RISK FACTORS

An [REDACTED] in our H Shares involves various risks. You should carefully consider all the information in this document and in particular the risks and uncertainties described below before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks.

The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are exposed to fluctuations of lithium prices.

Lithium prices are volatile and are influenced by changes in current and expected supply and demand and broader market conditions. According to Frost & Sullivan, historical fluctuations in lithium prices were driven by shifts in downstream demand, upstream lithium resource supply, the pace of new capacity releases, inventory changes, and broader market conditions. If supply growth outpaces demand growth or if demand weakens, prices for lithium compound products may decline or remain under pressure; conversely, tighter supply conditions or unexpected demand spikes may lead to rapid price increases.

A significant or sustained decline in lithium prices could decrease the prices of our lithium compound products, thereby reducing our revenue, profitability and cash flows and reducing the value of our inventories and other assets and resulting in write-downs or impairment. In addition, declines in lithium prices may compress our margins because the selling prices of our lithium compound products may decline while a portion of our costs, such as processing costs, energy costs, labor costs, logistics costs and depreciation, may be relatively fixed in the short term or adjust with a lag. Sustained low prices may also cause us to curtail or suspend production if certain operations become uneconomic at prevailing market rates.

Conversely, while short-term price increases generally benefit our near-term financial performance, a significant or sustained increase in lithium prices presents long-term risks to our business. Excessively high lithium prices may significantly increase costs for downstream battery manufacturers and end users leading to global shifts toward, and investments in, alternative battery technologies or energy solutions, such as sodium-ion batteries, that utilize less or no lithium, which could substantially reduce long-term market demand for our lithium compound products.

We depend on a stable and adequate supply of raw materials. Price fluctuation of our raw materials and inadequate or interrupted supply for our raw materials could adversely affect our business, financial condition and results of operations.

The key raw materials used in our operations vary across our business segments. For our lithium compound products, such raw materials primarily include lithium concentrate and auxiliary materials such as sulfuric acid and sodium hydroxide. For our ESD ultra-clean technology products, the key raw materials include optically clear adhesives, expanded polypropylene foam cushioning materials, raw yarn and thermoplastics, while thermoplastics and polypropylene also constitute the primary raw materials for our medical devices. During the Track Record Period, our cost of raw materials amounted to RMB6,335.8 million, RMB3,865.5 million and RMB4,811.1 million, respectively, representing 80.5%, 73.7% and 74.1% of our cost of sales for the respective years. Our results of operations are sensitive to the availability and pricing of these raw materials, as well as our ability to procure them in a timely manner and in accordance with required specifications.

We source certain raw materials from third parties, and our suppliers may be unable or unwilling to satisfy our requirements in terms of quality, quantity and delivery schedules, which could result in shortages, production interruptions or significant cost increases. Supplier failures may arise from accidents, extreme weather, manufacturing problems, epidemics, labor disputes, transportation interruptions or financial difficulties, including bankruptcy. Changing suppliers may involve qualification, testing and lead time and may, in some cases, require customer approval. If we are unable to secure alternative supplies in sufficient quantities, of suitable quality or at acceptable prices, we may experience reduced production, delayed deliveries, increased costs, contractual claims and reputational harm, and any inability to pass increased costs on to customers could further adversely affect our margins, business, financial condition and results of operations.

Our access to lithium resources may be constrained by the finite lives and uncertainty of mineral reserves and resources at the mines from which we source, and our efforts to secure lithium resources may not succeed.

Lithium mineral reserves and resources are finite, and the availability of economically recoverable reserves and resources will decline over time as extraction proceeds. Estimates of reserves and resources are inherently uncertain and depend on, among other things, geological interpretation, sampling and assay results, mining and processing recoveries, operating and capital costs, permitting and regulatory requirements, and the availability of infrastructure, water and power supply. Any material reduction in estimated reserves or resources, lower-than-expected grades or recoveries, increased costs or adverse changes in commodity prices could shorten mine lives and reduce the availability of lithium supply or increase our procurement costs, which could materially and adversely affect our business, financial condition and results of operations.

To support our integrated value chain and capacity planning, we may need to identify, develop, bid for or acquire additional lithium supply arrangements or upstream interests. Such efforts may be costly, time-consuming and uncertain, and we may not be able to successfully execute them on acceptable terms. We have formed joint ventures and associates to hold equity interests in mines located in the PRC and abroad as part of our efforts to secure lithium resources. However, there is no assurance that the actual production results may match the expected results, and these joint ventures or associates may fail to meet their supply or delivery obligations, including due to operational, financial, regulatory or other disruptions, which could adversely affect our access to lithium resources and may adversely our business, financial condition and results of operations.

Any slowdown or decrease in downstream demand for our products, or technological developments resulting in substitute products, may have a material impact on us.

Demand for our products depends on conditions in our downstream industries and end markets and may fluctuate due to changes in those markets. Our lithium compound products and cathode materials are mainly used in the manufacture of lithium-ion batteries for new energy vehicles and energy storage systems, and are largely purchased by cathode materials manufacturers and lithium-ion battery manufacturers. Demand for our ESD ultra-clean technology products is driven by customers' production activities and capital expenditure cycles in the relevant manufacturing and industrial applications, while demand for our medical devices is influenced by procurement dynamics and regulatory requirements in the healthcare sector. Any slowdown, cyclical downturn or structural change in these downstream markets, whether due to macroeconomic conditions, changes in consumer sentiment, reduced availability of financing, changes in government policies and incentives, industry competition and consolidation, or customer inventory and procurement strategies, could reduce our sales volumes, exert downward pressure on selling prices, lower capacity utilization and materially and adversely affect our business, financial condition and results of operations.

