risk primarily through sales and purchases that are denominated in a currency other than the functional currency. In 2023, 2024 and the three months ended March 31, 2025, we incurred a foreign exchange gain of RMB6.7 million, RMB1.0 million and RMB0.6 million, respectively. In 2025 and the three months ended March 31, 2026, we incurred a net foreign exchange loss of RMB2.2 million and RMB2.4 million, respectively. In addition, we are also subject to currency conversion risks arising from overseas sales and purchases. The fluctuations in the exchange rates among Renminbi, the U.S. dollar and other foreign currencies could affect our financial performance and results of operations. There may be limited instruments we can use to reduce our exposure to exchange rate fluctuation, and the instrument we use to reduce our foreign exchange risk exposure may not be effective. Also, the cost of such foreign exchange rate hedging instruments may fluctuate significantly over time and may outweigh the potential benefit from the reduced currency volatility. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. However, there is no assurance if or when these further reforms will occur. Any volatility of the Renminbi exchange rate in the future may materially affect our businesses, financial condition and operating results and future prospects.

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.

Under the PRC Enterprise Income Tax Law, enterprises are generally subject to enterprise income tax at a rate of 25%, although we and certain of our subsidiaries benefited from preferential tax rates, such as a reduced rate of 15% applicable to High and New Technology Enterprises, during the Track Record Period. Changes in relevant tax laws, regulations or preferential policies, or increases in our effective tax rate, may increase our tax liabilities and adversely affect our business, financial condition and results of operations. In addition, we operate in multiple jurisdictions and are subject to various local tax regimes, and changes in overseas tax laws or policies may expose us to additional tax risks. We are also subject to reviews, audits and examinations by PRC and overseas tax authorities. The tax treatment of certain transactions, including our intra-group transactions, is subject to interpretation by the relevant tax authorities. There can be no assurance that such authorities will not challenge our historical tax positions or transaction arrangements, or that applicable tax regulations will not change in the future. Any unfavorable determination may require us to make retrospective tax adjustments, re-allocate income or incur additional tax liabilities, which may materially and adversely affect our business, financial condition and results of operations, and could also divert management time and resources.

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

We are incorporated in the PRC and the majority of our business and operations are located in the PRC. In addition, the majority of our Directors and senior management reside in the PRC. The assets of these Directors and senior management also may be located within the PRC. It may be difficult for investors to effect service of process upon those persons residing in the PRC or to enforce against us or them in the PRC any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult or even impossible. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [REDACTED] of our H Shares on the Stock Exchange, the holders of H 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.

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Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

RISKS RELATING TO THE [REDACTED]

Rules and regulations on outbound investments may increase the compliance burden of foreign investors, negatively impacting our ability to raise capital.

The Department of Treasury of the United States released a final rule imposing restrictions on U.S. outbound investment in Chinese companies active in developing certain national securities technologies (the “**Final Rule**”) on October 28, 2024, which took effect on January 2, 2025. It imposes additional due diligence responsibilities, record-keeping and notification 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. Such entities and persons are collectively referred to as “covered foreign persons,” and such transactions between a covered foreign person and a U.S. person, including the acquisition of the covered foreign person’s equity interest in its initial public offering, are referred to as “covered transactions” in the Final Rule. Depending on the covered foreign person’s specific activities relating to the aforementioned three sectors, U.S. persons subject to the Final Rule are either (i) prohibited from making a covered transaction, which is referred to as “prohibited transaction” in the Final Rule; or (ii) required to report a covered transaction, which is referred to as “notifiable transaction” in the Final Rule, unless an exception applies. The Final Rule may increase the compliance burden of U.S. investors, cause certain U.S. investors to adopt a more cautious approach in their investments and affect their sentiment towards us, negatively impacting our ability to raise capital. The Final Rule may also limit our ability to raise capital or contingent equity capital from U.S. investors given that relevant laws, regulations and policies continue to evolve, and we cannot rule out potential amendments to the Final Rule that make it even more restrictive or the introduction of similar regulations, such as the draft Comprehensive Outbound Investment National Security Act of 2024. If our ability to raise such capital is significantly and negatively affected, it could materially and adversely impact our business, financial condition and prospects.

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

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]. The initial [REDACTED] for our H Shares to the public will be the result of negotiations between us and the [REDACTED] (for themselves and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the market price of the H Shares following the [REDACTED].

The price and trading volume of our H Shares may be volatile, which could materially and adversely affect the market price of our H Shares.

