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

RISKS RELATING TO OUR GENERAL OPERATIONS AND INDUSTRY

Our business, results of operations and financial condition could be adversely affected if the potential size of our target markets and the demand for our robots and robotics solutions do not grow as quickly as we expect due to various factors.

We are a high-speed industrial robotics enterprise dedicated to the research and development ("R&D"), production, sales and service of high-speed and reliable robots. We operate in markets that are subject to rapid change, including ongoing technological developments, evolving customer requirements and shifting industry dynamics. As a result, it is inherently difficult to accurately predict the timing, scale and commercial potential of opportunities associated with each of our products and solutions.

This document contains estimates and forecasts relating to the industries in which we operate, which are derived from industry publications, market reports and other publicly available information. Such estimates and forecasts are subject to a number of assumptions, inherent limitations and significant uncertainties. Similarly, our internal estimates and projections are based on various assumptions, including assumptions regarding customer acceptance of our products and solutions and the manner in which emerging and rapidly evolving markets will develop. There can be no assurance that the assumptions and estimates will prove to be accurate. Changes in market conditions, technological trends or other external factors may reduce the reliability of these estimates at any time. If third-party or internally generated data are inaccurate, or if our assumptions prove to be incorrect, the addressable markets for our products and solutions may be smaller than anticipated, our growth opportunities and sales prospects may be more limited than expected, and our business, results of operations and financial condition could be materially and adversely affected.

Given our limited commercialization track record, we cannot guarantee that we will achieve our anticipated business plans or future performance targets.

We have a limited track record in the commercialization, sales and marketing of our robots and robotics solutions. During the Track Record Period, our business has been focused on four principal product lines, namely parallel robots, high-speed SCARA robots, high-payload cobots and embodied intelligent robots, which are applied to a wide spectrum of application scenarios, spanning food and beverage, consumer goods, pharmaceutical, renewable energy, consumer electronics and automotive industries, and each of them is at a different stage of commercialization and market penetration process. Our ability to successfully commercialize our future products and solutions may involve more inherent risks, take longer time and cost more efforts than it would have if we were a company with a longer track record in commercialization. In particular, the commercialization of new products and solutions requires additional resources. The success of commercializing, selling and marketing our existing and potential principal product lines depends on our ability to attract, motivate and retain qualified, experienced personnel with sufficient technical expertise in our products and solutions, relevant industry experience, and marketing and promotional capabilities to deepen collaboration with existing stakeholders and expand future sales channels. Such personnel must be capable of effectively communicating with our direct sales customers, distributors and system integrators and other stakeholders in relevant industries and supporting the deployment of our products and solutions in various application scenarios.

Given our limited commercialization track record, there can be no assurance that the sales performance of our products and solutions will meet our expectations or forecasts, that customers will adopt and deploy our products in their production lines or other use cases, or that we will be able to consistently maintain effective quality control over our products and solutions. Any failure, individually or in combination, could materially and adversely affect the commercialization of our products and solutions and, in turn, materially and adversely affect our business, results of operations and financial condition. Accordingly, our historical performance may not provide a meaningful basis for assessing our future performance, financial condition or growth prospects. We may encounter unforeseen expenses, operational challenges, delays or other known or unknown risks, and there can be no assurance that we will be able to achieve our anticipated results in future periods. If we are unable to effectively address these risks, our business and prospects may be materially and adversely affected.

Our business, results of operations and financial condition could be adversely affected if we fail to compete with our competitors in the highly competitive robotics industry.

The robotics industry is highly competitive with the competitive landscape in each relevant sector to be relatively dispersed. See "Industry Overview." We primarily compete with other companies that focus on the development and distribution of robots and robotics solutions, which include multinational corporations, established domestic manufacturers and emerging technology companies. Competition is intense across multiple product categories, including parallel robots, high-speed SCARA robots and high-payload cobots. For example, even though we were ranked second and fourth in the global market share of parallel robots and leading high-speed industrial robots ranked by global shipment volume, our products only accounts for 7.7% and 5.2% of the global market share, respectively. Competitors and new market entrants may possess greater marketing resources to promote their products and solutions, and may introduce alternative automation technologies or products that are more cost-effective, easier to deploy, or capable of addressing a broader range of application scenarios.

In particular, more established market players, such as multinational corporations or seasoned domestic manufacturers, typically possess greater market familiarity and more robust marketing resources to promote their products, as well as more substantial financial resources to invest in R&D for upgrading their product lines. Particularly, the high-speed industrial robot industry is dominated by Swiss and Japanese manufacturers where they accounts for three of the top five largest high-speed industrial robot manufacturers and their accumulated market shares accounts for around 23% of the global market, in terms of global shipment volume. Our leading position in China may be challenged by these major manufacturers should they decide to enhance their marketing resources in promoting their products into the Chinese markets leveraging their international technical expertise. New market entrants may offer more innovative and cost-competitive products and solutions to penetrate the market and attract new customers, further intensifying industry competition. Increased competition could result in lower sales volume, price reductions, compressed profit margins, or loss of market share. Furthermore, we may be required to make substantial additional investments in R&D, sales and marketing, talent recruitment and retention, and the acquisition of technologies complementary to, or necessary for, our current and future products and solutions to respond to such competitive threats, and we cannot assure you that such investments will be effective. If we are unable to compete effectively, or if competing effectively requires us to take costly actions in response to our competitors' strategies, our business, results of operations, and financial condition may be materially and adversely affected.

We had incurred net losses and recorded operating cash outflows during the Track Record Period, and may not be able to subsequently maintain profitability in the near future.

We recorded net losses of RMB39.3 million and RMB47.1 million in 2023 and 2024, respectively. Although we recorded net profits of RMB0.7 million in 2025, there is no assurance that we will be able to subsequently maintain profitability in the near future and may revert to incurring net losses in the short term, as we are in the stage of expanding our business and operations in the rapidly growing robotics industry and are continuously investing in R&D. We recorded net loss of RMB4.8 million and RMB28.8 million in the six months ended June 30, 2025 and 2026. Active efforts to acquire new customers or launch new products may result in higher initial layout of costs required to meet specific customer needs, including longer on-site implementation lead time for our robotics solutions to onboard customers, and mold development and/or production line adjustments associated with the mass production of our newly launched robots. We believe that our future revenue growth will depend on, among other factors, our ability to develop new technologies to diversify our product offerings and improve customer experience, enhance our operational efficiency, establish and successfully complete effective commercialization strategies. Accordingly, you should not rely on the revenues of any prior period as an indication of our future performance. Our costs and expenses may continue to increase in future periods, as we continue to expand our business and operations and invest in R&D activities. In addition, we expect to incur substantial costs and expenses as a result of being a public company. We are unable to generate sufficient revenues and manage our expenses effectively, we could fail to maintain our profitability going forward.

Additionally, the robotics industry we operate in is characterized by long operating cycle and relatively high upfront working capital investments. We recorded net cash outflow used in operating activities of RMB14.9 million, RMB6.6 million, RMB23.2 million, RMB20.2 million and RMB28.6 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, respectively. See "Financial Information — Liquidity and Capital Resources — Cash Flows." We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we continue to record net operating cash outflows in the future, 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 adequate external financing such as offering and issuing securities, and/or other sources such as external debt, which 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 will be in default of our payment obligations and may not be able to expand our business. As a result, our business, results of operations and financial condition may be materially and adversely affected.

The demand for our robots and robotics solutions may decrease due to the long lifecycle of certain products and ongoing technological advancements.

Our robots and robotics solutions are designed to substitute manual labor and help customers reduce labor-related costs. However, due to the long replacement cycles of automated production lines, certain customers may continue to operate their existing automated production lines for extended periods as long as they remain functional and economically efficient. The replacement cycles for industrial robotics vary from three to eight years, depending on the specific downstream industries in which they are employed. For example, as for our key products, the replacement cycles range from 5 to 7 years, 3 to 5 years and 3 to 5 years for our parallel robots, high-speed SCARA robots and high-payload cobots, respectively. As a result, even if our products and solutions offer better performance or greater cost efficiency, our prospective customers may delay upgrades or replacement purchases, leading to slower-than-expected procurement cycles and reduced demand for our products and solutions. This could materially and adversely affect our sales volume, revenue growth, market penetration, business, results of operations and financial condition.

Moreover, the robotics industry is characterized by rapid technological advancements, including improvements in machine vision, motion control algorithms, AI-enabled automation and emerging robot architectures. If competitors or new market entrants launch innovative alternative technological solutions, such as enhanced collaborative systems, modular automation platforms or AI-driven general-purpose robots, this may reduce customers' reliance on our existing robot types, including parallel robots, high-speed SCARA robots and high-payload cobots, and may render certain of our existing offerings less competitive or unnecessary in certain use cases.

Furthermore, our ongoing efforts to upgrade and expand our product portfolio are subject to technological and commercial uncertainties. There is no assurance that such initiatives will achieve the intended performance targets, meet customer expectations or keep pace with industry developments. If we fail to introduce new products or enhanced solutions in a timely manner, maintain technological competitiveness or adapt to evolving market trends, we may experience reduced competitiveness, constrained market expansion opportunities, lower revenue, loss of talent and erosion of market share to competitors. As a result, our business, results of operations and financial condition could be materially and adversely affected.

Our business, results of operations and financial condition could be adversely affected if we fail to recruit, retain and incentivize key management and technical personnel, as our business depends on this ability.

Our ability to sustain and grow our business depends, to a significant extent, on our capability to attract, retain and motivate individuals with appropriate qualifications, expertise and experience, including senior management, technical personnel, professional executives, engineers and sales personnel. Our senior management team possess extensive industry experience and operational expertise, and their continued involvement is an important contributor to our long-term development and overall performance. Such individuals and our other technical staff play a critical role in supporting our R&D activities and in facilitating the successful commercialization of our products and solutions. The demand for highly skilled professionals within our industry has intensified, and competition for such talent continues to increase. In addition, as we are in the early stage of commercialization process, any unanticipated changes to the composition of our management and technical team could materially and adversely affect the continuity and efficiency of our operations, as well as increase costs and disrupt the stability of our commercialization process as we work to enhance market penetration of our robots and robotics solutions.

We seek to retain our key management and technical personnel. Nevertheless, changes to our management and technical team may occur from time to time, and we cannot guarantee that our key management and technical personnel's resignation will not take place or that we will be able to identify, recruit and retain suitably qualified replacement on acceptable terms or within a reasonable period of time. In addition, changes in the interpretation, implementation or enforcement of employment-related laws and regulations applicable to our workforce practices may result in increased compliance costs and reduced flexibility in managing our human resources. See "Regulatory Overview — PRC Laws and Regulations — Laws and Regulations on Labor Protection, Social Insurance and Housing Provident Funds."

Our business, operating results and financial conditions may be adversely affected if we fail to maintain stable relationships with our major customers to retain our existing customers and/or we fail to approach new customers.

We cannot guarantee that our customers will place repeat orders for our robots or robotics solutions on a regular basis, or at all. In addition, our ability to continuously attract new customers to support revenue growth depends on various factors, many of which are beyond our control, including customer acceptance of our products and solutions, the pace at which relevant use cases expand, and changes in customer preferences, demand patterns and industry trends. If we are unable to effectively attract new customers or retain existing customers, our business, results of operations and financial condition may be materially and adversely affected.

Specifically, as many of our robots and robotics solutions are deployed in customers' production lines and other mission-critical environments our ability to deliver, and reputation for delivering, timely, reliable and responsive after-sales services is an important factor in maintaining stable and long-term relationships with our major customers and securing repeat business from them and attracting new customers. Customers rely on us and our distributors to provide installation, commissioning, on-site troubleshooting, spare parts support and other after-sales services. As we expand our product range and enter new markets, the scope and complexity of our maintenance and support services may increase. For overseas customers, we partially rely on our distributors to deliver after-sales services locally. The technical capabilities, responsiveness and stability of these distributors vary across regions. Any inadequacy in the service capabilities of our distributors, whether due to limited engineering resources, insufficient product knowledge or delays in customer response, may negatively impact customer experience in overseas markets. As we scale our operations, we may face increasing challenges in meeting growing service demands, responding promptly to service requests, maintaining a sufficiently skilled, experienced and high-quality technical maintenance and support team, and sustaining stable relationships with our overseas local after-sales distributors. If we are unable to consistently provide high-quality maintenance and support services, our major customers may experience extended downtime, product malfunctions or unsatisfactory service outcomes, which could weaken customer confidence, damage our reputation and adversely affect our relationships with such customers and hinder our ability to attract new customers.