Downstream markets are subject to rapid changes in end-use applications and evolving performance, safety and cost requirements, which may reduce demand for our products or require us to change our product portfolio. Changes in use cases and end-user requirements may influence technology choices and accelerate shifts in battery chemistries, manufacturing processes or materials systems, the development and commercialization of substitute cathode materials, or the adoption of alternative battery technologies. For example, while still at an early stage and facing challenges for mass production and commercialization, sodium-ion batteries and hydrogen batteries are receiving attention for certain applications. Technological upgrades, product iterations and changes in industry standards in the end markets for our ESD ultra-clean technology products and medical devices could also shorten product life cycles, increase research and development, qualification and compliance costs, and intensify competition. Any of these developments could materially and adversely affect our business, financial condition and results of operations.

If we fail to maintain the competitiveness of our products, our business may be materially and adversely affected.

Our performance depends on our ability to offer products that meet customer specifications and expectations in terms of quality, consistency, performance, reliability, traceability and delivery, at competitive prices and on acceptable commercial terms. Competition in our markets may be intense and may be driven by factors such as product performance, customer qualification and approved-supplier status, production capacity and lead times, service levels, and pricing and payment terms. Our competitors may have advantages over us, including greater scale, lower costs, broader product portfolios, stronger customer relationships or greater financial resources, and may introduce products perceived to be superior, respond more quickly to customer requirements, or compete aggressively on pricing or other terms. Our customers may also diversify their supplier base, periodically re-qualify suppliers or adjust procurement strategies, which may reduce our order volumes or increase pricing pressure even when overall downstream demand remains stable. If we are unable to compete effectively or maintain required customer qualification status, we may lose orders, be required to reduce prices or offer more favorable terms, and incur additional costs to retain or win customers. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We derived a significant portion of our revenues from a limited number of major customers during the Track Record Period.

Our major customers primarily include leading lithium-ion battery manufacturers, cathode material manufacturers and new energy vehicle OEMs. Revenue generated from our five largest customers in each year of the Track Record Period accounted for 68.4%, 59.0% and 55.9% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. For the same years, revenue generated from our largest customer accounted for 24.3%, 19.0% and 23.0% of our total revenue, respectively. This concentration reflected the concentrated nature of the lithium-ion battery manufacturing industry and the scale and purchasing requirements of leading lithium-ion battery manufacturers.

Our major customers may, for reasons beyond our control, reduce purchases from us, delay, reschedule, cancel or fail to renew orders, change their procurement strategies, renegotiate pricing or other commercial terms, or switch to alternative suppliers. Material reduction, rescheduling, delay or cancelation of purchase orders, or any downward revision to forecasts by our major customers, may result in fluctuations in our revenue, production planning and capacity utilization. Our results may also be adversely affected by factors impacting our major customers, including changes in their business scope, operations, market position, inventory management, end-market demand, financial condition or ability to pay, and adverse developments affecting their reputation or regulatory compliance. Certain of our major customers may have significant bargaining power, which may result in pricing pressure, more stringent payment terms, or additional commercial and operational requirements. If we are unable to replace any lost business on comparable commercial terms within a reasonable period of time, or at all, our business, financial condition, results of operations and profitability may be adversely affected.

We may not be successful in expanding our operations to meet our demands, or we may not be able to fully utilize our production capacity due to insufficient or unstable demand.

We have expanded our production capacity and output in recent years and are undertaking, and may continue to undertake, significant expansion projects to enhance our production network, increase capacity and further integrate our industry value chain, including such as the expansion of our production capacity of lithium compound products and cathode materials for next-generation solid-state batteries, as well as the strengthening of our upstream lithium ore processing capabilities These projects involve substantial capital expenditures and operational complexity and depend on factors beyond our control, including the performance of third-party contractors, equipment procurement and installation, availability of utilities and other infrastructure, compliance with applicable laws and regulations, and the timely receipt and renewal of permits, licenses and approvals. Our expansion projects may also experience delays, cost overruns or commissioning issues and may disrupt existing operations, which could increase costs, reduce efficiency, delay deliveries and adversely affect our ability to meet customer requirements.

Even if our expansion projects are completed as planned, we may not be able to achieve or maintain high utilization rates or generate sufficient demand to support the continuous operation of our expanded facilities. Our capacity planning is based on our expectations regarding future demand and product mix, and downstream market conditions and technology pathways may evolve differently than we expect, including changes in the pace of commercialization of next-generation battery technologies and related shifts in demand among different lithium compound products, which may require us to adjust our investment plans and could result in capacity mismatch. New capacity also typically requires a ramp-up period to reach targeted yields and output. If our sales volumes do not increase as expected, or if we fail to secure sufficient orders from existing or new customers, we may operate below desired utilization levels or need to curtail production, which could increase unit costs, reduce margins and adversely affect our business, financial condition and results of operations.

Our ability to conduct business in the international markets is subject to uncertainties and risks.

Our international operations expose us to additional risks and uncertainties, including compliance with local laws and regulatory requirements, obtaining and maintaining permits and approvals, foreign exchange and cross-border payment or settlement restrictions, political, social or security instability, adverse economic conditions, disruptions to transportation and logistics, and changes in trade policies and measures such as tariffs, sanctions, export controls and customs restrictions. We may also face practical challenges in establishing, staffing and managing overseas operations and supply chains, working with local partners and service providers, and enforcing contractual rights in foreign jurisdictions. For example, the escalating conflict in the Middle East since late February 2026 has disrupted critical maritime shipping routes, including through the Strait of Hormuz, which has adversely impacted the global supply of various raw materials. Any of the foregoing could increase our costs, delay deliveries, disrupt operations or limit our ability to conduct business in certain markets, and could adversely affect our business, financial condition and results of operations.

We are subject to various taxes due to our international operations. We adopted transfer pricing arrangements among our group companies in various countries and regions to regulate intra-group transactions. As such, our Group's tax position may be subject to review by relevant government authorities and changes in law. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to invest more managerial and financial resources, which could in turn affect our results of operations.

We may not be able to develop and commercialize new technologies and products in a timely and cost-effective manner, which could materially and adversely affect our ability to meet customer requirements.

