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

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business and future growth prospects rely on market’s demand for our products, which is affected by changes in customers’ tastes, preferences, and spending habits.

Our business performance is affected by changes in consumer tastes, preferences and spending habits, and our success depends on our ability to continually offer products that satisfy evolving market demand. The demand for green home products continually evolves due to various factors, including changes in lifestyles, diversified use scenarios and consumption patterns, changing demographics, social trends, concerns or perceptions regarding product safety and healthy lifestyle, and the economic environment. As a provider of green home products, we offer a wide range of products to respond to evolving market demand and particular customer requirements. Any failure to anticipate or respond to shifts in consumer preferences, market trends or customer needs in a timely and effective manner could materially and adversely affect our business, results of operations, financial condition and growth prospects. Such factors are beyond our control and may change from time to time.

Meanwhile, the success of our business depends on our ability to identify such market trends base on our abundant experience from key personnels. However, as customer preferences may shift rapidly in response to changing economic circumstances, seasons and trends, we cannot assure you that we will always successfully anticipate or respond to changes in market trends or consumer. If we fail to anticipate or respond to market trends or changes in customer preferences in a timely manner, our business, results of operations, financial condition and growth prospects could be materially and adversely affected.

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There are inherent risks associated with new brands and products, including uncertainties about market acceptance of newly launched brands and products or potential impacts on our existing brands and product offerings. We may need to incur increased expenditure for new product or brand development, and we cannot assure you that our new brands or products will be successful.

If our product design and development capabilities fail to meet market demand, our competitiveness and market share may be adversely affected.

We consistently introduce new designs in a timely manner that align with consumer demand. Nevertheless, our customers' requirements, product specifications and market trends are subject to changes. Our competitors may introduce production techniques or enhance product design and development capability which are superior to ours in terms of costs, time and product quality, which would render our techniques or capacity out-of-date and our business uncompetitive. New designs may also be invented, which would render our existing designs out-of-date. Should any of these factors materialize our business, financial performance and results of operations could be materially and adversely affected.

Our success depends on market recognition of our brands. Any negative publicity concerning our brands or reputation, regardless of whether it is without merit or immaterial, could adversely affect our business and financial performance.

Brand image is a key factor in consumer purchase decisions. We believe that our success depends substantially on the awareness, recognition, popularity and appeal of our brands. Therefore, maintaining and enhancing brand awareness and reputation is critical to sustaining customer loyalty, driving repeat purchases and supporting our business growth and market position.

Any concern about product quality, even if unfounded, could tarnish the image and reputation of our brands and products. Restoring the image and reputation of our brands and products may be costly and may not be possible. Material damage to any of our brands could adversely affect its value and revenues derived therefrom.

Our brand image also depends on our ability to respond to competitive pressures. If we fail to do so, the value of our brands may decline, and our business and results of operations may be materially and adversely affected. As we expand our business and product portfolio, maintaining consistent quality may become more challenging, and we cannot assure you that consumer confidence in our brands will be maintained. Any perceived or actual decline in product quality or service, or failure to deliver products meeting customer demands, could undermine our brand value. In addition, negative publicity or disputes relating to our brands, products, services or our Directors or senior management could materially harm our brand image.

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Any quality issues related to our products could result in a loss of customers and may subject us to product liability claims and reputational risks.

Our business operations and brand reputation rely on the consistent product quality. We have implemented a stringent quality control system to ensure the high standard of our products. See “Business — Production — Quality Control.” However, the system may not always be successful in detecting defects or quality issues, especially if they originate from factors beyond our direct control. We may be subject to product liability claims related to our products. Such claims could stem from allegations or proof that our products are unsafe or defective. Failure to detect, prevent, or control defects in our products, as well as the delivery of defective products to consumers, could adversely affect our business.

If any products sold by us are alleged to be unsafe or defective, we may experience reduced sales of the relevant products and may have to recall them from the market. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product recall, nor had we experienced any material product liability claim. Nevertheless, we cannot assure that such recalls will not occur, or such claims will not be filed against us in the future. Any claims made against us could have a material adverse effect on our reputation, business, financial condition and results of operations. Any product recalls or any claims against us, regardless of merit, can strain our financial resources, hurt our reputation and consume the time and attention of our management. If any claims against us are successful, we may incur liabilities, and our reputation may be damaged.

We may not be able to successfully compete in the industry where we operate.

We operate in the integrated green home services industry, which is and will continue to be highly competitive in terms of product quality, brand recognition, pricing and innovation. The rapid growth and significant market potential of the market in which we operate attracted new entrants and may encourage existing players to expand their product portfolio, further intensifying competition. Industry consolidation, including vertical integration or alliances among competitors, could also enable competitors to capture greater market share. Any of these factors could adversely affect our market share, business and financial performance.

Our competitiveness depends on our ability to continuously innovate products, upgrade management practices, enhance brand influence, and improve production capacity and operational efficiency. If we fail to maintain and further strengthen our competitive advantages through these efforts, our market position may be eroded, and our profitability could decline. Moreover, intensified competition may compel us to increase our advertising and promotional spending or engage in more aggressive pricing, which may adversely affect our results of operations and profitability.

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We may not be able to manage our distribution network and other sales channels effectively.

Maintaining an effective distribution network enables smooth deliveries of our products to consumers, and our distributors play an important role in expanding our geographic footprint and driving sales of our products. Revenue contributed by our distributors accounted for 90.3%, 85.6%, 87.6% and 76.0% of our revenue in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. See “Business — Sales and Distribution Network — Distributors” for more details.

A distributorship model is inherently risky. Such risks may include:

- We have limited control over our distributors, who may not always comply with our requirements and policies or adhere to agreements with us. This could lead to issues such as misuse of our brand names and logos, violations of our guidelines, or inappropriate marketing activities, all of which may negatively impact product sales, consumer experience and brand recognition.
- Some distributors may sell our products to third-party retailers, who in turn resell them within their designated sales territories, without our involvement or oversight, making it difficult to control their sales activities.
- Our distributors may violate our guidelines and sales strategies and compete with each other for market share.
- Our distributors may fail to sell our products in a timely manner or deviate from our guidelines and strategies, which could result in price disparities, decreased product sales and damage to our reputation.
- We may have limited control over the ordering and stockpiling by distributors, making it challenging to make sales forecast and manage inventory levels effectively.
- Distributors may violate our guidelines and sell our products to unauthorized channels or regions. This may cause price erosion, brand dilution, conflicts with authorized distributors and disruptions in pricing strategies across different channels. This can further exacerbate competition among distributors and undermine our brand recognition.