In addition, the increasing adoption of advanced technologies in our products may require more specialized technical expertise and support capabilities. If we fail to keep up with evolving customer requirements or are unable to provide timely troubleshooting, repairs or system upgrades, customer satisfaction and loyalty may decline. As a result, our major customers may reduce their purchases from us, terminate their cooperation with us or shift their procurement to alternative suppliers. We may also incur higher operating costs as we allocate additional resources to address service issues, enhance training or improve service response times. Any of the foregoing could materially and adversely affect our business, operating results and financial condition.

Accordingly, if there is a material decline in the order volume for our products or solutions, a reduction in the scale of such projects as measured by contract value, or if we are unable to secure future projects with relatively favorable profit margins, our business, operating results and financial condition could be materially and adversely affected.

We may encounter emerging challenges and additional risks while expanding into new product categories or solutions.

We plan to continue enriching our product portfolio by developing new types of product offerings targeted at high-value-added scenarios, such as smart cleaning robots, space robotic arms and force-controlled humanoid arms. These initiatives are intended to broaden our addressable markets and strengthen our competitiveness. However, the R&D and commercialization of new products involve significant uncertainties. New products may require substantial investment in R&D, manufacturing resources, testing and iteration, and there is no assurance that such efforts will result in commercially viable offerings or achieve the anticipated performance improvements.

Market acceptance of new product categories is also uncertain. Adoption in downstream industries may depend on customer education, proven case studies, product reliability and price competitiveness. If our new products fail to meet customer expectations, cannot deliver stable performance across diverse application environments or face strong competition from existing market players, their commercialization may be delayed or may not achieve the desired levels of sales.

In addition, expanding into new product categories may place additional demands on our supply chain, production capacity and quality-control systems. New components may need to be sourced, production lines may require reconfiguration, and our teams may need to build new testing and calibration procedures. If we fail to effectively manage these operational challenges or allocate sufficient resources, our production efficiency, product consistency and customer satisfaction may be adversely affected.

If we are unable to successfully develop, launch or commercialize new products and solutions, or if the associated costs exceed expectations, our growth prospects, business performance, financial condition and market competitiveness could be materially and adversely affected.

Our strategic acquisitions or investments may not achieve their intended objectives and could adversely affect our reputation, business and operating results.

As of the Latest Practicable Date, we have not identified any investment or acquisition target and we have not made any acquisition during the Track Record Period. In the future, we may pursue strategic acquisitions, investments or alliances with third parties in order to complement or expand our existing businesses, technologies or market presence. Such transactions may expose us to a variety of risks, including risks associated with the sharing of proprietary or confidential information, failure by counterparties to perform their obligations, increased costs incurred in structuring and implementing such transactions, and limitations on our ability to control or oversee the operations or actions of our partners or investees. Any of these factors could materially and adversely affect our business and operating results.

Our reputation may also be adversely affected by our association with third parties involved in strategic alliances, investments or acquisitions. To the extent that any such third parties experience adverse publicity, regulatory scrutiny or reputational damage arising from matters related to their own businesses, we may suffer negative publicity or reputational harm as a result of such association, regardless of whether we are directly involved in or responsible for such matters.

In addition, future acquisitions or investments may involve significant management attention and resources to integrate acquired assets, technologies or businesses into our operations. Such integration efforts may divert management's focus from our existing business operations and may be complex, time-consuming and costly. There can be no assurance that any acquired or invested businesses, assets or technologies will achieve the expected financial or operational performance, or that anticipated synergies or strategic benefits will be realized within the expected timeframe.

Our reliance on a limited number of suppliers for certain components and equipment may expose us to supply chain risks.

We procure (i) components, such as reducers, motors, carbon fiber tubes and aluminum shafts; and (ii) equipment, such as Computer Numerical Control (CNC) machine tools, sheet metal cutting equipment and bending machines from a limited number of suppliers for the production of our products and solutions.

In 2023, 2024 and 2025 and the six months ended June 30, 2026, purchases from our top five largest suppliers amounted to RMB23.6 million, RMB30.1 million, RMB28.5 million and RMB29.2 million, respectively, accounting for 24.4%, 22.0%, 23.3% and 28.2% of our total purchases, respectively. In 2023, 2024 and 2025 and the six months ended June 30, 2026, purchases from our largest supplier amounted to RMB6.5 million, RMB8.1 million, RMB6.6 million and RMB12.1 million, respectively, accounting for 6.7%, 5.9%, 5.4% and 11.6% of our total purchases, respectively.

The operational stability, commercial practices and business strategies of our suppliers are beyond our control, and we cannot guarantee that we will be able to maintain stable, continuous or long-term relationships with such suppliers. The identification, assessment and qualification of alternative or additional suppliers and vendors is often time-consuming and may result in production delays, disruptions to our manufacturing activities and increased costs. In certain circumstances, suitable alternative suppliers may not be available on commercially reasonable terms, or at all.

Any failure by our suppliers to deliver required components, equipment or services in a timely manner could disrupt our production processes and adversely affect the implementation of our business strategies. In addition, suppliers may from time to time extend delivery lead times, encounter capacity constraints, restrict supply volumes, increase prices, experience quality or performance issues or face other operational challenges, any of which could materially and adversely interrupt our supply chain or increase the costs associated with our procurement of components, equipment and services.

Our business, operating results and financial condition may be adversely affected if we fail to mitigate or hedge against rising costs of parts and components used in our products and solutions.

Our production of products and solutions depends on the procurement of various parts, components and other supplies, the prices of which are subject to fluctuations in the markets in which they are sourced. Our main parts and components sourced from third parties suppliers primarily includes components and equipment, such as reducers, motors non-standard parts. See "Business — Our Suppliers." Such costs of direct materials amounted to RMB64.4 million, RMB84.3 million, RMB143.9 million, RMB58.5 million and RMB80.1 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, which accounts for 83.0%, 80.7%, 81.9%, 82.4% and 81.4% of our costs of sales in the relevant year. Changes in market conditions, including shifts in supply and demand dynamics, cost structures of upstream suppliers and broader economic factors, may result in increases in our procurement costs. Competitive pressures and prevailing market conditions may limit our ability to fully offset such cost increases through adjustments to the prices charged to our customers.

In particular, where the costs of certain parts or components increase significantly, rise rapidly or remain elevated relative to historical levels, we may not be able to pass on such increases to customers in a timely manner, or at all. There can be no assurance that our cost management measures will be sufficient to effectively hedge against sustained or material increases in parts and component costs. This may be more pronounced in product segments characterized by intense competition or heightened price sensitivity as well as in respect of parts or components for which there are limited alternative sources or substitutes. As a result, our gross margins may be compressed, and our profitability may be adversely affected.

If we are unable to effectively mitigate, absorb or hedge against rising costs of parts and components through alternative sourcing, operational adjustments or pricing strategies, our business, operating results and financial condition could be materially and adversely affected.

We might not be able to maintain consistent and full quality control over our products and solutions as defective products supplied by third parties could result in direct warranty expenses and after-sales service costs to downstream customers.

The performance and reliability of our products and solutions depend, to a significant extent, on the effectiveness of our quality control and quality assurance systems. Such systems are influenced by a number of factors, including the quality and reliability of parts and components used, the qualifications and training of our personnel, and our ability to ensure that relevant quality control and assurance procedures are consistently implemented. However, we cannot assure that our quality control and quality assurance measures will be sufficient to prevent or promptly detect deviations from applicable quality standards in all circumstances.

Any material deficiency, failure or deterioration in our quality control or quality assurance processes could result in products failing to perform as intended, give rise to safety concerns or cause damage to property or personal injury. Such incidents could also adversely affect our market reputation, customer confidence and relationships with business partners, and may lead to increased costs associated with remediation, recalls, repairs or other corrective actions.

In addition, we rely on third-party suppliers to provide us with components and equipment. The quality of these components and equipment supplied by third-party suppliers and incorporated into our robots or robotics solutions is largely beyond our direct control. See "Business — Our Suppliers." We cannot assure that such components and equipment will consistently meet required quality standards or be free from defects. While we implemented a rigorous cross-functional supplier evaluation system pre-engaging with any suppliers, any quality-related issues attributable to such suppliers could result in customer complaints, product liability claims or other disputes.

In the event of quality issues arising from supplier-provided parts or components, we may be unable to obtain adequate compensation or indemnification from the relevant suppliers. Under our existing business arrangements, we generally bear the warranty obligations directly to our customers who purchase our products through our direct sales channels, which may result in

increased warranty-related expenses and after-sales service costs. Any legal proceedings against suppliers, regardless of their outcome, may be time-consuming and costly. Any of the foregoing circumstances could materially and adversely affect our business, operating results and financial condition.

We may be subject to product liability claims if our products or solutions contain defects, and we could incur significant expenses to remediate such defects. As a result, our reputation could be damaged and we could lose market shares, and our business, results of operations and financial condition may be adversely affected.

Our robots and robotics solutions may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Our products or solutions may contain serious errors or defects, security vulnerabilities or software issues, which we are unable to successfully correct in a timely manner or at all. Some errors or defects in our products or solutions may only be discovered after they have been commercialized and deployed by our customers for their production lines or other use cases and we may incur costs relating to product recall, repair or replacement. Furthermore, these issues could potentially lead to lawsuits filed against us by our customers or other parties, exposing us to potential liabilities and damages. We may also experience revenue loss, significant capital expenditures, delay or loss in market acceptance and damage to our reputation and brand, any of which could adversely affect our reputation, business, results of operations and financial condition.

Given that many of our customers use our products or solutions in production processes that are critical to their businesses, any error or defect in our products or solutions could result in losses to our customers. Our customers may seek compensation from us for any losses they suffer or cease conducting business with us altogether. A claim brought against us by any of our customers would likely be time-consuming, costly to defend and may materially and adversely affect our reputation and brand, making it difficult for us to sell and market our products and solutions.

Our business, results of operations and financial condition could be adversely affected if our distributors fail to operate effectively or we are unable to maintain strong relationships with them.

We rely on a network of distributors to sell our products and provide after-sales services in certain markets, leveraging their local market knowledge, sales channels and customer resources. As of June 30, 2026, we had 25 distributors. See "Business — Sales — Distribution." Our ability to effectively reach customers and generate sales depends, in part, on the performance, capabilities and commercial efforts of our distributors, which are largely beyond our control. Our distributors may not be able to successfully promote, market or sell our products, or maintain their competitiveness, or consistently provide high-quality after-sales services comparable to those offered to direct customers, due to a variety of factors, including limitations in their sales capabilities, marketing execution, financial condition or strategic priorities or service delivery resources. For example, our distributors may fail to organize effective marketing or promotional activities, or may not achieve the desired sales outcomes, or may lack the technical expertise or resources to deliver timely and reliable after-sales support. If their sales volumes to end customers do not meet expectations, our distributors may reduce their order volumes, seek price concessions, delay placing new orders or choose not to renew distribution arrangements with us.

The loss of, or a reduction in orders from, one or more distributors could adversely affect our access to customers, sales volumes and revenue. In addition, there can be no assurance that our distributors will continue to comply with applicable distribution agreements or that we will be able to timely identify or effectively address any non-compliance. Any failure by distributors to comply with contractual or regulatory requirements, or to maintain the required standards of after-sales service, could harm our brand, disrupt our sales activities and damage our relationships with distributors.

Furthermore, if we are unable to maintain stable relationships with a significant portion of our distributors, or if our distributors experience operational difficulties or fail to operate successfully, our ability to effectively sell and distribute our products may be negatively impacted. Certain actions by distributors may also adversely affect our corporate reputation and product image, potentially leading to loss of customers and a decline in sales.

In addition, there may be channel conflicts, cannibalization or competition among our distributors, which could further impair their sales effectiveness. We cannot assure that our distributor network will continue to operate successfully or generate revenue at expected levels. Any of the foregoing circumstances could materially and adversely affect our business, financial condition and results of operations.

Our business is subject to risks associated with the execution of our international expansion initiatives.