Our ability to maintain and enhance our competitive position depends in part on our research and development capabilities and our ability to improve our products and manufacturing processes in response to evolving customer requirements, product specifications and industry standards. For example, developments in next-generation battery technologies, including solid-state batteries and new materials systems used in such batteries, may change performance requirements and product specifications and could reduce demand for, or require significant changes to, certain of our existing products. However, we may not achieve the technical, performance or cost targets we expect within expected timeframes, or at all. New products and process improvements may face feasibility and scale-up challenges and may not achieve required yields, consistency, reliability or quality standards in mass production.

Even if we achieve technical success, commercialization may be delayed or unsuccessful due to extended customer testing, qualification, audit, validation and approval processes, changes in customer demand or end-market conditions, or our inability to manufacture at sufficient scale and competitive cost. As a result, we may need to modify, delay or abandon certain projects after incurring significant costs. Any failure to develop and commercialize new technologies, products and processes could materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to environmental, handling of hazardous substances, chemical manufacturing, health and safety laws and regulations and production standards and any inability to comply with such requirements and standards may subject us to liabilities.

Our operations are subject to extensive environmental, health and safety, hazardous substances handling, chemical manufacturing, and product-related quality and production standards in the jurisdictions in which we operate, including the PRC and overseas. These requirements include obtaining and maintaining permits and approvals, undergoing inspections, and complying with standards relating to emissions and greenhouse gases, wastewater, waste management, pollution control, resource usage, storage, transportation and disposal of hazardous materials, and workplace safety. Such laws and regulations may change and become more stringent over time, including through stricter enforcement, higher penalties and additional assessment, reporting and monitoring requirements. In addition, increasing stakeholder focus on sustainability and ESG matters, including climate-related risks and disclosure expectations, may require us to incur additional costs to measure, monitor, report and improve our ESG performance and could affect customer procurement decisions and our access to capital. Compliance may require significant capital expenditures and operating costs, may cause delays in obtaining, renewing or maintaining permits and approvals, and may limit our ability to expand, modify or continue our operations.

Any actual or alleged non-compliance, including exceedances of emissions or discharge limits, improper handling, storage, transportation or disposal of hazardous materials or wastes, or workplace accidents or safety incidents, could result in fines, penalties, remediation or cleanup obligations, civil or criminal liability, third-party claims, operational restrictions or suspensions, and reputational harm. We may also incur liabilities associated with historical or pre-existing environmental conditions at our sites or at third-party waste treatment or disposal facilities. Any perceived failure to meet evolving ESG expectations could similarly result in reputational harm and adversely affect customer demand, business relationships or access to capital. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Failure to maintain an effective quality control system could have a material adverse effect on our business, financial condition and results of operations.

Product quality is critical to the success of our businesses, and we must maintain effective quality control systems across our production and other operational activities. We have established a quality management system designed to comply with relevant national and international standards and to cover key aspects of our operations, including raw material procurement and product manufacturing. The effectiveness of our quality control systems depends on a number of factors, including their design and implementation, the adequacy of our training programs, and our ability to ensure that employees consistently adhere to our quality control policies and procedures. Any failure or deterioration of our quality control systems could result in product defects, non-conformities or non-compliance, which may lead to customer complaints, returns, recalls, regulatory scrutiny and contractual, product liability or other claims. Such matters, whether or not ultimately successful, may be time-consuming and costly to address, disrupt our operations, divert management attention and harm our reputation, and if any such claims are successful, we could be required to pay substantial damages, fines or penalties, which could materially and adversely affect our business, financial condition, results of operations and reputation.

If we are unable to manage our growth or execute our strategies, such as expansion of customer base or integration of industry value chain effectively, our business and prospects may be material and adversely affected.

We expect to continue to expand our product portfolio, customer base and international presence, and further integrate our industry value chain. Doing so may require us to increase production capacity and upgrade our facilities, systems and internal controls, strengthen our quality management and compliance capabilities, enhance our technology and information systems, and recruit, train and retain additional personnel, while managing a larger number of suppliers and partners across multiple jurisdictions. These initiatives require significant management attention and financial and human resources, and we may not be able to implement them effectively or in a timely manner. In addition, changes in customer requirements, applicable standards and regulatory expectations may require us to adjust our strategies, and we may fail to adapt or may not realize the anticipated benefits of such initiatives and could incur additional costs or reduced profitability. Any of these events could materially and adversely affect our business, financial condition, results of operations and prospects.

Our lithium processing operations involve complex processes and are subject to operational execution challenges, including technical and metallurgical uncertainties, equipment failures and infrastructure constraints.

Our lithium processing operations are technically complex and may not perform as expected due to, among other things, variability in the characteristics of raw materials and other inputs and uncertainties in metallurgical and process performance, including our ability to consistently achieve expected recovery rates, throughput, processing yields and product specifications. We may also encounter commissioning and ramp-up challenges, process instability, unplanned outages, unexpected maintenance requirements and equipment failures, any of which could disrupt production, reduce volumes, increase costs, delay deliveries, result in customer claims or loss of business and materially and adversely affect our business, financial condition and results of operations. In addition, our lithium processing operations depend on reliable infrastructure and third-party services and may be affected by interruptions in electricity, water and other utilities, transportation and logistics disruptions, and broader disruptions that impact the availability of labor, contractors, spare parts, reagents and other key inputs. If any of these events occur, we may be required to curtail or suspend operations, incur additional costs for repairs and recovery and other mitigation measures, and experience reputational harm, which could materially and adversely affect our business, financial condition and results of operations.

Major accidents, safety incidents or other catastrophic events at our sites could result in significant liabilities, operational disruptions and reputational harm.