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In addition, our business and our future growth, are in part dependent on the ability of our distributors to maintain and expand their distribution coverage. We may not be able to effectively maintain our business relationship with distributors, or manage our distribution network, which could adversely affect our brands, results of operations and financial condition.

Any price fluctuations, quality change, shortage or other risks associated with raw materials and packaging materials could adversely affect our business and financial performance.

We depend on a stable and sufficient supply of high-quality raw materials. It is crucial for our business to procure raw materials at competitive prices in a timely manner. We need a consistent and sufficient supply of raw materials for our production. The prices of key raw materials and packaging materials are subject to volatility due to market supply and demand, commodity price fluctuations, currency fluctuations, changes in governmental policies and natural disasters. Although we have pricing power and may adjust product prices to mitigate raw material price volatility, we cannot assure you that such measures will be sufficient. Any significant or abnormal fluctuation in the supply or price of major raw materials could adversely affect our gross profit margin and profitability.

The raw materials used in our products primarily include timber, impregnated paper and consumables, such as edge banding, adhesives, and hardware fittings used in our operations, sourced from multiple suppliers through a long procurement chain. The quality of raw materials directly affects the safety and quality of our products, and any failure of suppliers to provide satisfactory raw materials may adversely affect our products. In addition, despite that we have maintained a stable relationship with our suppliers and been able to obtain sufficient supply of raw materials and packaging materials, we can give no assurance that we will not encounter raw materials and packaging materials shortages or substantial procurement cost hikes if a significant number of our suppliers for any given raw material are unable or unwilling to meet our needs. Suppliers may fail to deliver these materials for various reasons, including natural disasters, manufacturing issues, epidemics, strikes, transportation disruptions or regulatory changes, as well as financial difficulties such as bankruptcy. These raw materials are also subject to price fluctuations driven by external market changes, supply and demand dynamics, logistics costs, our bargaining power with suppliers, inflation and government policies. Consequently, our production and costs are heavily influenced by our ability to maintain stable and sufficient raw materials supplies at competitive prices.

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

Our historical results and growth may not be indicative of our future performance. We may be unable to sustain the same level of results of operations and financial performance, or our revenue, gross profit and net profit may decline for reasons such as decreased customer demand for our products, cost fluctuations of raw materials, supply chain disruptions, increased competition in the industry, or damage to our reputation or brand image. We may also

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encounter unforeseen difficulties in operations. Failure to address these risks and challenges may affect our business and financial performance. You should therefore not rely on our historical results of operations as indication of our future performance.

Failure to maintain effective pricing strategies and any downward changes in the prices of our products may have a material adverse effect on our business.

Demand for our green home products is sensitive to price. Our approach to pricing our products has had, and may continue to have, a significant impact on our revenue and profit margin. The selling price of each of our products depends primarily on the customer demands, raw material costs, product differentiation and competitive landscape of the markets. Our pricing strategies may not be effective in maintaining our profitability. In addition, our competitors’ pricing strategies are beyond our control and could significantly affect the results of our pricing strategies. If we fail to meet our customers’ price expectations, or if we are unable to compete effectively with our competitors when they engage in aggressive pricing strategies and could not effectively adjust our cost structure due to potential downward changes in the prices of our products, it could have a material adverse effect on our business, financial performance and results of operations.

We may be unable to conduct our marketing activities effectively.

We conduct various marketing activities to promote our brands and products to consumers. We promote our brands and products to consumers through marketing campaigns, advertisements, and social media platforms. We communicate with consumers in a comprehensive approach through advertising, such as service marketing, brand marketing, product marketing and market promotion. These marketing efforts may incur significant marketing expenses.

We cannot assure you that our marketing activities will achieve their intended results. The effectiveness of sales and marketing activities is relatively hard to predict and evaluate. Their effects may be delayed, resulting in a delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place. If the results of our marketing activities fail to meet our expectation, or if we fail to conduct the marketing activities as planned, our results of operations, financial condition, market share, brands and reputation may be adversely affected.

We collaborate with outsourced manufacturers for the production of some of our products.

During the Track Record Period, we collaborated with outsourced manufacturers for the production of our wood-based panels and floorings. In 2023, 2024 and the nine months ended September 30, 2025, our OEM outsourcing production costs were RMB2,005.7 million, RMB2,025.5 million and RMB1,353.4 million, respectively, accounting for 76.0%, 75.6% and 72.3% of our cost of sales, respectively. See “Business — Production — Our OEM Suppliers” for more details. Although we have set strict quality standards for outsourced production, as

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we have limited control over the operations of outsourced manufacturers, we cannot ensure that they will adhere to our quality control policies and guidelines at all times. Any defect in the quality of our products, or any failure to adhere to quality standards with respect to, the products manufactured by our outsourced manufacturers could subject us to liabilities or damage to our reputation and the decreased demand for the products we sell.

In addition, the ability of our outsourced manufacturers to deliver the products we order on time can be negatively affected by various factors including, among others:

- significant shortage in manpower;
- significant unscheduled downtime at their facilities due to equipment breakdowns, power failures, weather conditions and so forth;
- being requested by relevant authorities to suspend production for rectification due to violation of labor, environmental protection, fire safety or other laws and regulations; and
- delays in delivery due to transportation shortages, work stoppages, infrastructure congestion or natural disasters.

The failure of our outsourced manufacturers to deliver the products we order on time, or at all, may have a material and adverse effect on our ability to complete production schedules on time and maintain adequate inventories. Furthermore, we cannot assure you that our outsourced manufacturers will fully comply with the applicable laws and regulations, such as labor and environmental laws. If there is any negative publicity regarding such non-compliance, our brand image may be damaged.

If we experience operational disruption or machinery breakdown in our production facilities, our inventory level and production schedule may be adversely affected.

Our success and reputation depend on our ability to deliver quality products to our customers on time and in required quantities, which in turn relies on the proper and reliable functioning of our production processes. Our production processes rely on the stable operation of our production facilities, particularly machinery and equipment for key processes. Any operational disruption or machinery breakdown could directly impact our production schedules and stock levels, hindering our ability to meet customer orders in a timely manner, thus affecting customer satisfaction.

