An [REDACTED] in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before deciding to [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such event, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial, could also harm our business, financial condition, and results of operations.

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We may not be able to effectively manage our growth and execute our business strategies, which could adversely affect our business, financial condition, and results of operations.

We have experienced significant growth during the Track Record Period. Our revenue increased from RMB908.1 million in 2023 to RMB1,766.1 million in 2024, and further increased to RMB2,793.0 million in 2025. While this growth reflects the success of the execution of our business strategies, there is no assurance that we will be able to sustain this level of expansion in the future. The continued growth of our business depends on our ability to effectively manage and scale our operations while maintaining operational efficiency and financial stability.

Our ability to sustain our growth and profitability depends on the successful execution of our business strategies, which are subject to various risks and uncertainties. Key factors affecting our ability to achieve our strategic objectives include, but are not limited to: anticipating and adapting to evolving consumer preferences and market trends in outdoor garments and equipment; strengthening our brand image and market recognition; expanding the market reach of our products; implementing cost-efficient and impactful marketing campaigns; maintaining strong relationships with key customers, suppliers, and business partners; optimizing our product design and development, supply chain processes, financial controls, and management systems to support scalability; attracting, training, and retaining talent to support our expanding operations; and effectively managing working capital, capital expenditures, and financial risks to maintain liquidity and financial stability. Any failure to do so could materially and adversely affect our business, financial condition, results of operations, and long-term prospects.

We operate in a highly competitive industry and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our sales and profitability.

The market for performance outdoor garments and equipment is highly fragmented and competitive. Some of our competitors possess significant competitive advantages over us, such as longer operating histories, larger and more diverse consumer bases, broader supplier networks, greater financial resources, and stronger brand recognition. In addition, they may have access to more advanced technologies, better design and R&D capabilities, and more extensive marketing, distribution, and store development resources than we do. We may also face increased competition for access to key sales channels, particularly as we expand our presence on e-commerce platforms and deepen the footprint of our offline retail stores. Competitors with stronger relationships with these platforms, retail locations, or distributors may limit our ability to secure favorable terms or effectively promote our products. This competition could lead to pricing pressures, forcing us to lower product prices to remain competitive. In addition, new market entrants may emerge, including

DTC brands, niche outdoor specialists, and non-traditional players that leverage digital platforms to target consumers. If we fail to compete effectively, we may lose market share, experience an adverse impact on sales, profitability, or our brand reputation.

Our business depends on consumer preferences and market trends, and any failure to anticipate or respond to changes could materially and adversely affect our sales and financial performance.

Demand for our outdoor garments and equipment is influenced by evolving consumer interests, shifting fashion preferences and performance expectations, and changing perceptions of outdoor lifestyles. Consumer spending on our performance outdoor garments and equipment, is influenced by a variety of factors, including general economic conditions, disposable income levels, consumer confidence, tax policies, and the availability of consumer credit. In periods of economic slowdown or recession, when disposable income declines, consumers often reduce their spending on premium or non-essential products and may opt for lower-cost alternatives, which could negatively impact the demand for our products. Consumer enthusiasm for specific outdoor activities, such as hiking or climbing, may decline. Additionally, preferences regarding product styles, materials, or functionalities may evolve, making certain designs less desirable or rendering our offerings less competitive. Our ability to respond effectively may be constrained by the lead times required for product development, sourcing, and manufacturing. If we fail to adjust our product portfolio in a timely manner, we may face mismatched inventory, excess stock of outdated items, or missed opportunities to capitalize on emerging trends. A decline in consumer interest or purchasing power could result in a loss of market share, reduced brand relevance, lower gross margins, and other adverse effects on our business operations, financial condition, and long-term growth prospects.

We rely on technical advancements, fashionable designs and high-quality products to compete in the market for our products. We may fail to continue to advance and provide consumers with design features that meet their expectations.