Our manufacturing and other operations involve inherent safety risks, including those arising from the operation of machinery and vehicles, high-temperature and high-pressure processes, and the handling, storage and transportation of hazardous, combustible or otherwise regulated materials. Despite the safety and risk management measures we implement, serious incidents may occur at our facilities, including fatalities or other injuries, fires, explosions or releases of hazardous substances, which could disrupt production, deliveries or procurement, require us to curtail or suspend operations or implement remediation or corrective actions, and result in reputational harm, regulatory scrutiny and third-party claims. Our insurance policies may contain coverage limits, deductibles and exclusions, and we may not be able to obtain or maintain insurance on commercially reasonable terms for all risks, and we may therefore be required to bear a significant portion of losses arising from such incidents.

Production interruptions due to supply chain disruptions, labor disputes, or strikes, could result in delivery delays, claims, regulatory penalties, or reputational damage, which could materially adversely affect our business, results of operations and financial condition.

Production interruptions or supply chain disruptions could impair our ability to manufacture and deliver products in a timely manner and at acceptable cost. Our operations may be affected by disruptions in the supply of raw materials, utilities or energy, equipment failures, capacity constraints or disruptions affecting any of our key production facilities, logistics constraints, labor shortages, labor disputes or work stoppages, quality incidents or contamination events, workplace accidents, epidemics or natural disasters, as well as inspections, investigations or other regulatory actions that may result in the suspension or restriction of our operations. Any such disruption could lead to production delays, reduced output, product shortages, failure to meet customer delivery requirements, customer claims, penalties or loss of business, increased costs, adverse publicity and reputational harm. If we are unable to mitigate these risks or resume normal operations promptly, our business, financial condition and results of operations could be materially and adversely affected.

We depend on certain third parties for various services and products in connection with our business.

We depend on third-party suppliers and service providers for various goods and services for our operations, including utilities and energy, raw materials and consumables, components and packaging, logistics and transportation, and, from time to time, testing and warehousing services. If any such third parties fail to deliver on time, meet required specifications or quality standards, maintain required qualifications, or comply with applicable laws and regulations, our production schedules, product quality, customer fulfillment and costs may be adversely affected. In addition, because we do not have direct control over the operations of these third parties, any misconduct, non-compliance or quality failures by them, including the supply of non-conforming materials or services, could result in product quality issues, delays, customer claims, recalls, regulatory scrutiny and reputational harm. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Medical device regulatory approvals, registrations and ongoing compliance are complex and evolving, and any failure by us or parties we rely on to obtain, maintain or renew required approvals, permits, licenses or certifications could materially and adversely affect our business.

All material aspects of our medical device business, including product research and development, clinical evaluation and clinical studies (where applicable), registration or filing, manufacturing, quality management, marketing, sales, post-market surveillance and adverse event reporting, are subject to extensive and evolving regulation by the NMPA, the FDA and other comparable authorities in the jurisdictions in which we operate and sell our products. The time and cost required to obtain, maintain or renew product registrations or filings and manufacturing-related permits, licenses and certifications are uncertain and may be affected by changes in laws, regulations, regulatory policies, technical standards and enforcement priorities, including in connection with new products and product modifications. We and certain third parties we rely on in connection with our regulated activities may be subject to inspections, audits and other regulatory scrutiny from time to time, and we may be required to implement corrective and preventive actions. If we or parties we rely on fail to obtain, maintain or renew necessary registrations or filings, permits, licenses or certifications, fail inspections or audits, or otherwise fail to satisfy applicable regulatory requirements, we may face warnings, fines, product holds, recalls, suspension of manufacturing or sales, delays in commercialization, loss of market access or reputational harm, any of which could materially and adversely affect our business, financial condition and results of operations.

If we fail to maintain an effective distribution network for our medical device business or manage the activities of our distributors, our business could be adversely affected.

We have historically relied, and may continue to rely, on distributors to distribute certain of our medical device products and, in some cases, to support market coverage, logistics and settlement arrangements. If we are unable to maintain and expand these relationships on acceptable terms, or if our distributors reduce purchases, change their commercial policies, delay settlement or otherwise fail to perform, our sales, cash flows and market coverage could be materially and adversely affected. In addition, we have limited control over the day-to-day activities of our distributors and their sub-distributors. Any actual or alleged failure by them to comply with applicable laws and regulations or industry standards, including those relating to product promotion, tendering and procurement, advertising, anti-bribery and anti-corruption, and product storage, transportation and traceability, could result in regulatory scrutiny, contractual disputes, third-party claims and reputational harm, any of which could materially and adversely affect our business, financial condition and results of operations.

Our reputation is important to our success, and negative publicity could materially and adversely affect our business.

Our business and prospects depend in part on our reputation with customers, suppliers, regulators, lenders and other third parties. Negative news, publicity or allegations relating to us, our Directors, senior management, or our business partners, counterparties or their respective affiliates, whether or not true and whether or not we are involved, could harm our reputation and damage our relationships with third parties. Given the regulatory scrutiny and customer qualification requirements applicable to our businesses, adverse publicity and commentary may spread quickly and could impair our ability to maintain third-party relationships, obtain or renew customer qualifications, secure new business and attract and retain talent. Any such reputational harm could materially and adversely affect our business, financial condition, results of operations and prospects.

Product liability claims, recalls, or safety issues related to our products could result in significant costs, regulatory actions, and reputational damage, which could materially adversely affect our business.

We may be subject to product liability claims, complaints, returns, recalls or other actions if our products are alleged to be defective, fail to meet applicable specifications or standards, or are otherwise considered unsafe, including due to issues in design, manufacturing, labeling, storage, handling or transportation. Such claims or recalls, whether with or without merit, may be time-consuming and costly to address and defend, may divert management attention and resources, and may result in regulatory investigations or enforcement actions, suspension of sales, corrective actions, redesign, product withdrawals or recalls, increased quality control and compliance costs, adverse publicity and reduced demand. In addition, our product liability insurance, if any, may not cover all products or types of claims, may be unavailable on commercially reasonable terms, and may be insufficient to cover all losses. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We may be unable to adequately protect or enforce our intellectual property rights, and may be subject to intellectual property infringement claims, which could materially and adversely affect our business and competitive position.