Operational disruptions or machinery breakdowns in our production facilities may arise from unexpected incidents or catastrophic events, including natural disasters, fires, technical or mechanical failures, power shortages, explosions, labor strikes, epidemics, loss of licenses, certifications or permits, changes in governmental planning for the underlying land, and regulatory developments. Additionally, instability or shortages in electricity supply could halt production activities, causing delays in fulfilling customer orders. In the event of such

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disruptions, maintaining production volumes and ensuring sufficient stock levels to meet customer demands could be challenging. Identifying and securing alternative facilities or machinery in a timely and cost-effective manner may not always be feasible. Delays in resuming normal operations could also affect the quality and schedule of product deliveries, potentially impacting customer satisfaction and damaging our reputation. Any prolonged suspension of operations or significant disruptions in our production processes could materially and adversely affect our business operations.

Our sales may be influenced by seasonality.

The consumption of our products is subject to seasonal variations. We typically experience higher sales in the second, third and fourth quarters of each year, primarily due to factors such as renovation demand, traditional consumer patterns and seasonal weather conditions. Meanwhile, we typically have low sales for our production capacity in the first quarter of each year, primarily due to the impact of the Chinese New Year holiday, which in turn negatively affects our profitability during the same period. See “Business — Seasonality.” Sales can also fluctuate during the course of a financial year for other reasons, including the timing of new product launches and marketing and promotion activities.

Due to these fluctuations, comparisons of sales and operating results between different periods within a financial year, between the same periods in different financial years, or between different financial years, are not necessarily indicative of our performance. Nor may our results for any particular quarter or half year be indicative of the results to be achieved for the entire fiscal year. Our financial condition and results of operations in the future may continue to fluctuate throughout a year. Investors should not rely on interim results as being indicative of results the Group may expect for the full year.

We are subject to various risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, some of our customers settled payments with us through accounts of third-party payors other than the contractual counterparties under the corresponding agreements. We have been managing and rectifying the Third-Party Payment Arrangements. See “Business — Internal Control and Risk Management — Internal Control of Third-Party Payment Arrangements.”

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

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We depend on the continued service of our management team and other key employees.

Our future success is dependent upon the continued service of our senior management. Our success also depends on the efforts and abilities of our design team, procurement team and sales and marketing team, which undertake the design and development of our products, the procurement of raw materials and the sales of our products respectively. If we lose their services, we may not be able to find suitable or qualified replacements, and we may incur additional expenses to recruit new senior management team members and key employees, which could severely disrupt our business and growth. In addition, if these personnel join our competitors or form a competing business, our business and prospects could be adversely affected. Furthermore, if the relationship between any of these personnel and any of our substantial shareholders deteriorates, our operations could be disrupted.

Given the competitive landscape for qualified personnel in the integrated green home services industry, we may not be able to attract and retain a sufficient number of qualified employees in the future, particularly in light of our plans to expand our business. If we lose the services of one or more of our key personnel, we may not be able to replace them easily or at all and may incur additional expenses to recruit and train new personnel. Consequently, our business could be severely disrupted, and our financial performance and results of operations could be materially and adversely affected.

We are exposed to risks relating to warehousing and third-party logistics service providers.

A significant disruption to the operation of our warehouses, whether as a result of natural disasters, public health incidents, labor shortages, fires or other causes, or any unexpected and adverse changes in the storage conditions of the warehouses, could disrupt our operations, which may cause delay in product deliveries or even destroy our products. Prolonged disruptions in warehousing could also result in a loss of sales. Furthermore, we may fail to secure the lease agreement of our various facilities on favorable terms, or at all. Any of these events could have a material and adverse impact on our business, results of operations and financial condition.

We engage independent third-party logistics service providers to transport our products to our warehouses or customers. Our dependence on third-party logistics providers could expose us to potential service disruptions or inefficiencies. If these providers fail to meet their service obligations due to operational issues, financial difficulties, or other unforeseen circumstances, our ability to deliver products to customers in a timely and cost-effective manner may be impacted, which could cause a decline in product sales and loss of revenue. In addition, improper handling of our products by the logistics service providers could also result in product damage, which could lead to product liabilities or claims and negatively impact our brand image and reputation. Any of these events could have a material and adverse impact on our business, results of operations and financial condition.

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We may face risks relating to labor relations, labor disputes, labor shortages and increases in labor costs.

Labor costs have been increasing and may continue to rise in the future. Labor cost increases may cause our production costs to increase, and we may not be able to pass on such increase to our customers. We also cannot assure you that we will not experience any shortage of labor. Any such shortage could hinder our ability to maintain our production schedules and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our investment in product development and technology may not generate expected outcomes.

Our future success, in part, depends on our ability to continue to upgrade our existing products and to develop, design and launch new products, which requires significant human and capital resources. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our research and development costs were RMB42.0 million, RMB46.2 million, RMB31.0 million and RMB34.8 million, respectively, accounting for 1.2%, 1.3%, 1.2% and 1.4% of our revenue, respectively, for the same periods. We intend to continue to strengthen our product development capabilities, which can be capital intensive and time consuming. If we fail to generate expected results from our research and development, there may be a waste of capital and human resources, which may adversely affect our business, results of operations and financial condition.

We believe that technology will continue to be an important driving force for our business growth. We have invested, and we intend to continue to invest significantly, in technology, automation and business intelligence tools, to optimize our operations. This plan is mainly manifested in various aspects of our business operations. However, technological changes are rapid, and we may not be able to keep abreast of the latest development; as a result, our technology systems may become obsolete. There is no guarantee that our investments in technology initiatives will generate sufficient returns or that they will have the expected effects on our business operations. If our technology investments do not meet our expectations for the above or other reasons, our prospects, cash flow and results of operations may be adversely affected.

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We may not be able to protect our intellectual properties against infringement and unauthorized use in counterfeit products.

We consider our patents and other intellectual property rights to be critical to our success and competitive advantage. We register and protect such intellectual property rights to the extent that we are able to under relevant local laws. See “Business — Intellectual Property.” We are not aware of any material violations, infringements or unauthorized use in relation to our intellectual properties. However, we cannot assure you that the steps we have taken to protect our intellectual property rights are sufficient, or that such intellectual property rights will not be subject to infringement in the future. Any unauthorized use of such intellectual property rights could harm our brands and reputation, which could adversely affect our financial condition and results of operations. In addition, our results of operations may be adversely affected as a result of incurring additional costs and the diversion of management’s attention when initiating any intellectual property right claims.

We may be subject to claims by third parties for intellectual property infringement.

We depend in part on our ability to effectively develop and maintain intellectual property rights relating to our business. However, we cannot assure you that third parties will not put forward claims that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights which they hold, whether such claims are valid or otherwise. We may face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. We may become involved in litigious proceedings relating to allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and violations of rights of third parties. The validity, enforceability and scope of protection of intellectual property rights, particularly within China, are still developing. As we face increasing competition and as litigation becomes a more commonly pursued method for resolving commercial disputes in China, we face a higher risk of being the subject of intellectual property infringement claims.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable final outcomes in all cases. Such intellectual property claims may harm our brands and reputation, even if they are vexatious or do not result in liability. Any resulting liability or expenses, or changes required to our products or services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations, and prospects.