We have established a geographically diversified customer base both in the PRC and overseas, with our business footprint spanning more than 30 countries and regions around the world. During the Track Record Period, our overseas business experienced rapid growth. Our revenue from overseas customers also increased by 251.6% from RMB3.4 million in 2023 to RMB11.8 million in 2024, by 124.9% from RMB11.8 million in 2024 to RMB26.5 million in 2025, and by 282.5% from RMB2.3 million in the six months ended June 30, 2025 to RMB8.6 million in the six months ended June 30, 2026. As we continue to advance our international expansion strategy, such initiatives require substantial financial resources and significant management attention and expose us to various additional risks, including overseas regulatory risks, macroeconomic risks and geopolitical risks, which are beyond those we face in the PRC market.

Our overseas operations are subject to a wide range of operational, financial and compliance-related risks that could adversely affect our business. These risks include, but are not limited to, increased difficulty in managing and supervising overseas operations and agents, as well as compliance with anti-corruption laws, data protection regulations, trade compliance requirements and intellectual property laws in the relevant foreign jurisdictions. The occurrence of any of these factors, or the consequences arising therefrom, may restrict our ability to operate effectively in certain overseas markets or reduce the profitability of our operations in such regions. In addition, as we further expand internationally, we will be exposed to heightened risks arising from foreign exchange rate fluctuations and foreign exchange controls.

Due to our relatively limited experience in developing, managing and scaling operations in international markets, our overseas expansion initiatives may not achieve the results we expect. We may encounter challenges in recruiting, managing and retaining personnel for overseas operations, including application engineers and localized service teams, and may incur higher operating, travel, infrastructure and legal and compliance costs associated with international business activities.

In addition, we are required to provide technical support in multiple languages, localize and adapt our products and services to meet the specific needs of different countries and regions, implement appropriate pricing strategies, and coordinate with overseas business partners and third-party service providers, such as local logistics or transportation service providers. In certain overseas markets, we also face competition from established international robotics companies with stronger brand recognition, broader distribution networks and deeper local market experience, which may further increase the difficulty of expanding our market share.

Failure to effectively manage any of the foregoing risks could impair the performance of our international operations and materially and adversely affect our overall business development, results of operations and financial condition.

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

Our business is exposed to evolving international trade policies, sanctions regimes, export controls, tariffs, and geopolitical tensions, which could adversely affect our operations, financial condition, and results of operations.

Some of our business partners are located outside of China, and deteriorating geopolitical or geoeconomic relations may disrupt supply chains, limit market access, or increase compliance burdens. Certain foreign jurisdictions, such as the United States, the European Union, the United Kingdom, Australia and the United Nations, may impose sanctions or trade restrictions that directly or indirectly affect China-based companies based on product origin, ownership, or other factors. These frameworks frequently change and are subject to uncertain interpretation and enforcement, and could be costly or burdensome to satisfy and could materially impact us and our business partners.

Specifically in relation to Chinese robotics companies, we may be subject to various international trade restrictions, most notably export controls implemented by the United States. U.S. export controls require licenses for the export, reexport, and in-country transfer of items subject to U.S. jurisdiction under the Export Administration Regulations ("EAR") administered by the Bureau of Industry and Security ("BIS"), including restrictions tied to the Entity List. Absent satisfaction of applicable licensing requirements, parties on the Entity List are generally prohibited from acquiring items subject to the EAR. In recent years BIS has increasingly designated PRC entities

on the Entity List, including many entities in the technology sector. These measures may limit our ability, and that of suppliers and customers, to obtain technologies, systems, devices, or components that are critical to our infrastructure and offerings, and may constrain sales in certain foreign markets.

During the Track Record Period, our sales activities should not give rise to material risks under US primary or secondary sanctions. This is because we did not engage in any USD transactions or significant non-USD transactions with counterparties who are subject to blocking sanctions imposed by the U.S. Our sales activities should similarly not be subject to materials risks under other applicable international sanctions laws, including those imposed by the EU, the UK, Australia, Canada and the United Nations. Furthermore, our sales activities during the Track Record Period should not give rise to material risks under U.S. export controls. This is because the Group's products sold worldwide did not incorporate any controlled U.S. items, nor were they subject to the EAR by virtue of being foreign direct products of U.S. technologies. We therefore do not believe our business activities are subject to any material direct and indirect impact from applicable sanctions and export controls. Nonetheless, we cannot assure you that regulators will not take the view that our past, current, or future activities are sanctionable, or that new or expanded restrictions will not increase scrutiny of our business. If competent authorities determine that any of our activities violate applicable sanctions or export control laws, or otherwise provide a basis for the designation of our group, our business and reputation could be materially and adversely affected. Additionally, if any customer, end user, or supplier becomes subject to sanctions, we may be required to suspend or terminate dealings with such parties, which could negatively affect our financial results.

Our products sold worldwide are also subject to tariffs imposed by the relevant countries. Notably, the current U.S. administration has frequently imposed and amended tariffs pursuant to various legal authorities. Particularly targeting Chinese-origin goods, the U.S. has since February 2025 imposed various tariffs, mainly under (i) section 301 of the Trade Act of 1974 of the U.S. (generally 7.5% to 25% across product lists covering electronics and machinery); (ii) section 232 of the Trade Expansion Act of 1962 of the U.S.; and (iii) the International Emergency Economic Powers Act ("**IEEPA**") tariffs (10% fentanyl-related tariffs and 10% baseline tariffs on all products from China). Since the U.S. Supreme Court struck down all tariffs imposed under the IEEPA on February 20, 2026, the current administration has instead imposed a 10% cross-the-board tariff under Section 122 of the Trade Act of 1974, effective February 24, 2026. That tariff expired on July 24, 2026 and was replaced by Section 301 forced labor tariffs effective July 24, 2026 (the "**Section 301 Forced Labor Tariffs**"). Under the Section 301 Forced Labor Tariffs, rates vary by country, with a 12.5% additional tariff (on top of existing applicable duties) imposed on all products exported from China.

During the Track Record Period, we made sales to one direct customer in the U.S. in 2024, 2025 and the six months ended June 30, 2026. Our revenue generated from such sales amounted to approximately RMB822,738.28 in 2024, RMB136,677.48 in 2025 and RMB35,289.32 in the six months ended June 30, 2026, representing 0.61%, 0.05% and 0.03% of the Group's total revenue of the respective years. Our products sold to the U.S. customer during the Track Record Period would be subject to the majority of the U.S. tariffs discussed above. However, given that the tariffs were paid by the U.S. importer of our products, we did not pay tariffs in connection with our U.S. sales. We also did not pay export duties or tariffs for direct sales to other overseas countries during the Track Record Period due to similar international commerce terms in our sales contracts. In light of the foregoing facts and the non-material sales revenue generated from our overseas sales during the Track Record Period, we do not consider our business to have been subject to material direct impacts of international tariffs. If our downstream customers export our products to the U.S. and have to pay U.S. tariffs, it may ultimately lead to reduced demand for our products. That said, we consider this indirect impact to be limited and manageable since our end users are predominantly located outside the U.S. Our direct and indirect sales to countries other than the U.S. similarly have not and are not expected to have any material impact on our business due to the limited overseas sales amounts and relatively low tariff rates (including certain preferential tariff treatment under free trade agreements with China).

Certain foreign investment restrictions may affect our ability to attract foreign investments. For instance, On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued the Outbound Investment Rule, which became effective on January 2, 2025. The Outbound Investment Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as "covered foreign persons," that are engaged in covered activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence. U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to notify Treasury report, certain investments in covered foreign persons. Certain

transactions, including U.S.-person investments in any publicly traded securities, are currently excepted from the restrictions imposed under the Outbound Investment Rule. On December 18, 2025, the U.S. Congress enacted the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**"), which codifies and expands the Outbound Investment Rule. Treasury was given 450 days to amend the Outbound Investment Rule to conform with the provisions set forth therein, and the existing Outbound Investment Rule remains in effect until then.

We do not believe the Company is a covered foreign person as we do not engage in any covered activities under the Outbound Investment Rule. In any event, following the completion of the [**REDACTED**], it is expected that U.S. persons will be able to acquire our H Shares based on the publicly traded securities exception as long as the acquisition does not afford a U.S. investor rights beyond standard minority shareholder protections. We therefore do not consider the Outbound Investment Rule to have any material impact on our business or the [**REDACTED**].

That said, we cannot rule out the possibility of being deemed a covered foreign person due to different views taken by Treasury, potential amendments to the Outbound Investment Rule or the introduction of similar regulations. The Outbound Investment Rule may nonetheless increase the compliance burden of U.S. investors and may cause certain U.S. investors to adopt a more cautious approach in their investments, affecting the investor sentiment towards us, and therefore negatively impacting our ability to raise capital. Additionally, we cannot rule out the possibility that potential amendments to the Outbound Investment Rule may further restrict U.S. person investment. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects. In such case, the value of our Shares may significantly decline. U.S. persons (and their controlled non-U.S. subsidiaries) that acquire our Shares in the [**REDACTED**] should consult their legal counsel regarding their obligations under the Outbound Investment Rule, including the applicability of any exceptions.

Our business, operating results and financial condition could be adversely affected if we fail to obtain or maintain the requisite licenses and approvals in the jurisdictions in which we operate.

Our operations are subject to various laws, regulations and regulatory requirements in the PRC and other jurisdictions in which we conduct business. We are required to obtain and maintain certain licenses, approvals, filings and certifications in connection with our manufacturing activities and the sale of our products and solutions. Regulatory requirements may differ across jurisdictions and may change from time to time, and uncertainties may exist regarding the interpretation and implementation of applicable laws and regulations. And certain overseas customers or major customers may require our products to meet specific technical standards or certification requirements. Any inability to meet such customer-driven or jurisdiction-specific certification requirements, whether directly or through our suppliers, could restrict our access to certain markets or customers.

We cannot guarantee that we will be able to obtain, renew or maintain all required licenses, approvals or certifications on a timely basis, or that we will not be found to be in non-compliance with applicable regulatory requirements. Failure to obtain or maintain such licenses, approvals or certifications, or delays in regulatory review or renewal processes, could result in administrative penalties, suspension or restriction of operations, or other enforcement actions, which could disrupt our business and materially and adversely affect our business, operating results and financial condition.

Furthermore, changes in regulatory requirements, increased enforcement or the introduction of new compliance obligations could increase our operating costs, require modifications to our products or production processes, delay product launches or restrict our access to certain markets. Any of the foregoing circumstances could materially and adversely affect our business, operating results and financial condition.

Our business, reputation and financial results may be adversely affected if we fail to succeed with our embodied intelligence initiatives.

Our industry is entering a new phase of development characterized by the convergence of AI and robotics. Intensifying competition, faster technology cycles and rising customer expectations may increase the risks associated with our embodied intelligence initiatives. We officially launched the first prototype of our embodied intelligent robot in June 2025 and have continued iterative updates. In addition, we continue to develop new embodied intelligent robot products. If we fail to anticipate market trends, accurately capture customer demand or develop differentiated embodied intelligent products and solutions, our competitive position and growth prospects may be adversely affected.

Our strategy involves accelerating automation, expanding production capacity, pursuing selective acquisitions to enhance our product portfolio, and making sustained investments in core technologies such as software and algorithms. However, these initiatives involve significant execution, funding and integration risks. Our embodied intelligence-related R&D efforts may require substantial investment, may not achieve the intended technical or commercial outcomes, or may not be adopted by customers as expected. In addition, delays or inefficiencies in capacity expansion or post-acquisition integration could increase costs and negatively affect our operating results.

If we are unable to successfully execute our embodied intelligence strategy or fail to capture key market opportunities, our business, reputation and financial results may be materially and adversely affected.

Our expansion into new jurisdictions might expose us to various legal, regulatory and political risks.

Our growth strategy involves expanding our sales and operations into new jurisdictions, including East Asia, Southeast Asia, Europe, the Middle East and North America. Such expansion exposes us to a variety of risks that could materially and adversely affect our business, financial condition and results of operations.

Entering new geographic markets requires us to navigate unfamiliar legal, regulatory and political environments. Each jurisdiction has its own laws and regulations governing product safety, import and export controls, customs duties, foreign investment, data privacy, labor practices and intellectual property protection. Compliance with these diverse and sometimes conflicting requirements may be costly and time consuming, and any failure to comply could result in fines, penalties, delays in market entry or restrictions on our ability to operate. In addition, changes in trade policies, tariffs, sanctions or geopolitical tensions, such as those that may arise in the regions we are targeting, could adversely affect our ability to import components or export finished products, increase our costs or disrupt our supply chains.