We rely on patents, trademarks, copyrights, trade secrets, proprietary processes and technical know-how to maintain our competitive position, and we use confidentiality and assignment provisions in agreements with employees and third parties to help protect our proprietary information. However, these measures may not prevent unauthorized use or disclosure of our proprietary information. The scope, validity and enforceability of intellectual property protection vary significantly by jurisdiction, and our intellectual property rights may be challenged, invalidated, narrowed or circumvented. In addition, defects or disputes relating to ownership, inventorship or assignment arrangements with employees, consultants or business partners could limit our ability to register, maintain or enforce our intellectual property rights, which could reduce the value of our intellectual property and adversely affect our business and competitive position.

We may need to enforce our intellectual property rights against third parties, and we may also face claims, whether with or without merit, that we infringe the intellectual property rights of others. Any such claims, disputes or proceedings may be time-consuming and costly, divert management attention and resources, require us to obtain licenses, cease certain activities, redesign products or processes, or pay damages, and may result in remedies that are not commercially meaningful. We may also be required to initiate or defend actions in foreign jurisdictions, where outcomes can be uncertain and enforcement may be less effective. Any inability to obtain, maintain or enforce our intellectual property rights, or to defend against third-party claims, could materially and adversely affect our business, financial condition and results of operations.

Our future success depends in part on our ability to attract, retain and motivate senior management, key personnel, and other qualified professionals.

Our key management team and other key personnel are responsible for strategic planning, operational oversight and maintaining important customer and business relationships. These individuals have significant industry knowledge and technical expertise that are important to our operations and competitiveness. Competition for experienced talent is intense and the pool of qualified candidates may be limited. If we fail to attract, retain and motivate senior management and other key personnel, or to hire and integrate suitable replacements in a timely manner, our ability to execute our business strategies, maintain operational stability and pursue growth opportunities could be materially and adversely affected.

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

Our success depends on our ability to hire, train, retain and motivate our employees. Any deterioration in labor relations with our employees could lead to labor disputes, which may disrupt our production and operations, adversely affecting our business and financial performance. Despite our efforts to provide a safe working environment to avoid occupational injuries, we may still face liability claims, negative publicity and government investigations or interventions related to workplace safety or employee injuries. Such incidents could result in a deterioration of our labor relations with employees and damage our reputation. Additionally, with the growth of the economy, average wages of our employees are expected to increase. Any significant increase in labor costs could adversely affect our profitability, business and financial performance.

Companies operating in the PRC have to participate in various employee benefit plans required by the government, including certain social insurance, housing provident funds and other welfare-oriented payment obligations. The requirement and implementation of employee benefit plans may vary in line with the differing levels of economic development in different locations in the PRC, while the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments. Those employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material administrative penalty imposed by the relevant regulatory authorities regarding PRC social insurance and housing provident funds. During the Track Record Period, we did not pay social insurance and housing provident fund in full for certain of our employees as required under applicable PRC law. As advised by our PRC Legal Advisor, the likelihood of us being subject to administrative penalties by the relevant authorities in respect of such historical events is remote. There is no assurance, however, that new laws and regulations or stricter enforcement of existing laws and regulations will not result in additional costs to our employee benefit plans, which may adversely affect our operating results and financial condition.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business.

From time to time, we may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, including matters relating to property or land title, health and safety incidents, product liability, environmental issues, contractual disputes, employment matters and intellectual property rights. Such matters may be time-consuming and costly, divert management attention and resources, and, in some cases, result in interim measures such as the freezing of bank accounts or deposits, which could restrict our access to assets and adversely affect working capital and operations. Adverse outcomes, delayed or unsuccessful recoveries on our claims, and liabilities not adequately covered by reserves or insurance could result in charges or write-downs, harm our reputation and ability to secure contracts, and materially and adversely affect our business, financial condition, results of operations and cash flows. Any indemnities or recoveries from counterparties, insurers or other third parties may also be unavailable, delayed or insufficient.

We may not have sufficient insurance coverage to cover all potential liability or losses, and any uninsured or underinsured claims could result in substantial costs and diversion of resources.

We maintain insurance coverage that we believe is consistent with our operational needs and industry practice, including property and equipment-related insurance, liability insurance, transportation insurance and employee-related insurance. Our insurance coverage is subject to limitations, exclusions, deductibles and policy limits and may not cover all potential liabilities or losses. Insurance may also become unavailable or available only on less favorable terms, including higher premiums. Such losses could result in substantial costs and diversion of management resources, and could materially and adversely affect our business, results of operations and financial condition.

Our information technology systems, or those used by our partners or other contractors or consultants, may fail or suffer security breaches.

We rely on our information technology systems and software to manage customer and supplier information, production and operating data, and financial and human resources data. Any significant failure, interruption or security breach of our systems, or those of our business partners, contractors or service providers, could result in transaction errors, processing inefficiencies, operational disruptions, loss of sales or customers, and the loss, corruption or unauthorized disclosure of confidential or proprietary information. Any data security or privacy incident may harm our customer and supplier relationships and reputation and could expose us to investigations, claims, penalties and remediation costs. Our systems may be damaged or disrupted by events beyond our control, including power outages, system failures, cyber-attacks, unauthorized access, or other similar events, which could materially and adversely affect our business, results of operations and financial condition.

Discontinuation, reduction or delay of government grants or preferential tax treatments would have an adverse impact on our business, results of operations and financial condition.

During the Track Record Period, we benefited from government grants and preferential tax treatments under prevailing PRC tax laws. For the years ended December 31, 2023, 2024 and 2025, we recognized government grants as other income of approximately RMB444.0 million, RMB541.6 million and RMB72.5 million, respectively. In addition, certain of our subsidiaries have enjoyed preferential tax treatments, including a preferential enterprise income tax rate of 15% as qualified High and New Technology Enterprises. Government grants are generally provided at the discretion of the relevant authorities and are often non-recurring or subject to review. Preferential tax treatments depend on our ability to satisfy applicable requirements and may be affected by changes in government policies. Any reduction, delay, suspension or discontinuation of such grants or preferential tax treatments, or any requirement to repay amounts previously received, could materially and adversely affect our business, results of operations, financial condition and cash flows.