Our operating results could be negatively impacted if our technical advancements and designs fail to meet the needs of our consumers, are poorly timed with market opportunities, or are not effectively introduced to the market. Our efforts involve collaboration with specialists in multiple areas as well as feedback from outdoor enthusiasts, athletes, trainers, and other experts to develop and test our products. Furthermore, any defect in product design or quality could result in significant costs to address the problems, damage to consumer confidence in our brands, and a loss of consumer loyalty, which could, in turn, negatively affect our business, financial performance, and growth prospects. If we are unable to consistently iterate, ensure product quality, or align our designs with consumer preferences, our market position could be weakened, leading to reduced sales and profitability, which could then have a material adverse effect on our business, results of operations, and financial condition.

Our success depends on our ability to maintain and enhance our brands.

Maintaining and strengthening the market position and attractiveness of our brands requires substantial and sustained investments in various key areas. We also need to allocate resources to sustainability and ESG initiatives, community engagement, and employee training. To enhance consumer engagement and brand recognition, we actively invest in marketing and outreach initiatives while integrating a multi-channel sales and distribution network to better serve our consumers. As our business evolves, we may adjust or upgrade our brand name and logo, which could require additional marketing and promotional expenses to enhance consumer acceptance and awareness of our new brand name. However, there is no assurance that such investments will successfully elevate our brand image, generate the expected returns, or effectively drive business growth. Furthermore, we may encounter additional difficulties in maintaining high quality and attractiveness of our products, and we cannot assure you that we will be able to maintain consumers' continued confidence in our brand. In addition, negative publicity, with or without merits, relating to us or our products, such as criticisms of product quality, marketing approach, brand image, supply chain practices, or environmental and social impacts, could materially and adversely affect consumer perceptions of our brands and result in decreased demand for our products. In addition, as exposure to social media platforms grows, the speed and scale at which negative publicity spreads can intensify its impact. Ineffective marketing, unauthorized distribution of products, counterfeit goods, product defects, and failure to protect and enforce our trademark and other intellectual property rights could further weaken consumer confidence in our brands. For additional information about risks related to our trademark or other intellectual property, see "— Disputes regarding trademarks or other intellectual properties may be expensive to defend and may disrupt our business operations."

We rely on third-party contractual manufacturers and suppliers, and any disruption to our relationship with them or to their operations could materially and adversely affect our business, financial condition, and results of operations.

We rely on third-party contractual manufacturers and suppliers to produce our products. Any disruptions to our relationship with such third parties may require us to identify and onboard alternative contractual manufacturers or suppliers, which may be a complex, time-consuming, and costly process. This could disrupt our supply chain and limit our ability to meet consumer demand, thereby negatively impacting our business operations and financial position. For additional information about our contractual manufacturing, see "Business — Raw Materials and Contractual Manufacturing." Our contractual manufacturers and suppliers must comply with evolving labor, environmental, and product safety regulations. If any of our contractual manufacturers and suppliers fail to comply with relevant regulations, we may experience supply disruptions, reputational harm, or be subject to regulatory scrutiny. If any of these risks materialize, we may face production delays, increased costs, product shortages, or quality issues, all of which could negatively impact our operations and subject us to various risks associated with seeking alternative contractual manufacturers or suppliers as described above.

There is no guarantee that our contractual manufacturers will not engage in activities that infringe upon our proprietary technologies, product designs, trade secrets or other intellectual property rights, whether intentionally or inadvertently. Any such infringement could lead to the unauthorized use or disclosure of our confidential information, dilution of our brand value, or disputes and legal proceedings, which could materially and adversely affect our results of operations, financial position, and growth prospects. Furthermore, any unauthorized disclosure, plagiarism, or intellectual property breaches could weaken our competitive position. If a contractual manufacturer breaches confidentiality agreements with other companies while working with us, we could be implicated in legal disputes, leading to reputational damage and financial losses.

We typically do not enter into long-term arrangements with our suppliers and contractual manufacturers. Renewal of such contracts is subject to our mutual consent and approval. Our suppliers and contractual manufacturers might elect not to renew their agreements with us or otherwise terminate their business relationships with us for various reasons. The loss of any key contractual manufacturer or supplier, deterioration of relationships with them, or their failure to meet production, quality, or delivery requirements could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

Supply shortages and interruptions, and price fluctuations for raw materials could disrupt our supply chain and have a material adverse impact on our business.