We also face heightened operational risks when establishing a presence in new jurisdictions. These include difficulties in recruiting and retaining qualified local personnel, establishing effective distribution and service networks, managing relationships with local partners or distributors, and adapting our products and marketing strategies to local customer preferences and industrial standards. Our brand recognition in these markets is limited, and we may face intense competition from well established local and international competitors with greater resources, deeper customer relationships and better developed after sales support. If we fail to gain sufficient market acceptance or to scale our operations efficiently, our investments in these regions may not yield the expected returns.

Furthermore, cross border operations expose us to currency exchange rate fluctuations, repatriation of earnings restrictions, and potential difficulties in enforcing contractual rights or protecting our intellectual property. Political instability or economic downturns in any of these regions could reduce demand for automation equipment and negatively affect our revenue.

Any of these factors could impair our ability to successfully implement our global expansion strategy, delay our entry into target markets, or result in higher than anticipated costs, any of which could have a material adverse effect on our business, financial condition and results of operations.

We cannot guarantee that our growth strategies will be executed successfully or that they will produce the expected results.

We have adopted a number of growth strategies. See "Business — Our Strategies" and "Future Plans and [**REDACTED**]." The execution of such strategies involves significant risks and uncertainties, and certain initiatives are at an early stage of development or continue to evolve. There can be no assurance that these strategies will be implemented as planned or that any of the related initiatives will achieve their intended objectives.

The successful execution of our growth strategies may require substantial time, resources and management attention, and may depend on our ability to develop new technologies, introduce new products or solutions, and achieve sufficient market acceptance. We may encounter delays, technical challenges or difficulties in building customer demand, and we may not have sufficient experience in implementing certain new initiatives effectively. As a result, some of our growth initiatives may take longer than expected to generate returns or may not be successful.

In addition, if our growth initiatives fail to enhance our monetization capabilities or generate the anticipated revenue, we may not be able to maintain or increase our revenue levels or recover the costs associated with such initiatives. Any of the foregoing circumstances could materially and adversely affect our business, results of operations and financial condition.

Our past performance is not necessarily indicative of future growth, and we may not be able to maintain previous levels of expansion.

During the Track Record Period, our revenue growth benefited from, among other factors, the rapid development of the domestic automation market, increased adoption of parallel robots in various application scenarios and expanding customer demand from the food and beverage, consumer goods, pharmaceutical, renewable energy, consumer electronics and automotive industries. However, such growth drivers may not persist, and our historical performance should not be relied upon as an indicator of our future results. The pace of industry development may fluctuate due to changes in macroeconomic conditions, downstream capital expenditure cycles, technological advancements or intensifying competition, any of which could adversely affect our ability to sustain our historical growth rates.

Our future growth prospects further depend on our ability to, among other things, expand production capacity, enhance our sales and after-sales service capabilities, deepen our penetration into existing industries, successfully commercialize new products and implement our international expansion strategies. The execution of these initiatives requires continued and substantial investments in R&D, supply chain management, talent recruitment and operational infrastructure. There can be no assurance that we will be able to secure sufficient resources to support such expansion on a timely basis, or that these initiatives will be implemented or progress as planned.

If we are unable to maintain our historical growth trajectory due to the foregoing factors, our business expansion, financial performance and results of operations may be materially and adversely affected.

Our business, operating results and financial condition could be adversely affected by any unexpected disruption at our production facilities.

During the Track Record Period, we manufactured and produced our products at our production facilities located in Tianjin, Suzhou, Wuxi and Xinxiang. Our ability to meet customer demand and to grow our business depends on the efficient, orderly and uninterrupted operation of our production plan, as well as the continuous and sufficient supply of utilities. The occurrence of any event that limits or disrupts the operations of our production facilities could result in significant losses, including revenue losses arising from production interruptions.

In addition, any errors or misuse during our production procedures may result in workplace accidents, injuries or fatalities. Our production operations are exposed to risks and occupational hazards, including but not limited to dust, noise, fires and electric shock. These hazards may cause harm to human health, property damage, worker injuries or other serious consequences. See "Business — Environmental, Social and Corporate Governance." Factors such as insufficient attention to safety, inadequate maintenance, substandard working conditions or lapses in training may increase the likelihood of accidents or health issues. There can be no assurance that the health and safety protection mechanisms we maintain will provide adequate protection in all circumstances. Any occurrence of workplace accidents or occupational health incidents may lead to regulatory investigations, penalties, compensation claims, production disruptions, increased costs and negative publicity. If any of these events occur, our business, financial condition and results of operations could be materially adversely affected.

Furthermore, our ability to maintain optimal utilization rates of our production facilities depends on factors beyond our control. For example, shortages of key materials sourced from third parties, disruptions to essential utilities or critical facilities caused by external factors including natural disasters, public health emergencies, labor shortages or rising labor costs may disrupt our planned production schedules. Such events may require us to divert additional time and financial resources to alternative or more costly arrangements to avoid delays in the supply of goods to our downstream customers, which could materially adversely affect our business, financial condition and results of operations.

In addition, we may be required to incur substantial additional costs, which may exceed the coverage of our insurance policies, to repair or replace damaged equipment or facilities. Any such disruption could materially impair our ability to manufacture and supply our products and to fulfill our delivery obligations to customers, damage our relationships with customers, and consequently have a material and adverse effect on our business, results of operations and financial condition.

Our business and operating results are subject to risks arising from force majeure and unforeseen, hostile or catastrophic events, including but not limited to wars, nuclear contamination, tsunamis, pollution incidents, acts of terrorism and civil unrest.

Our operations, supply chain and sales activities may be adversely affected by force majeure and other catastrophic or disruptive events beyond our control, such as natural disasters, extreme weather conditions, public health emergencies, large-scale power or communication failures, geopolitical conflicts, acts of terrorism or civil unrest. Such events may disrupt our production activities, impair the operations of our suppliers or logistics partners, or delay the delivery and installation of our products at customer sites.

In addition, catastrophic events may result in increased operational costs, including expenses related to employee safety, facility protection, supply-chain adjustments or restoration of normal operations. The time required to resume production and service activities may be uncertain and may depend on the severity and duration of such events.

If force majeure or other unforeseen events materially disrupt our operations, supply chain or customer activities, our business, operating results and financial condition could be adversely affected.

Our business, operating results and financial condition could be adversely affected if our insurance coverage is insufficient to cover all losses or potential claims by our customers.

We believe that we have obtained insurance coverage in respect of our business operations by maintaining the mandatory insurance policies required under PRC laws and regulations. As of the Latest Practicable Date, we maintained property all risks and employees' accident insurance. See "Business — Insurance." However, such insurance coverage may not be sufficient to fully compensate us for all types of losses that we may incur in the future. In addition, our insurance policies are generally subject to annual review by our insurers, and we cannot guarantee that such policies will be renewed on similar terms, on terms acceptable to us, or at all. Furthermore, if we incur significant losses as a result of uninsured events or events that result in losses exceeding the coverage limits of our insurance policies, we may be required to bear substantial costs. Any such circumstances could materially and adversely affect our business, operating results and financial condition.

Negative publicity regarding our brand, management team, employees or products may harm our reputation, as our business and prospects depend on enhancing and maintaining our brand and reputation.

We believe that the maintenance and enhancement of our brand are critical to the success of our business. As we operate in a highly competitive market, our ability to sustain our market position depends, in part, on effective brand management and promotion. The success of our brand-building efforts relies on the effectiveness of our marketing initiatives and customer recognition, including word-of-mouth referrals. We may incur additional costs in connection with brand promotion, and we cannot assure you that such efforts will achieve the intended results.

In addition, any negative publicity relating to us and our Directors, employees or products, whether justified or not, may adversely affect our brand image, reputation and business. Such negative publicity may arise from product performance issues, customer complaints, after-sales service incidents, unfavorable media coverage, online discussions or inaccurate third-party commentary, including malicious harassment or unfair competitive conduct beyond our control.

Any damage to our brand reputation could reduce customer confidence, impair our ability to attract or retain customers and business partners, and materially and adversely affect our business prospects, results of operations and financial condition.

Malfunctions, unexpected system failures, interruptions, insufficiency or security breaches may occur in our information technology and software systems.

We rely on various information technology and software systems to support our business operations, including, among others, our CRM system, ERP system, MES, AGV logistics scheduling system and other systems. Any malfunction, system failure, interruption, performance insufficiency or security breach affecting these systems could disrupt our operations, delay product development, impair production planning or delivery schedules, reduce inventory accuracy, or hinder our ability to respond to customer issues in a timely manner.

Our information technology and software systems may be damaged, interrupted or rendered unstable due to factors beyond our control, including hardware defects, software bugs, insufficient system capacity, unexpected surges in user traffic, power outages, fires, natural disasters, cyberattacks, unauthorized access, failures of third-party cloud service providers, or the intentional or inadvertent transmission of computer viruses and other malicious code. In addition, we may encounter difficulties when upgrading or integrating our systems, which could further affect system reliability and availability.

Cybersecurity risks also pose potential threats to our systems and data. Unauthorized access, data leakage, ransomware attacks or other malicious activities may compromise confidential information belonging to us, our customers, suppliers or distributors, and may result in operational disruptions, remediation costs, regulatory inquiries or reputational damage. Even in the absence of an actual security breach, perceived vulnerabilities in our systems may undermine customer confidence. If our information technology or software systems fail to operate reliably, securely and efficiently, our business operations, customer relationships, brand reputation and financial performance may be materially and adversely affected.

Any improper warehousing or handling of our products, delivery delay or material changes in warehousing and logistics related costs could adversely affect our business and results of operations.

We lease warehouses and rely on third-party logistics service providers for transportation and on-site delivery, over which we have no control. See "Business — Inventory Management and Logistics — Logistics." Any disruption in their services, including capacity shortages, route restrictions, labor shortages, transportation incidents or inefficiencies in cross-regional or overseas shipping arrangements, may result in delivery delays or increased logistics costs. These risks may be more pronounced for overseas shipments, where customs clearance, regulatory inspections or geopolitical factors may also affect delivery timelines.

Increases in warehousing or logistics costs, whether due to fuel price fluctuations, supply-chain disruptions, changes in market rates or adjustments in service providers' pricing policies, may increase our operating costs. Given the competitive pricing environment in certain product categories, we may not be able to fully pass such cost increases on to our customers. If delivery delays, logistics disruptions or cost fluctuations occur, our ability to fulfill orders on schedule may be impaired, which could adversely affect customer relationships, brand reputation and overall business performance.

Any improper warehousing or handling of our products, material changes in logistics costs or significant delivery delays could materially and adversely affect our business, operating results and financial condition.

Increasing focus on environmental, social and governance matters may impose additional costs on us or expose us to further risks.

In recent years, governmental authorities, regulators and public advocacy groups have placed increasing emphasis on environmental, social and governance ("ESG") matters. As a result, our business has become more sensitive to ESG-related considerations, as well as changes in governmental policies, laws and regulations relating to environmental protection and other ESG matters. In parallel, investor advocacy groups, institutional investors, investment funds and other influential market participants have increasingly incorporated ESG considerations into their investment decisions, with greater attention paid to the social impact and broader implications of their investments.

Irrespective of industry, heightened scrutiny by investors in respect of ESG matters may adversely affect a company's access to capital, as investors may reallocate capital or elect not to commit capital based on their assessment of a company's ESG practices and performance. Any future ESG-related concerns could result in increased regulatory compliance requirements and associated costs.

Furthermore, if we are perceived by investors or other stakeholders as having failed to respond adequately to evolving ESG expectations, regardless of whether such expectations are legally mandated, our reputation could be adversely affected. Any such reputational damage, increased compliance burden or loss of investor confidence could materially and adversely affect our business, results of operations and financial condition.

Our business is subject to seasonal fluctuations.

Our business and financial performance are subject to seasonal fluctuations. In particular, our revenue in the second half of a calendar year typically accounted for a majority of our total revenue, which is mainly attributable to the procurement and financial management practices of our customers. See "Business — Seasonality."