If any fraud, bribery or other misconduct is committed by our employees, suppliers, customers or other third parties, we may be subject to economic losses and reputational damage.

We may face fraud, bribery or other misconduct committed by employees, suppliers, customers or other third parties, which could lead to financial losses and penalties from government authorities. Although we have designed internal control procedures to monitor operations and ensure overall compliance, these procedures may not be able to promptly

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identify all non-compliance, suspicious transactions, fraud, corruption, bribery or other misconduct, nor prevent or stop such occurrences. Our risk management systems and internal control capabilities are limited by the information and risk management tools and technologies available to us. Our ability to implement and maintain strict internal controls may be affected by the continual expansion of our business scale. Any misconduct by third parties that harms our interests could result in negative publicity, damage our reputation and lead to litigation and other legal proceedings, as well as administrative or criminal penalties, thereby adversely affecting our business and financial performance.

Failures or security breaches of our information technology systems could affect our business.

Information technology is an important part of our business operations, and we increasingly rely on our information technology systems to monitor and manage all aspects of our business including procurement, production, quality control, warehousing and logistics, sales and distribution, and marketing. Our information technology systems may be vulnerable to a variety of interruptions, including natural disasters, telecommunications failures, computer viruses, cyber-attacks, hackers, unauthorized access attempts and other security breaches. The technology security initiatives and disaster recovery plans we have implemented to address these may not be adequate. Any significant failure of our systems, including failures that prevent our systems from functioning as intended could cause transaction errors, processing inefficiencies and loss of customers and sales, resulting in a negative impact on our operations or business reputation.

We process customers’ information in our daily operations, but only to the extent necessary for the sale and delivery of our products and services in conformity with the relevant laws and regulations. The laws and regulations regarding privacy and data protection are generally complex and evolving. If we are unable to comply with the applicable data protection and information security laws, or to address any data privacy and protection concerns, such actual or alleged failure could damage our reputation, impair our brand image and could subject us to significant legal, financial and operational consequences. If our network security is compromised, and such information is stolen or obtained by unauthorized persons or used inappropriately, we may be subject to litigation and other proceedings brought by customers and relevant authorities. Any such proceedings could divert our management’s attention, result in significant financial losses and expenses, and negatively affect customers’ perception of our brands.

Our risk management and internal control systems may not be adequate or effective.

We seek to improve and update our risk management and internal control systems on a regular basis. See “Business — Internal Control and Risk Management” for more details. However, there is no assurance that they will be effective in safeguarding our risk management and internal control functions and fulfilling their purposes by ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. Since our risk management and internal control systems depend on effective implementation by our

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employees, and even though we provide relevant internal trainings in this regard, we cannot assure you that our employees are sufficiently or fully trained to implement these systems, or that their implementation will be free from error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and internal control procedures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We may be subject to litigation and other legal proceedings and may not always be successful in defending ourselves against such claims or legal proceedings.

We may be involved in litigation and other legal proceedings during the ordinary course of business operations related to, among other things, products or other types of liability, labor disputes, contract disputes or intellectual property disputes that may adversely affect our financial condition. These actions could also expose us to adverse publicity, which might adversely affect our brands, reputation and customer preference for our products. If we become a party in any litigation or other legal proceedings in the future, the outcome of these types of proceedings could be uncertain and lead to legal expenses and might result in settlements or outcomes that adversely affect our results of operations and financial condition.

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

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident fund. The amount we are required to contribute for each of our employees under such plan should be calculated pursuant to national laws and regulations. As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions.

As advised by our PRC Legal Advisor, pursuant to relevant PRC laws and regulations, if we fail to make social insurance contributions in compliance with the relevant PRC laws and regulations in the future, we may be required to pay all outstanding social insurance contributions within a prescribed period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the outstanding social insurance contributions are due. If this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay housing provident fund in full, the relevant housing provident fund management center may require us to pay the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. If these enforcement actions were taken by relevant authorities, our financial condition and results of operations could be materially and adversely affected.

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Our leased property interests may be defective and our right to lease or use the properties may be challenged, which could cause additional expenses or significant disruption to our operation.

As of September 30, 2025, we had not completed lease registration or lease registration modification for certain leased properties in China, primarily due to the difficulty of procuring the relevant landlords’ cooperation to register their leases. As advised by our PRC Legal Advisor, the absence of registrations will not affect the validity of the lease agreements, nor materially and adversely affect our operations. However, we may be subject to fines ranging from RMB1,000 to RMB10,000 for each lease if we fail to rectify within the prescribed period after receiving notices from the relevant PRC government authorities, which would not have any material adverse impact on our business, financial condition and results of operations. See “Business — Properties” for more details.

We are subject to complex and evolving ESG requirements, which require us to devote substantial time and resources for compliance.

There is an increasing focus on corporate responsibility and a number of regulations and requirements on ESG performance pose reputational, regulatory and other risks to us. We believe that it is our responsibility to devote substantial time and resources to develop technology and products designed to reduce carbon footprint and maintain environmentally friendly business operations. The process of developing new production technologies and enhancing existing production technologies to mitigate climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that do not prove to be commercially successful in the time frames expected, or at all. Moreover, not all of our competitors may seek to establish climate or other ESG targets and goals, or at a comparable level to ours, which could adversely affect our competitiveness in the relevant market. Compliance with these ESG requirements and regulations requires additional investments of resources, and failure to comply could subject us to, among other things, legal liability, fines, suspension of production, a loss of licenses to operate certain facilities and other sanctions, interruptions to operations, securities litigation and a general loss of investor confidence, any one of which could have a material adverse impact on our business and financial performance. If we are unable to satisfy such new criteria or are unable to respond or perceived to be inadequately responding to sustainability concerns, investors may conclude that our policies with respect to corporate responsibility are inadequate and choose to invest in our competitors. We risk damage to our brands and our reputation in the event that our corporate responsibility procedures or standards do not meet the standards set by various third parties. In addition, in the event that we communicate certain initiatives and goals regarding ESG matters, we could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could be criticized for the scope of such initiatives or goals. Any of these circumstances could cause negative publicity, and our business operations could be adversely impacted.