We are exposed to the risk of impairment for our inventory.

Our inventories primarily consist of raw materials, work-in-progress, finished goods and low value consumption goods. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB1,375.1 million, RMB2,324.2 million and RMB2,287.2 million, respectively, representing 11.3%, 27.0% and 22.7% of our total current assets. Although most of our inventories do not deteriorate easily, certain items, may become obsolete or require write-downs if their carrying amount exceeds net realizable value, in which case we would write down the relevant inventories and record provisions. Our provision for write-down of inventories decreased from RMB298.0 million as of December 31, 2023 to RMB124.3 million as of December 31, 2024 and further to RMB8.1 million as of December 31, 2025. We monitor inventory turnover and inventory levels to manage obsolescence risk; however, production interruptions, failure to achieve planned capacity expansions, excessive purchases or a decline in demand may lead to higher obsolete inventory, require us to sell such inventory at lower prices or write it off, and could materially and adversely affect our financial condition and results of operations.

We are exposed to credit risks in relation to our trade and bills receivables, which could adversely affect our results of operations and financial condition.

As of December 31, 2023, 2024 and 2025, our trade and bills receivables amounted to approximately RMB609.4 million, RMB374.3 million and RMB728.1 million, respectively. We may not be able to collect all such trade and bills receivables in full or on a timely basis due to factors including adverse market conditions, deterioration in customers' creditworthiness, customer defaults, payment delays or revised payment arrangements. As our business continues to expand, our receivables may increase, which could heighten our credit risk exposure. Any material delay in payment, default or dispute with a customer or other counterparty could adversely affect our liquidity and cash flows and may result in impairment losses or write-offs, which could materially and adversely affect our results of operations and financial condition. While we maintain credit control policies and regularly assess the collectability of receivables, these measures may not be effective in all circumstances.

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

As a PRC company, a substantial portion of our revenues and costs is denominated in Renminbi. We also have foreign-currency exposures, including the [REDACTED] from the [REDACTED] to be received in Hong Kong dollars, and are therefore exposed to exchange rate fluctuations that may result in foreign exchange gains or losses. The exchange rate between Renminbi and the Hong Kong dollar, the U.S. dollar and other currencies may fluctuate due to domestic and global economic development, international relations, and market conditions. Any appreciation of Renminbi could reduce the Renminbi value of the [REDACTED] from the [REDACTED], while any depreciation of Renminbi could adversely affect the foreign-currency value of our H Shares and any dividends payable on our H Shares. Exchange rate movements may also affect the value of our foreign currency-denominated assets and liabilities and the Renminbi cost of any foreign currency-denominated purchases or obligations.

We may be exposed to risks from our hedging activities in relation to the commodity prices of our lithium compound products.

During the Track Record Period, we entered into hedging transactions using financial instruments, including commodity futures, to mitigate risks associated with fluctuations in the prices of certain lithium compound products. Hedging may reduce our exposure to adverse price movements but may also limit our ability to benefit from favorable price trends, and its effectiveness depends on our ability to forecast market movements. If market prices move contrary to our expectations, or if changes in our selling prices do not offset hedging results, we may incur losses on hedging transactions. In addition, hedging positions may require margin or other collateral, which could increase our funding needs and adversely affect our liquidity. Although we have implemented risk control procedures for our hedging activities, these procedures may not be effective or sufficient in all circumstances. Any losses arising from our hedging activities could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business and operations require significant capital resources on an ongoing basis and are subject to uncertainties.

We operate in capital-intensive industries and require substantial capital resources on an ongoing basis, including to build, maintain, operate and expand our production facilities, purchase and maintain machinery and equipment, and develop new technologies and products. For the years ended December 31, 2023, 2024 and 2025, our capital expenditures were RMB2,754.9 million, RMB580.5 million and RMB3,351.9 million, respectively. We intend to fund our future capital expenditure requirements with [REDACTED] from the [REDACTED], our cash and cash equivalents, and, if necessary, bank borrowings. There can be no assurance that we will generate sufficient cash flow or obtain financing on acceptable terms, or at all. If we are unable to fund our operations and growth plans, our business, financial condition and results of operations could be materially and adversely affected. Our expansion plans and minimum purchase obligations may also increase working capital needs that may not be offset by corresponding revenue growth.

Our future strategic investments, acquisitions, divestments, spin-offs or partnerships may not achieve intended benefits and could materially and adversely affect our business, results of operations and financial condition.

We may from time to time pursue strategic investments, acquisitions, divestments, spin-offs, partnerships or other strategic transactions. These transactions are subject to significant risks and uncertainties, including valuation risks in respect of target businesses and assets, as the valuation of acquired businesses involves subjective judgments and reliance on assumptions, forecasts and estimates that may subsequently prove to be materially incorrect, which may lead to overpayment, future goodwill or intangible asset impairment charges, or other write-downs.

These transactions may be time-consuming, costly and subject to third-party consents, regulatory approvals and other conditions precedent, and there can be no assurance that we will be able to complete any transaction on acceptable terms, or at all, or that any completed transaction will achieve its intended benefits. We may encounter integration risks relating to acquired businesses, including difficulties in integrating operations, technologies, information systems, financial reporting processes, compliance frameworks, personnel, corporate cultures, customer relationships and brand strategies. In separation transactions such as divestments and spin-offs, we may face execution challenges, including separating shared operations, systems, assets and personnel, and providing transitional support, which may divert management attention and resources, disrupt our operations and adversely affect our operating stability. For example, in September 2021, Suzhou CATH entered into an agreement (as amended from time to time) with an Independent Third Party in relation to the acquisition of certain interests in a company incorporated in Singapore, which was established to hold a majority interest in a lithium resource project in Africa. Completion of such acquisition is subject to the satisfaction of certain conditions precedent, primarily the project being successfully granted the relevant mining rights necessary to its construction and development. Due to factors beyond the control of our Company, such condition precedent has not been fulfilled to date. As of the Latest Practicable Date, Suzhou CATH had not made any payment of consideration to the counterparty under the agreement. Based on the current circumstances, the completion of the acquisition prior to the [REDACTED] remains uncertain.