The extent of seasonality may fluctuate year over year due to industry conditions and other external factors, which may create variability in our demand forecasts and uncertainty in inventory management. If demand in peak periods exceeds our expectations, we may face challenges in arranging sufficient inventory, production capacity or timely delivery. Conversely, if demand during certain periods is lower than anticipated, we may experience excess inventory, higher working capital and liquidity requirements, as well as potential inventory impairment risks. In addition, our operating and financial results for interim periods may not be indicative of our results for a full financial year.

We expect such seasonal fluctuations in our revenue, results of operations and financial condition to continue, which may result in period-to-period volatility and could adversely affect the [**REDACTED**] of our H Shares.

Our business could be adversely affected if we fail to detect or prevent fraudulent, illegal or other improper activities by our employees, customers, suppliers or other third parties.

Our business may be exposed to fraudulent, illegal or other improper activities or misconduct committed by our employees, customers, suppliers or other third parties. Such activities could subject us to civil, administrative or criminal liabilities, fines, penalties or sanctions imposed by governmental authorities, as well as adverse publicity.

There can be no assurance that our internal controls, policies and procedures will be effective in preventing or detecting such conduct in the future, or that similar incidents will not occur. Any illegal, fraudulent, corrupt or collusive conduct, including violations of applicable anti-corruption or anti-bribery laws, could expose us to reputational harm, regulatory investigations, enforcement actions and significant financial or other liabilities.

If we fail to timely identify, prevent or mitigate fraudulent, illegal or other improper activities by our employees, customers, suppliers or other third parties, our business operations, results of operations and financial condition could be materially and adversely affected.

Our reputation, business, operating results and financial condition could be adversely affected if we are involved in legal proceedings or commercial and contractual disputes.

In the ordinary course of our business, we may from time to time be involved in legal proceedings and commercial or contractual disputes. We cannot assure you that we will not become a party to additional litigation, arbitration or other disputes in the future, which may expose us to additional risks, costs and potential losses.

Such proceedings or disputes may require us to incur significant legal and related expenses, including costs associated with professional services, appraisals, auctions, enforcement actions or legal advisory services. Litigation, arbitration and other disputes may also give rise to inquiries, investigations or proceedings by regulatory authorities or other governmental agencies, and may result in reputational harm, increased operating costs and the diversion of management time and resources away from our core business activities.

Any adverse judgments, arbitral awards or other unfavorable outcomes in legal or regulatory proceedings against us, or against our Directors, senior management or key employees, could materially and adversely affect our reputation, business, results of operations and financial condition.

We may face risks and uncertainties associated with our existing properties and the future construction and expansion of production and operational facilities.

We lease properties in various locations, which are primarily used for production, office operations and R&D. Any non-renewal of leases, material increase in rental costs, or any challenge by third parties or governmental authorities to our leasehold interests may adversely affect our business operations and financial performance. Our leased properties are also subject to fluctuations in the property rental market. Prior to the expiration of each of our lease arrangements, we are required to negotiate renewal terms with the relevant lessors. There can be no assurance that our existing leases will be renewed on similar or commercially reasonable terms, or at all, particularly with respect to rental amounts and lease terms. Any material increase in the rent payable for our leased properties may increase our rental and related operating expenses, which could materially and adversely affect our profitability. In addition, there can be no assurance that our existing lease agreements will not be terminated by the lessors prior to their expiry in accordance with applicable laws or contractual provisions. If we are required to relocate our office or production facilities, it may divert our attention from normal business operations and incur additional financial and time costs to identify suitable alternative premises, relocate our office and manufacturing facilities in the leased properties in a timely manner, or secure leases on comparable terms.

According to the Measures for the Administration of Commercial Housing Leases (《商品房屋租賃管理辦法》), within thirty days after the conclusion of a housing lease contract, the parties to the lease shall register the contract with the construction (real estate) authority of the people's governments of centrally administered municipalities, cities, or counties where the leased property is located; any violation of the provisions of these measures shall be ordered by the relevant authority to rectify within a specified time limit. As of June 30, 2026, we had not completed registration or filing of certain lease agreements in respect of three leased properties in the PRC. Under the Civil Code of the PRC, parties to a lease agreement are required to register and file the executed lease agreement with the relevant governmental authorities. As advised by our PRC Legal Advisors, the validity and enforceability of a lease agreement are not affected, notwithstanding the failure to complete registration or filing. Nevertheless, PRC Legal Advisors have further advised that, if the relevant local housing management authorities require us to complete registration within a specified period and we fail to do so, we may be subject to administrative fines of between RMB1,000 and RMB10,000 for each affected property. As of the Latest Practicable Date, we had not received any rectification notices or been subject to any administrative penalties in relation to such unregistered lease agreements. Accordingly, our PRC Legal Advisors are of the view that the risk of significant penalties arising from such non-compliance is not substantial for our [**REDACTED**].

In addition, we plan to further upgrade our properties to modernize our production and operational facilities. We intend to construct a multifunctional headquarters on the land parcels for which we hold land use rights in Tianjin, China. See "Future Plans and [**REDACTED**] — [**REDACTED**]." If disputes or governmental actions arise in relation to title challenges concerning the above properties, we may encounter difficulties in continuing to lease such properties or own such land use rights and may be required to relocate. If any of such property rights are terminated or rendered void as a result of challenges by third parties or governmental authorities, we would need to secure alternative premises and incur relocation costs and it may also disrupt our properties upgrading plans. As advised by our PRC Legal Advisors, under the relevant PRC laws and regulations, the lessor of the three unregistered leased properties shall be obligated to warrant its right to lease the premises. If we suffer any losses due to defects in the lessor's title to the premises, the lessor shall be liable to compensate us for such losses, and the likelihood of us being required to relocate to alternative premises is low. To the best of our knowledge, as of the Latest Practicable Date, there are no title disputes relating to the land parcels for which we hold land use rights. There can be no assurance that we will be able to relocate such operations to suitable alternative premises, and any such relocation may disrupt our business operations and result in loss of revenue. We also cannot assure you that we will be able to effectively mitigate the adverse effects arising from such disruptions, including losses and additional costs. Any such disruption, loss or cost could adversely affect our business, results of operations and financial condition.

RISKS RELATING TO THE RESEARCH AND DEVELOPMENT AND INTELLECTUAL PROPERTY RIGHTS IN OUR PRODUCTS AND SOLUTIONS

Our profitability and operating cash flows may be adversely affected by our ongoing and future substantial R&D investments, and such investments may not yield the anticipated outcomes.

We have devoted, and expect to continue to devote, substantial resources to R&D. In 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026, our R&D expenses amounted to RMB19.4 million, RMB29.8 million, RMB21.4 million, RMB9.7 million and RMB24.0 million, respectively, accounting for 20.7%, 22.0%, 8.5%, 10.3% and 17.8% of our revenue and 31.9%, 35.1%, 26.3%, 34.4% and 38.5% of our total operating expenses, respectively. If we are able to successfully complete a [**REDACTED**] of our H Shares, we expect R&D to remain a key area of investment over the next three to five years. We currently plan to maintain a comparable level of R&D expenditures intensity in order to track technological frontiers and sustain our competitive advantages. However, there can be no assurance that such investments will achieve the outcomes we expect or generate corresponding returns.

However, there is no assurance that our R&D efforts will be successful or that the technologies and products under development will achieve the intended performance targets, obtain market acceptance or be commercialized in a timely manner. Certain projects may require extended development cycles, undergo repeated iterations or fail to reach commercial viability. If we allocate resources to projects that do not generate expected returns or do not ultimately result in marketable products, the associated expenditures may not be recoverable.

In addition, rapid technological advancements in our industry may require continuous upgrades to existing products and additional investments to remain competitive. If competing technologies develop more quickly than ours or if customer preferences shift toward alternative solutions, the value of our R&D efforts may be diminished.

If our substantial ongoing or future R&D expenditures do not deliver anticipated outcomes, our profitability, cash flows, operating results and overall financial condition could be materially and adversely affected.

Our future business, operating results, financial condition and competitive position could be adversely affected if we fail to successfully develop or introduce new products or solutions.

Our future business development, operating results, financial condition and competitive position depend significantly on our ability to continuously develop, enhance and successfully commercialize new products and solutions that incorporate evolving technologies and address changing market needs. There can be no assurance that we will be able to timely or effectively develop and introduce new or upgraded products and solutions, or that such products and solutions will achieve market acceptance.

The development and commercialization of new and enhanced products and solutions involve technological complexity and operational challenges. We may encounter unexpected technical difficulties, engineering challenges, production constraints or delays during the development process or when scaling up manufacturing in a cost-efficient manner. Any such challenges or delays may increase development costs, postpone product launches or limit our ability to respond promptly to market opportunities.

Successful product and solution development and upgrades also require us to make substantial and sustained investments in R&D, as well as to (i) design innovative, reliable and safe features that effectively differentiate our products and solutions from those of our competitors; (ii) continuously improve the stability, reliability and performance of our existing technology platforms; (iii) respond effectively to technological advancements, new product launches and competitive dynamics in the industry; and (iv) adapt in a timely and cost-effective manner to evolving customer requirements, market conditions and industry trends. There can be no assurance that we will be able to achieve these objectives on a consistent basis.

If we fail to complete the development of new or enhanced products, solutions or technologies on a timely basis, within budget or at all, or if our products and solutions fail to meet customer expectations or gain broader market acceptance, we may be unable to satisfy customer demand or expand our market presence. As a result, our business, operating results, financial condition and competitive position could be materially and adversely affected.

The potential involvement in legal proceedings to protect or enforce our intellectual property rights could be costly, time-consuming and lead to uncertain outcomes, and the validity of our product-related patents may be challenged before courts, the China National Intellectual Property Administration or similar agencies in other jurisdictions.

We may be required to initiate or become involved in legal proceedings to protect or enforce our intellectual property rights, which could be costly, time-consuming and may not result in favorable outcomes. Our patent rights relating to our products could be challenged, invalidated or found unenforceable in judicial proceedings or administrative actions before courts, the China National Intellectual Property Administration or similar intellectual property authorities in other jurisdictions.

Our competitors or other parties may infringe upon, misappropriate or otherwise violate our intellectual property rights in the future. In order to address potential infringement or unauthorized use, we may need to commence litigation or other legal proceedings to enforce or defend our intellectual property rights, protect our trade secrets, or clarify the validity, scope or ownership of our intellectual property or that of third parties. Such proceedings may be expensive, time-consuming and divert management attention from our core business. In addition, parties against whom we assert claims may file counterclaims alleging that we infringe their intellectual property rights. Many of our current or potential competitors may have greater financial, technical or legal resources than we do to enforce or defend their intellectual property rights.

We may not be able to prevent third parties from infringing upon or misappropriating our intellectual property rights. An adverse outcome in any litigation or administrative proceeding could result in the invalidation, revocation, narrowing or unenforceability of our existing patents, as well as any patents that may be granted in the future based on our pending patent applications.

Furthermore, intellectual property disputes typically involve extensive discovery and disclosure obligations, which may require us to disclose confidential or proprietary information during the course of such proceedings. Claims of invalidity or unenforceability may also be asserted on various grounds, and similar challenges may be brought before administrative authorities in China or other jurisdictions, even outside the context of litigation. The outcome of such proceedings is inherently uncertain. If any of our patents are revoked, amended or rendered unenforceable, such patents may no longer provide effective protection for our existing or future products, which could materially and adversely affect our business, results of operations and financial condition.

If we are alleged to have infringed IP rights, we may be subject to liabilities or financial penalties and may be required to redesign or cease selling the relevant products or modify our company name.

Certain of our competitors possess extensive patent portfolios and may assert that the commercialization or use of our products infringes their intellectual property rights. Given the breadth of claims in certain patents, specific features of our products may be alleged to fall within the scope of such claims. As a result, we may become subject to claims, legal proceedings or demands alleging infringement, misappropriation or other violations of third-party intellectual property rights in connection with the design, development, manufacture or sale of our products. There can be no assurance that our products will not infringe upon third-party intellectual property rights in the future.