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Since we require various approvals, licenses and permits to operate our business, any failure to obtain or renew any of these approvals, licenses and permits could materially and adversely affect our business and results of operations.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain approvals, licenses, permits and certifications in order to operate our business. Complying with such laws and regulations may require substantial expense, and any noncompliance may expose us to liability. We have designed and adopted strict internal procedures to ensure compliance of our business operations with all relevant laws and regulations, and to ensure that we obtain necessary approvals, licenses, permits and certifications for our business operations. However, we cannot guarantee that we will be able to obtain and maintain all requisite approvals, licenses, permits and certifications. Regulatory authorities who have extensive authority to supervise and regulate the industry we operate in may not interpret relevant laws and regulations the way we do. In addition, as the regulatory regime for the industries in which we operate continues to evolve, new laws, regulations and regulatory requirements are promulgated and implemented from time to time. We may be required to obtain approvals, licenses, permits and certifications that we do not currently have for our existing business or new scope of business that we may expand into in the future. In the event of noncompliance, we may have to incur significant expenses and divert substantial management time to rectify the incidents. In the future, If we fail to obtain or maintain the necessary approvals, licenses, permits and certifications required by relevant laws and regulations or if we are deemed to have conducted business operations requesting certain approvals, licenses, permits and certifications without having one, we may be subject to fines or the suspension of operations of the relevant business segments or facilities that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business and results of operations. See “Regulatory Overview” for further details on the requisite approvals, licenses, permits and certifications for business operations. We may also experience adverse publicity arising from noncompliance with government regulations, which would negatively impact our reputation.

A severe or prolonged downturn in regional or global economy could materially and adversely affect our business, results of operations and financial condition.

Our business could be affected by the overall economic conditions and disposable income level of the public. Any adverse development in the global economy, whether as a result of a recession, credit and capital markets volatility, economic or financial crises, public health incidents or otherwise, may cause market demand for our products to decrease, or force us to reduce the price of our products. Our success also depends, to a significant extent, on disposable income per capita, which is influenced by general economic conditions. Accordingly, we may experience declines in sales during economic downturns or prolonged periods of high unemployment. Any material decline in the amount of discretionary spending of the residents of the places where our products are primarily sold may have a material adverse effect on our business, results of operations and financial condition.

RISK FACTORS

We plan to expand our presence in overseas markets and thus bear the risks associated with operations in overseas markets.

We plan to expand our international presence. Our expansion plans in overseas markets are subject to certain risks relating to specific regions, including:

- economic and political conditions;
- different tax rates, and import and export licensing requirements;
- fluctuations in foreign currencies’ exchange rates;
- costs associated with understanding local market trends;
- difficulties and costs associated with obtaining or maintaining intellectual property rights in different regions;
- difficulties and costs associated with complying with, and enforcing remedies under a wide variety of complex domestic and international laws, treaties and regulations; and
- changes in international trade policies and regulations, including economic sanctions, export controls, import restrictions and the imposition of tariffs and other trade barriers.

We have granted share-based awards in the past under our share incentive plan and may continue to grant share-based awards after the [REDACTED], which may result in increased share-based compensation expenses and have an adverse effect on our future profitability.

We adopted share incentive plans for the purpose of granting share-based compensation awards to our officers, Directors, employees and other eligible persons to incentivize their performance and align their interests with ours. We believe the granting of share-based compensation awards is of significant importance to our ability to attract and retain key personnel and employees, if we may continue to grant share-based compensation awards after the [REDACTED]. As a result, our expenses associated with share-based compensation may increase, which may have a material and adverse effect on our financial condition and results of operations. Our ability to attract or retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards.

Our insurance coverage may be inadequate to protect us from the liabilities we may incur or cover all of our potential costs.

We believe we maintain insurance policies in line with industry standards. See “Business — Insurance.” Nevertheless, the insurance coverage for our products and business operations is limited. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our business, financial condition and results of operations. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure, production facilities or business operations, or any

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material litigation, our business, financial condition and results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there can be no assurance that we will be able to successfully claim losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

The appraised value of our property may be different from its actual realizable value and is subject to change.

The appraised value of the Property as set forth in the property valuation report contained in Appendix III is based on multiple assumptions that include elements of subjectivity and uncertainty. Assumptions used by Colliers Appraisal & Advisory Services (Shanghai) Co. Ltd. (“Colliers”) in the valuation report include (among other things) that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests. Even though Colliers adopted valuation methodologies used in valuing similar types of properties when preparing the property valuation report, the assumptions adopted by Colliers may not be materialized in our case. As a result, the appraised value of the Property may differ materially from the value we would receive in an actual sale of such property in the market and should not be taken as its actual realizable value or a forecast of its realizable value. Unforeseeable changes to the national and local economic conditions, may affect the value of the Property. You should not place undue reliance on such appraised value attributable to the Property by Colliers.

Any future occurrence of force majeure events, natural disasters, wars or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters, wars or outbreaks, epidemics or pandemics of contagious diseases, including COVID-19, monkeypox, avian influenza, severe acute respiratory syndrome, H1N1 influenza or Ebola virus, may materially and adversely affect our business, financial condition and results of operations. Outbreaks, epidemics or pandemics of contagious diseases could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business, financial condition and results of operations.

Moreover, there have been natural disasters such as earthquakes, floods and droughts in the past few years around the globe. Any future occurrence of severe natural disasters in the PRC or other jurisdictions where we operate may materially and adversely affect regional and global economy and therefore our business. We are also vulnerable to natural disasters, wars and other calamities because our production facilities, warehouses and information systems are susceptible to damage or disruption from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks, or similar events. Any of the foregoing events may give rise to interruptions, damage to our property, delays in production, breakdowns, system failures, technology platform failures, or internet failures, which could materially and adversely affect our business, financial condition and results of operations.

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RISKS RELATING TO OUR FINANCIAL PERFORMANCE

We recorded net current liabilities during the Track Record Period, which may expose us to liquidity risks and could constrain our operational flexibility if they continue.

We recorded net current assets of RMB555.2 million and RMB338.6 million as of December 31, 2023 and 2024. As of September 30, 2025, we recorded net current liabilities of RMB212.2 million. See “Financial Information — Selected Balance Sheet Items — Net Current Assets/Liabilities.” Net current liabilities expose us to liquidity risk. The payment of trade and other payables, the execution of our capital expenditure plans, and the timely repayment of our outstanding debt obligations will primarily depend on our ability to generate sufficient cash from operating activities and to secure adequate external financing. In addition, if we encounter any liquidity issues in the future, we may curtail or defer our business expansion plans based on the availability of sufficient funds. If we continue to record net current liabilities in the future, it could limit our working capital for operations or business expansion plans, and materially and adversely affect our business, financial position and results of operations.