We may also assume, retain or subsequently identify unknown or under-disclosed liabilities, tax exposures, compliance deficiencies or legal contingencies in connection with such transactions. In addition, such transactions may require substantial capital deployment, increase our indebtedness, result in one-off charges including amortization, impairment, restructuring costs and transaction-related expenses, or involve the issuance of additional equity securities that dilute the interests of existing Shareholders. There can be no assurance that we will be able to realize the anticipated benefits, synergies, cost savings or operational efficiencies expected from any such transaction. Any failure to achieve such expected outcomes, together with the risks described above, could materially and adversely affect our business, results of operations and financial condition.

We have granted share-based awards in the past under our share incentive plan and may continue to grant share-based awards in the future, which may cause shareholding dilution to our existing shareholders and result in increased share-based payments for employees and have an adverse effect on our financial performance.

We have adopted a restricted share incentive plan for our directors, senior management and key employees as part of our remuneration arrangements in order to incentivize and reward eligible persons who have contributed to our success. For the years ended December 31, 2023, 2024 and 2025, we recognized share-based payment expenses of RMB42.7 million and RMB18.7 million, and a credit of RMB1.7 million, respectively. We may grant additional share-based compensation in the future. The issuance of additional Shares in connection with such awards may dilute the shareholding interests of our existing Shareholders. In addition, share-based payment expenses may increase our operating expenses and could adversely affect our financial performance.

We may be subject to natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control.

Natural disasters, epidemics or pandemics, acts of war or terrorism and other events beyond our control could disrupt our operations and those of our suppliers and customers. Such events may cause damage to facilities, power or utility outages, transportation or communications disruptions, labor shortages and other operational constraints, and may also reduce economic activity and demand in affected regions. We may be required to implement additional health and safety or disease-control measures, which could further disrupt operations. Any of these events could materially and adversely affect our business, results of operations and prospects.

RISKS RELATING TO GOVERNMENT REGULATIONS

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 our industry, 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 extensive laws, regulations and operational requirements in the jurisdictions where we operate, including those relating to, among others, the lithium industry and other sectors in which we operate, as well as environmental protection, production safety and land use. We are required to obtain and maintain various governmental permits, licenses, approvals and certificates for our facilities and operations, some of which are subject to periodic renewal, reassessment and ongoing inspection. Compliance may require significant resources, and any non-compliance could result in fines, penalties, rectification orders, suspension of operations, permit revocation or non-renewal, civil liability and adverse publicity, and may require us to incur significant expenses and divert management time. We may not be able to obtain, maintain or renew the required approvals on a timely basis, or at all, and the relevant authorities may impose additional conditions on, materially alter, challenge or revoke such approvals, any of which could materially and adversely affect our business, financial condition and results of operations.

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

As we conduct our business operations primarily in China, as well as certain overseas markets, our business, financial condition, results of operations and prospects could be affected by local economic, social, and legal policies. In addition, with the social development, the relevant laws, rules and regulations may be amended from time to time, and their interpretation and implementation will be determined accordingly. Any of the foregoing, including non-compliance with any existing or new laws, rules and regulations, would materially and adversely affect our business, financial condition, results of operations and prospects.

Economic, political and social conditions, and government policies, could materially and adversely affect our business and prospects.

Economic, political and social conditions and government policies in the jurisdictions where we operate, including the PRC and other markets, may adversely affect demand for our products, our costs and our ability to operate and expand. Our business may be sensitive to macroeconomic factors such as economic slowdowns, inflation, interest rates, exchange-rate fluctuations, and changes in commodity, energy and logistics costs. In addition, the introduction of new, or changes to existing, trade and investment policies, including tariffs, import and export restrictions, sanctions, export controls, could restrict or delay our ability to sell to certain customers or markets, increase our compliance burdens and costs, disrupt our overseas sales channels, or affect the availability, cost or timely supply of raw materials, equipment, components and technology sourced globally. We also face the risk that our products could be resold or distributed to restricted parties or jurisdictions without our knowledge, which could expose us to investigations, penalties, contractual claims and reputational harm. Geopolitical tensions and adverse developments in international relations, including any escalation of trade restrictions, may increase the likelihood or severity of these risks and could materially and adversely affect our business, financial condition and results of operations.

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

Under applicable PRC tax laws, regulations and regulatory guidance, non-PRC resident investors may be subject to PRC withholding tax on dividends paid by us and, potentially, PRC tax on gains realized from the disposal of our H Shares, in each case subject to any applicable tax treaty or similar arrangement and the satisfaction of relevant procedures. Dividends paid to non-PRC resident enterprises are generally subject to PRC withholding tax at a rate of 10%, while dividends paid to non-PRC resident individuals are generally subject to PRC individual income tax, subject to treaty relief; pursuant to the Notice on the Issues Concerning Individual Income Tax Collection and Management after the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (《國稅函[2011]348號》) dated June 28, 2011, issued by the State Taxation Administration, dividends paid to non-PRC resident individual holders of H Shares are generally subject to PRC withholding tax at a rate of 10%, depending on the applicable tax arrangements with the [REDACTED] jurisdiction of residence. PRC tax may also be imposed on gains from the transfer of our H Shares if such gains are regarded as PRC-sourced under then applicable rules and practice. If PRC taxes are imposed or increased on dividends or gains, or if [REDACTED] are unable to obtain treaty benefits, the value of an [REDACTED] in our H Shares and the [REDACTED] of our H Shares may be materially and adversely affected.