We may face claims for damages, indemnification or other remedies arising from alleged infringement of proprietary rights held by third parties. In addition, we may be unaware of certain intellectual property registrations or pending applications relating to our products or business activities, or may rely on technologies licensed from third parties that are themselves subject to infringement allegations or similar claims. In the robotics industry, intellectual property litigation is sometimes used as a competitive tool, and determining whether a product or solution infringes a patent often involves complex legal and factual analysis and is inherently uncertain. We may also employ personnel who previously worked for competitors or other companies in relevant industries, and there can be no assurance that such employees will not inadvertently use proprietary know-how or trade secrets of their former employers.

Any allegation or claim of intellectual property infringement, regardless of its merit, could be costly and time-consuming to defend, result in substantial damages, fines or penalties, restrict or prohibit our ability to manufacture or sell products incorporating the challenged intellectual property, require us to redesign, reengineer or rebrand our products, compel us to enter into royalty-bearing or licensing arrangements on terms that may not be acceptable to us or available at all, divert management's attention from our day-to-day operations, or cause customers to terminate, defer or limit their purchases of the affected products pending resolution of such claims.

We cannot assure you that our operations or any aspect of our business do not, or will not, infringe upon or otherwise violate the intellectual property rights of third parties. We have been, and may from time to time in the future be, subject to claims or allegations of intellectual property infringement arising in the ordinary course of our business. The outcomes of such claims or proceedings are inherently unpredictable. If we fail to successfully defend against such claims or are subject to adverse judgments or rulings, we may be prohibited from engaging in certain business activities, incur substantial liabilities or be required to cease operations relating to certain products or business segments, any of which could materially and adversely affect our business, results of operations and financial condition, and may also result in negative publicity or reputational harm.

To obtain or maintain patent protection, we must comply with the requirements issued by governmental patent authorities; failure to comply with such requirements may result in reduced or lost patent protection.

Obtaining and maintaining patent protection is subject to compliance with various procedural, documentary, fee payment and other requirements imposed by the China National Intellectual Property Administration and governmental patent authorities in other jurisdictions. During the patent application process and throughout the term of an issued patent, we are required to take timely and appropriate actions, including responding to official communications within prescribed time limits, paying periodic maintenance or annuity fees and properly executing, legalizing and submitting required documents.

Any failure to comply with these requirements, including delays in responding to office actions, non-payment of maintenance fees or failure to complete required formalities, may result in the abandonment, lapse, invalidation or narrowing of our patent rights or pending patent applications, leading to partial or complete loss of patent protection in the relevant jurisdictions. In such circumstances, competitors may be able to enter the relevant markets with similar products or technologies, which could materially and adversely affect our business, results of operations and financial condition.

The value of patents and our ability to protect our products may be diminished if patent law is revised.

Changes in patent laws, regulations or examination guidelines may affect the scope, strength or duration of patent protection available to us. Any revision that narrows the scope of patentable subject matter, imposes stricter examination criteria or alters enforcement standards may reduce the value of our existing patents or limit our ability to obtain new ones.

If such changes diminish the level of protection afforded to our technologies, our competitive position may be weakened and our business, financial condition and operating results may be materially and adversely affected.

Our ability to protect the confidentiality of our trade secrets may be inadequate, and we, our employees or business partners may face claims of wrongful use or disclosure of trade secrets allegedly owned by others.

In addition to our registered patents and patent applications, we also rely on trade secrets, including unpatented know-how, technical information and other proprietary information, to protect our products and maintain our competitive position. We protect our trade secrets, in part, by entering into non-disclosure and non-competition agreements, or incorporating similar undertakings into relevant agreements, with parties who have access to such information. However, there can be no assurance that any employee or third party will not make unauthorized use or disclosure of our proprietary confidential information. Such unauthorized use or disclosure may occur intentionally or inadvertently. It is possible that competitors may obtain and make use of such information, thereby undermining our competitive position, and any resulting harm may have already occurred even if we take legal action against the relevant parties.

Trade secrets are inherently difficult to protect. Our employees or business partners may intentionally or inadvertently disclose our trade secrets to competitors, or our trade secrets may otherwise be misappropriated by third parties. Any efforts to enforce our rights against third parties that unlawfully obtain or use our trade secrets are typically costly, time-consuming and subject to uncertain outcomes. We also seek to enter into confidentiality agreements with our employees to address the ownership of inventions developed during the course of their employment. However, such agreements may not be self-executing or enforceable in all circumstances. In addition, third parties who are not parties to such agreements may independently develop technologies relevant to our business. If employees who are parties to such agreements breach their contractual obligations, we may not be able to obtain adequate remedies for such breaches and may lose our trade secrets

and inventions as a result. In addition, we, our employees or our business partners may be alleged to have wrongfully used or disclosed trade secrets or confidential information claimed to be owned by third parties, which could give rise to claims, disputes or litigation against us.

We may also become involved in claims or disputes relating to the ownership of such trade secrets. If we fail to successfully pursue or defend against any such claims, we may be required to pay monetary damages and may lose valuable intellectual property. Even if we are successful in pursuing or defending such claims, the related proceedings may still result in substantial costs and divert the attention of our management and R&D personnel, which could materially and adversely affect our business operations.

Brand building in our addressable market and our competitive position may be adversely affected if our trademarks are not under adequate protection.

We rely on our trademarks and trade names to establish brand recognition and differentiate our products and solutions in our addressable markets. As of June 30, 2026, we held 25 trademarks in Mainland China. However, our trademarks or trade names may be challenged, infringed, circumvented, declared generic or determined to infringe upon third-party rights. In addition, we may not have obtained, or may be unable to obtain, trademark registrations in all jurisdictions, categories or applications that are necessary or desirable for our current or future products and services.

Our trademarks may not be approved for registration by one or more governmental trademark authorities, or may not be approved for use in connection with certain products or services. We may also be unable to adequately protect our rights in our trademarks and trade names, or may be required to cease using certain names, which could impair our brand recognition among customers, business partners and other market participants.

Moreover, competitors may adopt trademarks or trade names that are identical or similar to ours, which may hinder our ability to build brand identity and lead to market confusion. We may also be subject to trademark infringement claims from third parties based on registered or unregistered trademarks or trade names that incorporate variations of our trademarks. If we are unable to effectively establish and maintain brand recognition through our trademarks and trade names, our ability to compete in our addressable markets may be materially and adversely affected, and our business, results of operations and competitive position could suffer.

Intellectual property rights may not provide adequate protection against all potential threats to our competitive advantages.

We rely on patents, software copyrights, trade secrets and other proprietary rights to protect our technologies, such rights may not provide comprehensive protection for all aspects of our products or prevent competitors from developing similar or functionally equivalent technologies. Some of our robot designs and control algorithms may be susceptible to technical modifications that circumvent the scope of our intellectual property rights. Detecting and preventing infringement can also be difficult, particularly in markets with large numbers of competitors or in jurisdictions where enforcement mechanisms are less robust.

Furthermore, certain key technologies are protected primarily through trade secrets rather than patents. Such protections may be more vulnerable to unauthorized disclosure or reverse engineering. If competitors replicate or improve upon our technologies, the strength of our competitive advantages may diminish. Any limitation in our intellectual property protection could materially and adversely affect our business performance and market position.

Our ability to protect our intellectual property rights on a global scale may be inadequate.

Protecting, prosecuting and enforcing patents and other intellectual property rights across multiple jurisdictions is costly, time-consuming and inherently uncertain. While we have established an intellectual property portfolio primarily in the PRC, our protection in overseas jurisdictions remains comparatively limited. There can be no assurance that our existing or future intellectual property rights will provide us with sufficient protection in all markets in which we operate or intend to expand.

Patent protection is territorial in nature. As a result, competitors or other third parties may be able to use technologies similar to ours, or practice our inventions, in jurisdictions where we have not obtained patent protection or where our intellectual property rights are limited in scope or

difficult to enforce. In addition, the legal systems of certain countries or regions may not provide effective mechanisms for the enforcement of patents or other intellectual property rights, which could make it challenging or impracticable for us to prevent or remedy infringement in such jurisdictions.

As we seek to expand our overseas intellectual property portfolio, we may need to initiate legal or administrative proceedings to protect or enforce our rights. Such proceedings may involve substantial costs, require significant management time and resources, and result in uncertain outcomes. Our patents may be challenged, invalidated, interpreted narrowly or otherwise rendered unenforceable, and our patent applications may be rejected. In addition, enforcement actions may provoke counterclaims or other disputes, which could further increase our legal exposure.

There is no assurance that we will prevail in any such proceedings or obtain remedies that we consider adequate. Even if we are successful, the costs and distractions associated with protecting and enforcing our intellectual property rights globally may outweigh the benefits. Accordingly, our efforts to secure and enforce intellectual property protection on a global basis may be insufficient to prevent competition or to enable us to fully realize the commercial value of the technologies and solutions we develop, which could materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We are subject to inventory obsolescence risks due to the rapid pace of technological change and product innovation in our industry.

Our industry is characterized by rapidly changing technology, evolving industry standards, and frequent new product introductions. Our inventory, which consists primarily of raw materials, work in progress, and finished goods used in our operations, is exposed to the risk of obsolescence. During the Track Record Period, we recorded relatively high inventory turnover days due to our limited history of large-scale commercialization and the need to maintain a broad portfolio of robots and related materials to cater to diverse customer requirements. Specifically, our inventory turnover days were 249 days, 226 days, 118 days and 88 days in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Even with our improved inventory management efficiency, our inventory turnover days experienced a downward trend, the historical length of these turnover days, combined with the rapid technological iterations in the robotics industry, continues to expose us to inventory obsolescence risks.

We record inventory write-downs to cost of sales when the net realizable value falls below cost. Net realizable value is calculated as the estimated selling price less any estimated costs to complete and sell the product. See Note 2.3 and Note 19 to the Accountants' Report in Appendix I to this document. We determine this value based on current market conditions and our historical sales data for similar products. However, because net realizable value relies heavily on estimates of future customer demand and competitor actions, it is subject to change. If actual market conditions differ from our assumptions, we may need to adjust the carrying value of our inventory, resulting in additional charges in future periods. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we recorded write-downs, provisions for impairment losses, of inventories of RMB0.9 million, RMB2.0 million, RMB1.0 million and RMB1.4 million, respectively. If we are unable to accurately forecast customer demand relative to the timing of new product releases, we may be left with excess inventory of older-generation products. Because the value of our products can diminish quickly upon the announcement or launch of a competing or next-generation technology, we may be required to write down or write off obsolete inventory. Such write-downs would increase our cost of sales and adversely affect our business, financial condition, and results of operations.

We may not be able to obtain additional capital when desired on favorable terms or at all.

Our capital requirements are subject to a variety of factors, including technological advancements, market acceptance of our products and solutions, the overall level of sales, R&D expenditures, relationships with customers and suppliers, cost control capabilities, sales and marketing expenses, enhancements to our infrastructure and systems, capital improvements to our facilities, potential acquisitions of businesses or product lines, as well as general economic conditions, inflation, rising interest rates and international conflicts.

From time to time, our production facilities and operations may require substantial capital investment and upgrading due to depreciation, business expansion or changes in regulatory or operational requirements, which may increase our operating costs. The timely completion of such investments and upgrades depends on various factors, including our ability to secure sufficient

funding, obtain required governmental approvals and licenses, and ensure adequate supply and delivery of relevant equipment. If such upgrades or investments are delayed or not completed as planned, our operations may be temporarily constrained, which could materially and adversely affect our business, financial condition, results of operations and prospects.

If our actual capital requirements differ materially from our current expectations, we may need to raise additional capital earlier than anticipated. There is no assurance that additional financing will be available to us on acceptable terms, on a timely basis, or at all. If we are unable to obtain adequate funding when needed, we may be unable to continue our operations as planned, develop or enhance our products, expand our sales and marketing capabilities, pursue strategic opportunities or respond effectively to competitive pressures, which could materially and adversely affect our business, financial condition and results of operations.

Our business, operating results, financial condition and prospects could be adversely affected if we fail to obtain or maintain government grants or preferential tax treatments.

During the Track Record Period, our business has benefited from government grants and preferential tax treatments available to high-tech enterprises. In 2023, 2024 and 2025 and the six months ended June 30, 2026, the government grants that we received amounted to RMB5.3 million, RMB5.0 million, RMB8.9 million and RMB0.4 million, respectively. These incentives are subject to periodic review, compliance with specific qualification criteria and changes in government policies. There is no assurance that we will continue to meet the relevant requirements or that such incentives will remain available in the future. Any reduction, suspension or loss of government grants or preferential tax treatments could increase our tax burden, reduce our profitability, which could materially and adversely affect our financial condition and business prospects.