Failure to fulfil our obligations in respect of contract liabilities could materially and adversely affect our results of operation, liquidity and financial position.

Our contract liabilities primarily arise from advance payments made by our customers to us before we fulfill our performance obligations. Our contract liabilities were RMB211.3 million, RMB251.7 million and RMB210.6 million as of December 31, 2023 and 2024, and September 30, 2025. See “Financial Information — Selected Balance Sheet Items — Net Current Assets/Liabilities — Contract Liabilities.” There is no assurance that we will be able to fulfill our obligations in respect of contract liabilities as the fulfillment of our performance obligations is subject to various factors, including the market demand, the stability of supply and price of raw materials, the quality and price of raw materials provided by our suppliers. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of contract liabilities will not be recognized as revenue and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial condition may be adversely affected.

Failure of efficient inventory management may have a material and adverse effect on our business and financial performance.

Our inventories primarily include raw materials, semi-finished products and work in progress, and finished products. As of December 31, 2023, 2024 and September 30, 2025, we had inventories of RMB336.0 million, RMB350.9 million and RMB301.2 million, respectively. Our inventories turnover days were 46.7 days, 46.9 days and 48.0 days in 2023, 2024 and the nine months ended September 30, 2024, respectively. See “Financial Information — Selected Balance Sheet Items — Net Current Assets/Liabilities — Inventories.” Our inventory level is subject to various factors which are beyond our control, and failure to forecast consumer demand or any unexpected event affecting the sales of our products could result in increased

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inventory obsolescence, a decline in inventory value or inventory write-downs. There can be no assurance that we will be able to maintain optimal inventory level, and any such failure may have a material adverse effect on our business, financial condition and results of operations.

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

As of December 31, 2023, 2024 and September 30, 2025, the carrying balance of our trade and other receivables amounted to RMB132.3 million, RMB104.9 million and RMB261.1 million, respectively. See “Financial Information — Selected Balance Sheet Items — Net Current Assets/Liabilities — Trade and Other Receivables” for details. As there is limited financial or public information on many of our debtors, we cannot assure you that all of our debtors are creditworthy and reputable and will not default on us in the future. If we fail to collect our trade and other receivables effectively, or if the operating or financial conditions of our major debtors deteriorate, we may face the risk that accounts receivable cannot be recovered on time or may incur bad debt losses.

We are uncertain about the recoverability of our deferred tax assets, which may affect our financial positions in the future.

As of December 31, 2023, 2024 and September 30, 2025, our deferred tax assets amounted to RMB3.3 million, RMB4.4 million and RMB5.3 million, respectively. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. This requires significant judgment on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial positions in the future.

If we are unable to achieve and sustain a level of liquidity sufficient to support our operations and fulfill our obligations, our business, financial condition, and results of operations could be adversely affected.

We actively monitor and manage our cash and cash equivalents so that sufficient liquidity is available to fund our operations and other corporate purposes. In the future, increased levels of liquidity may be required to adequately support our operations and initiatives and to mitigate the effects of business challenges or unforeseen circumstances. If we are unable to achieve and sustain such increased levels of liquidity, we may suffer adverse consequences, including reduced investment in our platform development, difficulties in executing our business plan and fulfilling our obligations, and other operational challenges. Any of these developments could adversely affect our business, financial condition, and results of operations.

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RISKS RELATING TO CONDUCTING BUSINESS IN COUNTRIES WHERE WE OPERATE

Changes to the existing regulatory regime relating to the sectors where we operate our business may limit our ability to provide product offerings, thereby materially and adversely affecting our business, financial condition and results of operations.

The operations of our business are subject to various laws, rules and regulations at the regional and national levels of the industry in which we operate. New laws, rules or regulations and revisions to any existing laws, rules and regulations can impose additional compliance costs, reduce our revenue, and require us to change our operations to ensure compliance or otherwise change our business. We may need to devote additional efforts and resources to ensure our compliance with relevant laws, rules and regulations due to changes in any applicable laws, rules and regulations that might be beyond our control.

In recent years, the PRC government has, on many occasions, promoted the development of product quality and consumer protection. Nevertheless, new laws, rules and regulations relevant to our businesses may be introduced in the future, or the current applicable regulations may otherwise be amended or replaced, requiring us to conduct business with additional oversight and regulatory compliance. As a result, we may not be aware in a timely manner that we have violated certain policies and rules. There can be no assurance that we can adapt to the evolving regulatory environment swiftly enough or in a cost-efficient manner, failure of which may adversely affect our operations and lead to substantial compliance costs. Meanwhile, we may need to implement changes in our facilities, equipment, personnel or services to comply with the latest laws and regulations, and such may increase our capital expenditures and operating expenses, thereby adversely affecting our business, financial condition and results of operations.

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

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures and five supporting guidelines, which had become effective on March 31, 2023 (the “Overseas Listing Regulations”). The Overseas Listing Regulations are applicable to overseas securities offering and listing conducted by issuers who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. See “Regulatory Overview — Laws and Regulations Related to Overseas Listing” for more details. The Overseas Listing Regulations, or any pertinent rules or regulations promulgated in the future, may subject us, or our financing activities, to additional compliance requirements in the future. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our future financing activities.

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Any failure or perceived failure on us to comply with our posted privacy policies, our privacy-related obligations to users or other third parties, or any other legal obligations or regulatory requirements relating to privacy, data protection, or data security, may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, other obligations, and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our products.

Additionally, if third parties we work with violate applicable laws, regulations or contractual obligations, such violations may put our users’ data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Further, public scrutiny of, or complaints about, integrated green home services companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of integrated green home services companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks.

We may need to devote additional efforts and resources to ensure our compliance with relevant laws or regulations, including current or new laws and governmental regulations relating to the sectors where we operate our business, and to obtain or maintain required government permits, licenses and approvals for our business or renewals thereof in a timely manner.

Our business is subject to various compliance and operational requirements under applicable laws and regulations. Complying with laws, rules and regulations may require investments of various related resources, and any material non-compliance may expose us to liability or penalty. In case of any material non-compliance, we may have to incur significant expenses and divert substantial management time to rectifying such non-compliance incidents. We may also experience adverse publicity arising from such non-compliance with government regulations that could negatively impact our brands.

In addition, under the laws and regulations in PRC and other jurisdictions where we operate, we are required to obtain or complete a number of licenses, approvals, registrations, filings and other permissions for our operation. We may become subject to additional license, approval and other requirements as we develop and expand the scope of our business and engage in different business activities. We may fail to meet such requirements timely or at all, in which case we may be subject to administrative penalties and our ability to expand our business and sustain our growth may be adversely affected.