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

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

Under currently effective foreign exchange regulations of the PRC, payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE or its local branches, through licensed banks for foreign exchange business, by complying with certain procedural requirements. However, prior registration and other procedures with competent government authorities are required where Renminbi is to be converted into foreign currency and remitted out of the Chinese Mainland to pay capital expenses. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Any existing and future requirements on currency exchange may limit our ability to fund any future business activities that are conducted in foreign currencies.

You may experience difficulties in effecting service of process upon or enforcing foreign judgments against us or our Directors or officers.

Most of our assets are situated in the PRC and most of our directors and officers reside in the PRC. It may be difficult for [REDACTED] to effect service of process upon those persons residing in China or to enforce against us or them in China any judgments obtained from non-PRC courts, as such judgments are only recognized where a reciprocal treaty exists or reciprocity requirements are otherwise satisfied. Under the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters (《最高人民法院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》) signed in 2006 between the Supreme People's Court and the Hong Kong SAR Government, recognition and enforcement of judgments between Hong Kong and PRC courts was only available where parties had expressly agreed in writing to a choice of court. The Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between the Courts of the Mainland and 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》), which became effective on January 29, 2024, broadens this scope by allowing courts to apply jurisdiction in accordance with certain rules without requiring such written agreement, and permits any party to apply to the relevant PRC or Hong Kong court for recognition and enforcement of civil and commercial judgments subject to the conditions set forth therein. Nonetheless, the outcome of any action brought under this arrangement remains uncertain, and we cannot assure [REDACTED] that a qualifying judgment will be successfully recognized and enforced in a PRC court.

RISKS RELATING TO THE [REDACTED]

Our A Shares are listed on the Shenzhen Stock Exchange. The characteristics of the A Share and H Share markets may differ. We will be concurrently subject to listing and regulatory requirements of the Chinese Mainland and Hong Kong.

Our A Shares are listed and traded on the Shenzhen Stock Exchange. Following the [REDACTED], our A Shares will continue to trade on the Shenzhen Stock Exchange while our H Shares will [REDACTED] on the Hong Kong Stock Exchange. Under current PRC laws and regulations, without approval from the relevant regulatory authorities, our A Shares and H Shares are not interchangeable or fungible, and there is no cross-market [REDACTED] or settlement between the two markets. The H Share and A Share markets also have different [REDACTED] characteristics, including divergent [REDACTED], [REDACTED] and [REDACTED] bases, and different levels of retail and institutional participation. As a result, the [REDACTED] performance of our H Shares and A Shares may not be comparable, and price fluctuations in one market may adversely affect the [REDACTED] of the other. Due to these differences, the historical trading prices of our A Shares may not be indicative of the performance of our H Shares, and you should not place undue reliance on our A Share trading history when evaluating an [REDACTED] in our H Shares. In addition, as we are listed on the Shenzhen Stock Exchange and will be [REDACTED] on the Hong Kong Stock Exchange, we will be subject to the applicable listing rules and other regulatory requirements of both jurisdictions, unless exemptions are available or waivers are obtained. This dual-compliance obligation may increase our ongoing costs and require additional management time and resources.

There has been no prior [REDACTED] for our H Shares, and their [REDACTED], [REDACTED] and [REDACTED] may be [REDACTED], which could lead to substantial losses to [REDACTED].

Prior to the [REDACTED], there was no [REDACTED] for our H Shares. We cannot assure you that a [REDACTED] for our H Shares with adequate [REDACTED] and [REDACTED] will develop and be maintained following completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the price at which our H Shares will be [REDACTED] following completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following completion of the [REDACTED], the [REDACTED] and [REDACTED] of our H Shares may be materially and adversely affected.

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

Substantial future sales of our Shares in the [REDACTED] following the [REDACTED], or the perception or expectation that such sales may occur, could materially and adversely affect the [REDACTED] of our H Shares. Sales by our existing Shareholders could increase the supply of Shares and cause our H Share price to decline, which could in turn impair our ability to raise capital through future equity offerings. We cannot assure you that our Shareholders will not dispose of Shares held by them, and we may also issue additional Shares in the future, including pursuant to the general mandate granted to our Directors or otherwise. The timing and volume of any such sales or issuances are uncertain, and any resulting increase in the [REDACTED] could adversely affect the prevailing [REDACTED] of our H Shares.

As the [REDACTED] of our H Shares is higher than our consolidated [REDACTED] assets per Share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases.

As the [REDACTED] of our H Shares is higher than the consolidated [REDACTED] assets per Share immediately prior to the [REDACTED], purchasers of our H Shares in the [REDACTED] may experience an immediate dilution. Our existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated [REDACTED] assets per Share of their Shares. In addition, holders of our H Shares may experience further dilution of their interest if we issue additional H Shares in the future to raise additional capital.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will declare and pay dividends in the future.

We have declared dividends in the past, but we cannot assure that any dividends will be declared or distributed in the future. Any decision to declare, pay and determine the amount of dividends will be made at the discretion of our Directors and will be subject to approval at a shareholders' meeting. These decisions will depend on a range of factors, including our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, strategic plans and prospects, and any regulatory restrictions. Dividends may be paid only out of profits and reserves that are lawfully available for distribution under applicable PRC laws and regulations and our constitutional documents. If we cannot obtain sufficient foreign currency, or if new regulations are introduced, we may not be able to pay dividends in foreign currencies or remit dividends to shareholders outside China.

Certain statistics in this document are derived from official government sources.

This document, particularly the section headed "Industry Overview," contains information and statistics relating to the industry in which we operate. Such information and statistics have been derived from various official government sources. The information and statistics from such sources have not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], and other [REDACTED], any of our or their respective directors, officers or representatives or any other party, other than Frost & Sullivan, involved in the [REDACTED] and no representation is given as to its accuracy. In any event, you should consider carefully the importance placed on such information or statistics.

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

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