Our liquidity and financial condition could be adversely affected if customers, distributors or related parties delay payments or default on their obligations.

We are exposed to credit risk related to delay in payment and defaults of our customers, distributors or related parties. As of December 31, 2023, 2024 and 2025, and as of June 30, 2026, we had trade and bills receivables of RMB12.3 million, RMB13.4 million, RMB58.7 million and RMB71.7 million, respectively. Our customer credit terms are determined on a case-by-case basis. We may offer longer credit terms to strategically important customers for our business expansions. We may not be able to collect all such trade and bills receivables due to various factors beyond our control, including long payment cycles of certain customers, adverse operating or financial conditions of customers, and distributors' inability to make payment caused by delays in payment from their own customers.

If our customers and/or distributors delay or default in their payments to us, we may be required to make impairment provisions or write off the relevant receivables, and our liquidity and financial condition could be materially and adversely affected.

Our financial performance could be adversely affected, and we may incur share-based payment expenses, for we have granted and might continue to grant share-based awards.

In recognition of the contributions of our employees and to incentivize them to further promote our development, Chenxing Friends and Chenxing Brothers were established as our employee shareholding platforms in the PRC, and our Company has implemented an employee incentive scheme (the "Employee Incentive Scheme"). See "History — Our Employee Shareholding Platforms." We recorded amount of share-based payment expenses of nil, RMB10.6 million, RMB4.4 million, RMB2.0 million and RMB2.9 million in 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026. We do not have any outstanding share awards as of the Latest Practicable Date, but we may grant share-based awards to certain management and employees under our share incentive scheme. We believe that such share-based awards are important to our ability to attract, retain and motivate our key individuals, and we may continue to grant share-based awards in the future. As a result, we may incur share-based payment expenses, which could increase our operating expenses, adversely affect our financial performance and dilute the shareholding interests of our existing Shareholders.

Our liquidity and financial position may be materially and adversely affected in the future if we fail to perform our contractual obligations.

Our contract liabilities primarily represent advance payments received from customers in connection with the delivery of our robots and robotics solutions. As of December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our contract liabilities amounted to RMB39.8 million, RMB41.9 million, RMB16.4 million and RMB17.9 million, respectively. If we fail to fulfill

our obligations relating to such contract liabilities, we may be unable to recognize the corresponding revenue as expected. In addition, customers may request not to make advance payments to us in the future if we fail to perform our contractual obligations. Any of these circumstances could materially and adversely affect our business, results of operations, cash flows and liquidity condition.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

The economic and social conditions in the jurisdiction we operate could affect our business, results of operations, financial conditions and prospects.

Our business, financial performance and prospects are closely linked to the overall economic and social conditions in China, where a significant portion of our revenue is generated. Demand for robots and robotics solutions is influenced by macroeconomic factors such as industrial production levels, capital expenditure by manufacturing enterprises, investment sentiment, credit availability and general business confidence. Any changes in China's economic growth, fluctuations in the manufacturing sector, or weaker investment activities in food and beverage, consumer goods, pharmaceutical, renewable energy, consumer electronics and automotive industries may lead to reduced procurement of automation equipment by customers and negatively affect our sales.

Social factors, including changes in labor costs, demographic trends, employment conditions and regional development policies, may also influence the pace of automation adoption. In addition, public health events, logistical disruptions, geopolitical tensions or broader social instability could impact our supply chain, production schedule, workforce availability or customer operations.

Any changes in China's economic or social environment, or adverse developments in any of the above areas, may affect our business performance, slow our growth, increase our operational costs or disrupt our strategic plans. These developments could also materially and adversely affect our financial condition, results of operations and overall prospects.

PRC regulatory changes may adversely affect our business, operating results and financial condition, thereby leading to impacts on our [REDACTED].

We operate in an industry that is subject to extensive and evolving PRC laws and regulations, including those relating to manufacturing, product quality and safety, robotics technologies, environmental protection, taxation, labor management and data security. PRC regulatory authorities may from time to time introduce new regulations, adjust existing rules, strengthen supervision or modify enforcement practices. These changes may impose additional licensing or filing requirements, increase compliance obligations, or result in more stringent operational standards.

If we are required to adjust our operations, upgrade facilities, enhance product testing procedures, modify product features or increase investment in compliance systems to meet new regulatory requirements, our operating costs may increase and our business activities may be disrupted. Any failure to respond to evolvement in the regulatory environment in China could materially affect our business and impede our ability to continue our operations. Such impacts may in turn affect the [**REDACTED**] of our H Shares and the [**REDACTED**] returns of our [**REDACTED**].

Government control of currency conversion and regulations on cross-border RMB transfers may limit our ability to utilize our revenues effectively, discharge dividends and other obligations, and impact the [REDACTED] of our H Shares.

The remittance of currency in and out of China is subject to various laws and regulations. We are subject to the currency exchange regulatory system. The conversion of RMB is subject to applicable laws and regulations in the PRC. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

If we are unable to convert Renminbi into foreign currencies when needed, remit funds offshore or complete required procedures for dividend payments, our operational flexibility, financial management and ability to distribute dividends may be adversely affected. Any such restrictions may also reduce the attractiveness or [**REDACTED**] of our H Shares.

Fluctuations in currency conversion could have an effect on our results of operations and your [REDACTED].

A significant portion of our revenue and expenses is denominated in Renminbi, while the net [**REDACTED**] from the [**REDACTED**] and certain procurement or overseas business activities may be denominated in Hong Kong dollars, U.S. dollars or other foreign currencies. Fluctuations in the Renminbi exchange rate against these foreign currencies may therefore affect the value of our revenue, costs, assets and liabilities when expressed in foreign currencies.

If the Renminbi depreciates, the value of the net [**REDACTED**] from the [**REDACTED**] and any foreign-currency-denominated assets may decline when converted into Renminbi. If the Renminbi appreciates, our overseas procurement costs or other foreign-currency-denominated expenses may increase. Exchange-rate volatility may also affect our pricing competitiveness in overseas markets and the financial performance of our international operations.

PRC regulatory authorities may adjust exchange-rate policies or intervene in the foreign exchange market, and the timing and extent of such actions cannot be predicted. Any significant depreciation or appreciation of the Renminbi, or increased volatility in the foreign exchange market, could materially and adversely affect our operating results, financial condition and the value of your [**REDACTED**].

We face certain legal and regulatory risks relating to social insurance and housing provident fund.

Pursuant to the relevant PRC laws, employers must make full contribution to the social insurance and housing provident funds for employees. See "Regulatory Overview Laws and Regulations on Labor Protection, Social Insurance and Housing Provident Funds." Local regulatory authorities may conduct inspections or review our past contributions. If any non-compliance is identified, such as insufficient contributions or late payments, we may be required to make supplemental payments and pay late fees or penalties. The standards for determining compliance and the level of enforcement may vary across different regions, and regulatory authorities may adjust their enforcement practices from time to time. As advised by our PRC Legal Advisors, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee of 0.05% of the total outstanding balance per day. If we fail to do so within the prescribed period as requested, we may be subject to a maximum exposure of penalties ranging between one to three times of the total outstanding balance. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident funds do not satisfy the relevant requirements, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so, the relevant housing provident fund authority may apply to a PRC court for an order of mandatory payment and a fine or penalty ranging from RMB10,000 to RMB50,000 may be imposed.

In addition, as of June 30, 2026, we have paid social insurance and housing provident fund contributions for all employees, however, during the Track Record Period, we have not made full contributions for certain of our employees. During the Track Record Period, the aggregated shortfall amount of the Group's social insurance and housing provident fund contributions for each year during the Track Record Period amounted to RMB3.7 million, RMB5.1 million, RMB5.1 million and RMB2.7 million in 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively. Furthermore, we engaged third-party agencies to make contributions to five of our employees' social insurance and housing provident funds on our behalf, since the five employees reside at different municipal cities from place of employment. Such practices are not in strict compliance with applicable PRC laws and regulations. As advised by our PRC Legal Advisors, if the validity of such arrangements is challenged by competent PRC authorities, we might be subject to additional contributions, late payment fees and/or penalties for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer and be ordered to rectify such practice. We might also be subject to labor disputes arising from such arrangements with the relevant employees. Nevertheless, pursuant to the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) promulgated on September 13, 2018 by the State Taxation Administration, administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises' historical social insurance arrears. As of the Latest Practicable Date, no competent government authorities had imposed administrative action, fine or penalty to us with respect to mandatory social insurance and housing provident fund contributions. As advised by our PRC Legal Advisors, the possibility that we will be subject to any administrative penalties and late fees of unpaid social insurance contributions, as well as be subject to a concentrated liquidation of unpaid social insurance

contributions and housing provident fund by relevant administrative authorities is remote, provided that (i) there are no material changes to the current PRC applicable laws, regulations, policies and their enforcement, (ii) we and our holding subsidiaries have not received any material complaints or reports from any employees, and (iii) we fulfill our commitment to pay any arrears within the time limit required by the relevant administrative authorities when so requested. As a result, no provision has been made in relation to the shortfall amount during the Track Record Period due to the remote risks associated with the aforementioned non-compliance and the confirmation provided by our PRC Legal Advisors' view.

In addition, on July 31, 2025, the Supreme People's Court of the People's Republic of China promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) ("judicial interpretation" or "interpretation"), which took effect on September 1, 2025. Under this interpretation, any agreements between an employer and its employees that waive the payment of social insurance contributions shall be deemed invalid. If a court determines that the company has failed to make full social insurance contributions for its employees, the company may face the risk of being ordered by the court to settle the outstanding contributions, but shall not be subject to administrative penalties. See "Regulatory Overview — Laws and Regulations Relating to Employment and Social Welfare." As advised by our PRC Legal Advisors, taking into account the facts as of the Latest Practicable Date: (i) we had not entered into any agreements with employees to forgo social insurance payment, and we had made social insurance contributions for all of our employees, with the only non-compliance being our failure to pay full social insurance contributions for certain employees; (ii) we had not been involved in any material employee complaints or any material labor disputes in connection with employment or social insurance matters; and (iii) there were no pending or unresolved social insurance complaints against us, the new judicial interpretation will not have a material adverse impact on our business or financial performance. Nevertheless, as PRC labor laws and regulatory guidelines continue to evolve, we cannot provide assurance as to how future regulatory developments may affect our operations.

If we are required to make additional contributions or pay penalties, our operating costs may increase and our financial condition could be adversely affected. Furthermore, any finding of historical non-compliance may also affect our reputation and human resources management.

Our H Share [REDACTED] could be liable for PRC taxes on dividends obtained from us and profits from the disposition of their H Shares.

Under PRC tax laws and regulations, non-resident enterprise investors are generally subject to withholding income tax on dividends received from PRC companies at a rate of ten percent, unless an applicable tax treaty or arrangement provides for a reduced rate. Gains derived from the sale or other disposition of H Shares by non-resident investors may also be treated as PRC-sourced income and become subject to PRC tax, depending on the interpretation and enforcement practices of the tax authorities. Individual non-resident investors may likewise be subject to PRC tax on dividend income and capital gains in accordance with PRC tax regulations.

PRC tax authorities may issue new rules, adjust enforcement practices or reinterpret existing regulations. These changes could affect whether and how taxes are imposed on dividends or capital gains derived by H Share investors. If tax authorities determine that dividends or gains from H Shares are subject to PRC withholding tax, we may be required to withhold such taxes on behalf of investors, which may reduce the net amount of income received by H Shareholders.

Any imposition of PRC withholding taxes on dividend income or capital gains could materially and adversely affect the [**REDACTED**] returns of our H Shareholders and the overall attractiveness of our H Shares.

Dividend distributions are subject to restrictive provisions under PRC law.

Under PRC law, we may distribute dividends only out of our accumulated after-tax profits as determined in accordance with PRC accounting standards. Before making any dividend distributions, we must allocate a certain portion of our after-tax profits to statutory reserves until such reserves reach the required level. These reserve funds are not distributable as cash dividends. In addition, if our subsidiaries incur losses in a given year or retain accumulated losses from prior periods, they may be required to offset such losses before distributing profits to us.