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Furthermore, certain licenses, permits or registrations we hold are subject to periodic renewal. We may not be able to maintain or timely renew our licenses and certificates when their current term expires. Furthermore, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, registrations or filings we hold may be deemed insufficient by the relevant government. If we fail to apply for, maintain or renew the licenses, permits, or registrations required for our operations, we may be subject to fines and additional penalties. Resolving such deficiencies and enhancing compliance may require additional operational expenses and divert our management attention. Additionally, we may experience negative publicity due to such deficiencies. As a result, our business, financial condition and results of operations may be adversely affected.

Holders of our Shares may be subject to PRC income tax obligations.

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of Shares by them. Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the dividends or gains from share transfer derived in China under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdiction in which the foreign individual or enterprise resides reduce or exempt the relevant tax obligations. According to the Notice of the Ministry of Finance and the State Administration of Taxation on Several Policy Issues Concerning Individual Income Tax (《財政部國家稅務總局關於個人所得稅若干政策問題的通知》) issued on May 13, 1994, foreign individuals are exempt from individual income tax on dividends received from foreign-invested enterprises. Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region (the “HKSAR”) for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) signed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a resident of the HKSAR (including natural person and legal entity), but such tax will not exceed 10% of the total amount of the dividends payable by the Chinese company. If an HKSAR resident directly holds 25% or more of the equity interest in a PRC company, such tax will not exceed 5% of the total dividends payable by the Chinese company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) issued by the STA effective on December 6, 2019 stipulates that the arrangements or transactions made for the primary purpose of obtaining the above-mentioned tax benefits are not subject to the above-mentioned provisions.

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For non-PRC resident enterprises that do not have establishments or premises in the PRC, and for those who have establishments or premises in the PRC but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of Shares are typically subject to PRC Enterprise Income Tax (“EIT”) at a 10% rate. The Circular on Issues Relating to the Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the STA, also stipulates that the withholding tax rate for dividends payable to non-PRC resident enterprise holders of Shares shall be 10%, subject to a further reduction under a special arrangement or an applicable treaty between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise. Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations are subject to the then relevant laws and regulations due to several factors, including whether the relevant preferential tax treatment will be revoked in the future such that all non-PRC resident individual holders will be subject to PRC individual income tax at a flat rate of 20%. If there is any change to applicable tax laws and rules and interpretation or application with respect to such laws and rules, the value of your [REDACTED] in our [REDACTED] may be materially affected.

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

We are an exempted company with limited liability incorporated in the Cayman Islands with substantially all of our assets located within China. Most of our Directors and senior management members reside in China.

Judgments of courts of another jurisdiction may be reciprocally recognized or enforced if the jurisdiction has a treaty on that with China. On July 14, 2006, Hong Kong and mainland China 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 which reciprocal recognition and enforcement of the judgment may be possible between these two jurisdictions provided that the judgment is rendered by a final court of these two jurisdictions and the parties have an expressly written choice of court.

On January 18, 2019, 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”) was signed between the Supreme People’s Court of China and Hong Kong. Comparing with the 2006 Arrangement, the 2019 Arrangement seeks to establish a bilateral legal mechanism with greater clarity and certainty for reciprocal recognition and enforcement of judgments between Hong Kong and the PRC in civil and

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commercial matters under both Hong Kong and PRC laws. The 2019 Arrangement came into effect on January 29, 2024 and has superseded the 2006 Arrangement. However, the 2006 Arrangement will remain applicable to a “choice of court agreement in writing” as defined in the 2006 Arrangement which was entered into before the 2019 Arrangement took effect. It may be difficult or impossible for you to enforce judgment between these jurisdictions if you have not agreed on sole jurisdiction with the other party. As a result, you may encounter difficulty in enforcing foreign judgments against us or our Directors or senior management members.

We may be classified as a “resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences for us and our non-PRC Shareholders.

The EIT Law provides that enterprises established outside the PRC whose “de facto management bodies” are located in the PRC are considered “resident enterprises” and are generally subject to the uniform 25% enterprise income tax rate on their worldwide income. Under the EIT Implementation Rules, a “de facto management body” is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise.

In addition, Issues about the Determination of Chinese-controlled Enterprises Registered Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》國稅發[2009]82號) promulgated by the SAT on April 22, 2009 and amended on December 29, 2017, regarding the standards used to classify certain Chinese-invested enterprises controlled by Chinese enterprises or Chinese group enterprises and established outside the PRC as “resident enterprises”, clarified that dividends and other income paid by such “resident enterprises” will be considered to be PRC source income, subject to PRC withholding tax, currently at a rate of 10%, when recognized by non-PRC enterprise shareholders. This circular also subjects such “resident enterprises” to various reporting requirements with the PRC tax authorities. In addition, the circular mentioned above sets out criteria for determining whether “de facto management bodies” are located in the PRC for overseas incorporated, domestically controlled enterprises. However, as this circular only applies to enterprises established outside the PRC that are controlled by PRC enterprises or groups of PRC enterprises, it remains unclear how the tax authorities will determine the location of “de facto management bodies” for overseas incorporated enterprises that are controlled by individual PRC residents like us and some of our subsidiaries. Therefore, although substantially all of our management is currently located in the PRC, it remains unclear whether the PRC tax authorities would require or permit our overseas registered entities to be treated as PRC resident enterprises. We do not currently consider that we are a PRC resident enterprise. However, if the PRC tax authorities disagree with our assessment and determine that we are a “resident enterprise”, we may be subject to enterprise income tax at a rate of 25% of our worldwide income and dividends paid by us to our non-PRC Shareholders as well as capital gains recognized by them with respect to the sale of our Shares may also be subject to a PRC withholding tax. This will have an impact on our effective tax rate, a material and adverse effect on our net income and results of operations and may require us to withhold tax on our non-PRC Shareholders.

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The remittance of Renminbi into and out of the PRC and governmental control of currency conversion may affect our ability to pay dividends and other obligations, and affect the value of your [REDACTED].

The PRC government regulates the convertibility of Renminbi into foreign currencies. We receive substantially all our revenue in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations. Shortages in the availability of foreign currency may affect our ability to remit sufficient foreign currency, or otherwise satisfy our foreign currency-denominated obligations.

Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. Under the relevant laws and regulations, the government may take necessary measures to guarantee and control the international balance of payments when serious disequilibrium of balance of payments occurs, or it is possible that it may occur, or other legal circumstances occur. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

As a holding company, we may rely on the distribution by our PRC subsidiaries for funding, and any dividends paid by our PRC subsidiaries to us are subject to PRC withholding taxes.