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 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 Shares. In addition to market and industry factors, the price and trading volume of our 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 suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange

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with significant operations and assets in the PRC 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 may be adversely affected by future sales of a substantial number of our H Shares or other securities relating to our H Shares, including sales by our Directors, executive officers or Controlling Shareholders, or by the issuance of new shares or securities. Any such sales or the perception that they may occur could negatively impact the market price of our H Shares. In addition, our Shareholders may experience dilution as a result of future issuances of shares or share-linked securities, including pursuant to our share option incentive schemes, and such securities may confer rights or privileges senior to those of the H Shares. Certain Shares held by our Controlling Shareholders are subject to lock-up arrangements following the [REDACTED]. We are not aware of any current intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up period. There is no assurance that they will not do so, and any such sales could adversely affect the market price of our H Shares. In addition, investors in the [REDACTED] are generally not subject to disposal restrictions and may dispose of the H Shares they hold shortly after the [REDACTED], which could result in downward pressure on, or volatility in, the market price and trading volume of our H Shares.

The [REDACTED] of the H Shares is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the H Shares in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. In order to expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution in the net tangible asset value per H Share of their H Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may issue Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders’ interests in our Company.

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

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including, but not limited to, mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of Directors and other significant corporate actions. The interests of our Controlling Shareholders might differ from the interests of our other shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may, in turn, affect our results of operations.

Payment of dividends is subject to restrictions, including the requirement that we have sufficient distributable profits enabling us to make dividend distributions to our shareholders.

Under applicable PRC laws, we may only pay dividends to shareholders out of our distributable profits. Distributable profits are our after-tax profits as determined under generally accepted accounting principles as adopted by the PRC (“PRC GAAP”), less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. Furthermore, pursuant to the rules promulgated by the CSRC, we may not distribute gains from changes in the fair value of financial assets that are included in distributable profits as cash

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dividends. However, we may not have sufficient or any distributable profits to enable us to make dividend distributions to our shareholders in the future, including for the periods in which our financial statements indicate that our operations have been unprofitable.

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

The PRC has entered into tax treaties or similar arrangements with many jurisdictions. Subject to any applicable tax treaty or similar arrangement, dividends derived from PRC sources and paid by PRC resident enterprises to non-PRC resident enterprise H share holders with no establishment or place of business in the PRC, or whose income is not effectively connected with such establishment or place of business, are generally subject to PRC withholding enterprise income tax at a rate of 10%. Gains derived by such investors from the transfer of H shares may also be subject to PRC income tax at a rate of 10% (or a lower rate) if regarded as PRC-sourced income, unless otherwise provided under an applicable tax treaty or similar arrangement. As of the Latest Practicable Date, there were no specific rules governing the taxation of gains derived by non-PRC resident enterprise holders from the disposal of H shares. Under the PRC Individual Income Tax Law and its implementation rules, dividends and gains derived from PRC sources by non-PRC resident individual investors are generally subject to PRC withholding individual income tax, subject to any applicable tax treaty or preferential tax treatment. Dividends paid to non-PRC resident individual holders of H shares are generally subject to PRC withholding tax at a rate of 10% or 20%, depending on the applicable tax treaty arrangements. Gains derived by individuals from the transfer of listed shares may be exempt from individual income tax, and as of the Latest Practicable Date, relevant rules do not expressly require the collection of PRC individual income tax on gains derived by non-PRC resident individuals from the transfer of shares of PRC resident enterprises listed overseas. If PRC income tax is imposed on dividends paid on, or gains derived from the transfer of, our H shares, the value of your investment may be affected. In addition, shareholders resident in jurisdictions that have tax treaties or similar arrangements with the PRC may not qualify for the preferential tax treatment thereunder.

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

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

Certain facts, forecasts and other statistics in this document are derived from official government sources which have not been independently verified and may not be reliable.

This document, particularly the section headed “Industry Overview,” contains information and statistics relating to the industry in which we operate and other economic data. Such information and statistics have been derived from official government sources, which have not been independently verified by us, any of the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors and advisers, affiliates or any other persons or parties involved in the [REDACTED], and no representation is

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given as to its accuracy. Collection methods of such information may be ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information.

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

Prior to the publication of this document, there has been coverage in the media regarding us and the [REDACTED], which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. We disclaim any information in the media to the extent that such information is inconsistent or conflicts with the information contained in this document. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.