The ability of our PRC subsidiaries to distribute dividends to us may also be affected by other regulatory requirements, including restrictions imposed by financing agreements, investment project filings, capital verification procedures or foreign exchange controls. Any tightening of PRC regulatory policies or changes in administrative practice may further limit the amount of profits available for distribution.

As a result, even if we achieve profitability, we may not be able to distribute dividends to our Shareholders in a timely manner or in the amounts expected. Any limitation on dividend distributions could materially and adversely affect the returns to our Shareholders and the value of their [**REDACTED**] in our H Shares.

You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us, our Directors and senior management residing in Chinese Mainland.

We are a company incorporated under the laws of Chinese Mainland, and a substantial majority of our assets are located in Chinese Mainland. In addition, most of our Directors and senior management reside within Chinese Mainland. As a result, the service of process, investigation, collection of evidence, ratification, and enforcement procedure inside Chinese Mainland should follow the rules set forth in the Civil Procedure Law of the People's Republic of China as well as other applicable laws, regulations and interpretations. It would generally require you to commit more time and economic cost. On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "2006 Arrangement"). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in Chinese Mainland, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement") and the 2019 Arrangement was issued on January 25, 2024 and became effective on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the Chinese Mainland, as whether a specific judgment will be recognized and enforced is still subject to a case-by-case examination by the relevant court in accordance with the 2019 Arrangement.

Foreign investment policies implemented by the PRC government may affect our business and results of operations.

The PRC government regulates foreign investment through a system that includes the Negative List for foreign investment access, the Catalog of Encouraged Industries for Foreign Investment, industry-specific regulations, national security review mechanisms and other approval or filing requirements. These policies may change from time to time in response to economic conditions, industrial policy priorities, technological development objectives or geopolitical considerations. As our business involves R&D and manufacturing of robots and robotics solutions, any adjustment to relevant foreign investment rules or classifications may affect our operational arrangements or long-term development plans.

If future policies impose additional restrictions on foreign investment in the robotics industry or related technology sectors, foreign investors' participation in our company may be limited, or our ability to attract strategic investors, cooperate with foreign partners or undertake cross-border business activities may be affected. Changes to security review requirements, foreign-invested enterprise reporting obligations or approval procedures may increase compliance costs or cause delays in certain transactions.

Conversely, if the PRC government adjusts the Catalog of Encouraged Industries in a manner that affects tax incentives or support measures currently applicable to our business, we may no longer be entitled to certain benefits or may be required to satisfy additional conditions to maintain eligibility.

If adjustments to foreign investment policies result in new compliance obligations, restrict certain business arrangements or increase operational costs, our business activities, financial condition and operating results may be materially and adversely affected.

PRC tax laws and regulations apply to our operations, and revisions to such regulations may affect our business activities.

We are subject to various PRC tax laws and regulations, including those governing enterprise income tax, value-added tax, withholding tax, surtaxes and other tax categories applicable to manufacturing enterprises and companies engaged in software development and technology services. These laws and their implementing rules are subject to amendments, refinements and enhanced enforcement from time to time. As tax authorities continue to refine policies and adjust administration practices, the interpretation and application of relevant tax rules may change, which may increase compliance uncertainties for enterprises such as ours.

Our past and future tax benefits, including preferential treatments relating to high and new technology enterprises (HNTE), or R&D super deduction policies, are subject to periodic review by local tax authorities. There is no guarantee that we will continue to qualify for these preferential treatments, or that such policies will remain unchanged. If our eligibility is revoked, fails to be renewed or becomes subject to more stringent criteria, our effective tax rate may increase and our financial performance may be adversely affected.

In addition, tax authorities may adjust tax rates, revise deduction standards, modify invoicing requirements or tighten administrative practices, which may materially increase our tax burden or require us to modify existing business practices. If new tax rules are issued, or if existing rules are amended or reinterpreted, we may incur additional tax liabilities, interest or penalties. Any significant change in PRC tax regulations or enforcement policies could materially and adversely affect our business operations, cost structure, profitability and financial condition.

We must comply with continuously evolving laws and regulations related to data security and the protection of personal information.

We are subject to various PRC laws, regulations and regulatory requirements that govern data security, cybersecurity, network operations and the protection of personal information. These regulatory frameworks have expanded rapidly in recent years and continue to evolve. Key regulations include, among others, the PRC Cybersecurity Law, the Data Security Law, the Personal Information Protection Law and the corresponding implementing rules and industry-specific standards. Regulatory authorities may issue new rules, impose additional compliance obligations or strengthen enforcement practices from time to time. As a result, the scope, interpretation and application of these laws may change, and compliance requirements for enterprises operating in China may increase.

To comply with these regulatory requirements, we must invest resources to enhance our data governance systems, cybersecurity capabilities, internal controls and employee training. We also maintain information systems that support our robotics products, after-sales services and operational management. If these systems fail to meet regulatory standards or experience vulnerabilities, unauthorized access, data leakage or other security incidents could occur. Any actual or perceived failure to protect personal information or important data may expose us to regulatory investigations, administrative penalties, civil claims or reputational damage.

In addition, regulators may require companies handling certain types of data to complete security assessments, adopt classified protection measures or undergo certification processes. If applicable requirements become stricter or if new obligations are introduced, we may be required to modify our systems, adjust internal processes or suspend certain data-related operations until compliance is achieved. Failure to comply with evolving data security and personal information protection requirements may materially and adversely affect our business operations, financial condition and prospects.

RISKS RELATING TO THE [REDACTED]

There is no assurance that an active or liquid [REDACTED] for our H Shares will develop or be sustained.

There is no assurance that an active, liquid or sustainable [**REDACTED**] for our H Shares will develop following the [**REDACTED**], or, if it does develop, that it will be maintained in the future. The [**REDACTED**] and [**REDACTED**] of our H Shares may be influenced by factors beyond our control, including overall market conditions, investor sentiment toward the robotics industry, fluctuations in our financial and operating performance, changes in regulatory policies, geopolitical events, as well as the [**REDACTED**] liquidity of comparable companies listed in Hong Kong.

If an active or liquid market for our H Shares does not develop or is not sustained, our [**REDACTED**] may find it difficult to sell their H Shares at a desired price or time, or at all. Even if a market develops, the H Share [**REDACTED**] may be volatile and could fluctuate significantly due to relatively small volumes of trades. Any such volatility or lack of liquidity may materially and adversely affect the value of your [**REDACTED**].

As the [REDACTED] of our H Shares is substantially higher than the consolidated net tangible book value per share, purchasers in the [REDACTED] may experience immediate dilution.

The [**REDACTED**] of our H Shares is expected to be substantially higher than the consolidated net tangible book value per share immediately prior to the [**REDACTED**]. As a result, purchasers of our H Shares in the [**REDACTED**] will experience immediate dilution in the net tangible book value per share of their [**REDACTED**]. Existing Shareholders will benefit from any increase in the net tangible book value per share resulting from the [**REDACTED**], whereas investors who purchase H Shares at the [**REDACTED**] will bear the dilution arising from the difference between the [**REDACTED**] and the adjusted net tangible book value per share upon completion of the [**REDACTED**].

Furthermore, the net tangible book value per H Share may be further diluted if we [**REDACTED**] additional Shares in the future, whether in connection with capital-raising activities, the exercise of share options or other equity incentive plans, or the acquisition of businesses or assets. Any such future [**REDACTED**] could result in additional dilution to [**REDACTED**] who purchase H Shares in the [**REDACTED**] and could materially and adversely affect the value of their [**REDACTED**].

Future sales or perceived sales or conversion of substantial amounts of our securities in the public market, such as conversion of our Unlisted Shares into H Shares, could have a material and adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings.

The [**REDACTED**] of our H Shares may decline if a substantial number of our securities are sold or become available for sale in the public market. Even the perception that such sales may occur could exert downward pressure on the [**REDACTED**] of our H Shares. In particular, if our Unlisted Shares are converted into H Shares and become tradable on the Stock Exchange, the increased supply of our shares in the market could adversely affect the [**REDACTED**] of our H Shares.

Future [**REDACTED**] of additional H Shares or other securities, or the conversion or exercise of convertible or exchangeable instruments, could also result in dilution of your shareholdings. Moreover, any decline in the [**REDACTED**] of our H Shares caused by actual or perceived future sales may impair our ability to raise additional capital through equity financing, or may result in less favorable financing terms.

These events could materially and adversely affect the value of your [**REDACTED**] in our H Shares.

We may not be able to pay any dividends on our H Shares.

Any declaration or payment of dividends on our H Shares will be subject to the discretion of our Board of Directors and will depend on factors such as our future results of operations, financial condition, cash flow requirements, capital expenditure plans, contractual restrictions and other considerations that the Board may consider relevant. Under PRC laws, dividend distributions are also subject to statutory reserve requirements and other regulatory restrictions.

We may decide to retain our earnings to support the expansion of our business, fund R&D activities or maintain financial flexibility. As a result, even if we achieve profitability in the future, we may not pay dividends on our H Shares.

Accordingly, you may not receive any return on your [**REDACTED**] through dividend payments, and the value of your [**REDACTED**] in our H Shares may depend entirely on the [**REDACTED**] appreciation of such shares, which is uncertain.

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

The [**REDACTED**] market for our H Shares will depend in part on the availability of research reports and analyses published by securities or industry analysts. We cannot assure you that analysts will initiate or continue to provide coverage of our Company. If analysts choose not to publish research regarding our business, our industry position or our financial performance, [**REDACTED**] in our H Shares may decrease.

In addition, if any analysts who cover us issue reports containing unfavorable commentary, lower their recommendations, reduce their earnings forecasts or otherwise present our prospects in a negative manner, the [**REDACTED**] and [**REDACTED**] of our H Shares may be adversely affected. Negative or limited analyst coverage may also impair our ability to attract new [**REDACTED**].

As a result, the value of your [**REDACTED**] in our H Shares may be materially and adversely affected.

We may require additional capital, and any future [REDACTED] of H Shares or other equity securities may cause further dilution to our Shareholders.

We may require additional capital in the future to support our R&D initiatives, expand production capacity, strengthen our sales and service network, pursue strategic investments or respond to changes in our operating environment. If our internal resources are insufficient to meet these needs, we may seek to raise additional funds through public or private [**REDACTED**] of H Shares or other equity or equity-linked securities.

Any such [**REDACTED**] would increase the total number of shares outstanding and dilute the ownership interests of existing Shareholders. In addition, future capital raising activities depend on market conditions, investor sentiment and regulatory approvals, which may not always be favorable. If we are unable to raise capital on terms acceptable to us, our ability to execute our business strategies may be constrained.

Accordingly, future equity [**REDACTED**] may materially and adversely affect your [**REDACTED**] by diluting your shareholdings and, depending on market conditions, could also impact the [**REDACTED**] of our H Shares.

The industry data and forecasts quoted in this document from various government publications have not been independently verified.

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

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

This document contains forward-looking statements regarding our business strategies, future operations, financial condition, industry developments, market growth, competitive landscape and other matters. These statements are based on assumptions made in light of information currently available to us, and they involve risks and uncertainties.

A number of factors, many of which are beyond our control, may cause actual results to differ materially from those expressed or implied in the forward-looking statements. These factors include changes in market conditions, industry trends, competitive dynamics, customer demand,

macroeconomic developments, regulatory changes and technological progress. There is no assurance that the events or circumstances discussed in the forward-looking statements will occur, or that our plans or expectations will be achieved.

Forward-looking statements speak only as of the date of this document. We undertake no obligation to update or revise such statements to reflect future events or developments. Investors should therefore exercise caution when relying on forward-looking statements in evaluating our prospects and the value of our H Shares.

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

Any information or opinions regarding our Company or the [**REDACTED**] that appear in press articles, online platforms, social media or other media sources have not been prepared, reviewed or verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] and the [**REDACTED**] or any of their respective affiliates or advisers. Such information may be incomplete, inaccurate, inconsistent with the facts, based on speculation or presented without sufficient context.

Media reports may also include forward-looking statements, financial projections or commentary that do not reflect our actual business, prospects or financial condition as disclosed in this document. Reliance on such information may result in an inaccurate understanding of our Company or the [**REDACTED**].

Investors should rely solely on the information contained in this document to make an informed [**REDACTED**]. We strongly caution investors not to base any [**REDACTED**] on information obtained from press articles or other media sources.