We may rely on the distribution to us by our PRC subsidiaries for funding, including to pay dividends to our Shareholders and to service any debt we may incur. Under the EIT Law and its implementation rules, a 10% withholding tax is applicable to the profit of a foreign-invested enterprise distributed to its immediate holding company outside China to the extent the distributed profit is sourced from China, (i) if the immediate holding company is neither a PRC resident enterprise, nor has any establishment or place of business in China, or (ii) if the immediate holding company has an establishment or place of business in China but the relevant income is not effectively connected with the establishment or place of business. Pursuant to a special arrangement between Hong Kong and China, this rate will be lowered to 5% if a Hong Kong resident enterprise directly owns over 25% of the Chinese company at all times during the 12-month period immediately prior to obtaining a dividend from such company. In addition, according to a tax circular issued by the SAT in February 2009, if the main purpose of an offshore arrangement is to obtain a preferential tax treatment, Chinese tax authorities have the discretion to adjust the tax rate enjoyed by the relevant offshore entity. Chinese tax authorities may not determine that the 5% tax rate applies to dividends received by our subsidiary in Hong Kong from our Chinese subsidiaries, or Chinese tax authorities may levy a higher withholding tax rate on these dividends in the future. In accordance with the Administrative Measures for Convention Treatment for Non-resident Taxpayers (《非居民納稅

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人享受協定待遇管理辦法》) which was promulgated by the SAT and came into effect on January 1, 2020, if non-resident taxpayers consider that they are eligible for treatments under the tax treaties through self-assessment, they may, at the time of filing tax returns or making withholding tax filings through withholding agents, enjoy the treatments under the tax treaties, and shall concurrently collect and retain the relevant documents for inspection according to relevant regulations, and accept tax authorities' post-filing administration.

RISKS RELATING TO THE [REDACTED]

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

Before the completion of [REDACTED], there has been no public market for our Shares. The initial [REDACTED] range of our Shares, and the [REDACTED], will be the result of negotiations between the [REDACTED] (for itself and on behalf of the [REDACTED]) and us. The [REDACTED] may differ from the market price for our Shares following the [REDACTED].

In addition, while we have applied to have our Shares [REDACTED] on the Stock Exchange, (i) an active [REDACTED] market for our Shares may not develop or, (ii) if it does, that it may not be sustained following completion of the [REDACTED], or (iii) the market price of our Shares may decline below the [REDACTED]. You may not be able to resell your Shares at a price that is attractive to you, or at all.

The price and [REDACTED] volume of our Shares may be volatile, which could lead to substantial losses for [REDACTED].

The price and [REDACTED] volume of our Shares may be volatile. The market price of our Shares may fluctuate significantly and rapidly as a result of the following factors, among others, some of which are beyond our control: (i) actual or anticipated variations of our results of operations; (ii) loss of key suppliers; (iii) changes in securities analysts' estimates or market perception of our financial performance; (iv) announcement by us of significant acquisitions; (v) addition or departure of senior management members or other key personnel; (vi) fluctuations in stock market price and volume; (vii) regulatory or legal developments, including involvement in litigation; (viii) fluctuations in [REDACTED] volume or the release of lock-up or other transfer restrictions on our outstanding Shares or sales of additional Shares by us; and (ix) general economic, political and stock market conditions.

In addition, stock markets and the shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced increasing price and volume fluctuations in recent years, some of which have been unrelated or disproportionate to the operating performance of such companies. These broad market and industry fluctuations may materially and adversely affect the market price of our Shares.

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There can be no assurance that we will declare and distribute any dividend in the future.

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from our operating subsidiaries. Specifically, distribution of dividends depends on the future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. As a result, we cannot assure you when, whether or in what form dividends of any amount will be declared or distributed. See “Financial Information — Dividend.”

Our Controlling Shareholder may exert substantial influence over our operation and may not act in the best interests of our independent Shareholders.

Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), our Controlling Shareholders will own approximately [REDACTED]% of the [REDACTED] share capital of our Company. Our Controlling Shareholders will have the ability to exercise significant influence over us, including matters relating to the nomination and election of our Directors, business strategies, dividend and other distributions, and major corporate activities, including securities offerings, acquisitions or investments. The interests of our Controlling Shareholders may not align with that of our other Shareholders. As a result, our Controlling Shareholders may take actions that other Shareholders may not agree with or that are not in our, or our other Shareholders’ best interests.

You will incur immediate and significant dilution if the [REDACTED] is higher than the net tangible asset value per Share and may experience further dilution if we [REDACTED] additional Shares in the future.

The initial [REDACTED] of our Shares is higher than the net tangible asset value per Share of the outstanding Shares issued to our existing Shareholders immediately prior to the [REDACTED]. Therefore, purchasers of our Shares in the [REDACTED] will experience an immediate dilution in terms of the [REDACTED] net tangible asset value. In addition, we may consider [REDACTED] and [REDACTED] additional Shares or equity-related securities in the future to raise additional funds, finance acquisitions or for other purposes. Purchasers of our Shares may experience further dilution in terms of the net tangible asset value per Share if we [REDACTED] additional Shares in the future at a price that is lower than the net tangible asset value per Share.

RISK FACTORS

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

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

We were incorporated under the laws of the Cayman Islands and these laws could provide different protections to minority Shareholders than those of the laws of Hong Kong.

Our corporate affairs are governed by our Memorandum and Articles of Association, the Companies Act and common law of the Cayman Islands. The rights of Shareholders to take action against our Directors, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interest of minority shareholders differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority shareholders may be different from those they would have under the laws of other jurisdictions.

Certain statistics contained in this document are derived from a third-party report and publicly available official sources.

Certain facts, forecasts and statistics in this document relating to the PRC and global economy and the industries in which we operate are obtained from official government publications that we believe are reliable. However, there can be no guarantee of the quality or reliability of these sources. Neither we, the Sole Sponsor, [REDACTED] nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions obtained from these sources.

RISK FACTORS

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

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

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

Prior to the publication of this document, there has been press and media coverage regarding us and the [REDACTED], including but not limited to certain financial information, projections, industry comparison, valuations and/or other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of such media coverage or forward-looking statements. We make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media. To the extent that any such information appearing in publications other than this document is inconsistent with, or conflicts with, the information contained in this document, we disclaim it, and accordingly you should not rely on any such information. In making your decision as to whether to purchase our Shares, you should rely only on the information included in this document.