Our raw materials are purchased from third-party suppliers by us or our contractual manufacturers, and some are sourced from a limited number of suppliers. This reliance on a concentrated raw material supplier base exposes us to risks. Raw material suppliers could limit or terminate their relationships with us or our contractual manufacturers, or prioritize fulfilling orders for our competitors in the event of supply shortages. In the event of a raw material shortage or supply interruption from raw material suppliers, we and our contractual manufacturers will need to identify alternative sources of supply, which can be time-consuming, difficult to locate, and costly. We and our contractual manufacturers may not be able to source these raw materials on terms that are acceptable, or at all, which may result in delays in deliveries of our products by our contractual manufacturers or increased costs and undermine our ability to fulfill consumer orders in a timely manner. Moreover, if we and our contractual manufacturers experience significant increases in the market price for raw materials for our outdoor garments and equipment, we may not be able to recover these costs through increasing sales price to our customers, in which case our business, financial condition, results of operations and prospects may be adversely affected.

If any of our products has manufacturing or design defects or is otherwise unacceptable to us, our sales channels and/or consumers, our business could be materially and adversely harmed.

We may receive products that fail to meet our technical specifications or quality control standards. When such issues arise, unless we are able to replace the products in a timely manner, we risk losing revenue due to the inability to sell those products, along with incurring increased administrative and shipping costs. If defects or quality issues are not discovered until after the products are sold, our sales channels and consumers may lose confidence in our brands, which could result in reputational damage, reduced sales, or a product recall. Defects may also be present in components or products sourced from third-party suppliers. Such defects could render our products unsafe and create risks of property damage, environmental harm, or personal injury. In these cases, we could face product liability claims, recalls, or related litigation. If any of our products are perceived to be defective or unsafe, whether or not the claims are valid, it could lead to negative publicity, regulatory investigations, or lawsuits. If any such events occur, they could materially and adversely affect our business, results of operations, and financial condition.

We rely on third-party e-commerce and social media platforms for a considerable portion of our marketing and sales.

We rely on established e-commerce platforms, such as Tmall, JD.com, and VIP.com, as well as influential content-based social media platforms like Weibo, Douyin and RedNote, for the online marketing and sales of our products. In 2023, 2024 and 2025, our online sales revenue amounted to RMB814.5 million, RMB1,479.1 million and RMB1,944.9 million, accounting for 89.7%, 83.8% and 69.6% of our total revenue, respectively. Our business, financial condition, results of operations, and future growth prospects could be materially and adversely affected if any of the following risks materialize: interruptions in the services or operations of these platforms; negative publicity or reputational damage associated with these platforms; declines in the platforms' ability to provide satisfactory consumer experiences, attract new users, or retain existing ones; termination or deterioration of our relationship with these platforms, or an increase in the costs associated with maintaining these partnerships; and our failure to incentivize these platforms to drive traffic to our online stores or effectively promote the sale of our products. Given the significant influence and market dominance of these platforms in China's e-commerce industry, it may be difficult for us to find alternative channels with commercially acceptable terms and conditions in a timely manner, or at all.

Furthermore, negative publicity or public perception about these platforms could deter consumers from visiting these platforms. A decline in consumer traffic to these platforms could result in fewer sales of our products, adversely affecting our revenue and profitability. We are also subject to various laws and regulations governing e-commerce activities in China. Non-compliance with these regulations could lead to fines, penalties, or other regulatory actions that may materially impact our operations, financial performance, and growth prospects. Any significant issues with these platforms or our relationships with them could negatively affect our business, financial condition, and results of operations.

Our revenue depends in part on the success of our offline retail stores, and we may fail to effectively manage the growth of our offline retail network.

Although sales from our offline retail stores accounted for a smaller portion of our total revenue compared to online sales during the Track Record Period, such stores are an important part of our overall development strategy. In 2023, 2024 and 2025, our revenue generated from offline DTC sales channels amounted to RMB47.3 million, RMB169.0 million and RMB506.4 million, respectively, accounting for 5.2%, 9.6% and 18.1% of our revenue in the corresponding year. Offline retail stores play a critical role in strengthening our brand visibility, enhancing consumer experiences, and supporting our multi-channel sales strategy. Our ability to generate consumer traffic and sales in offline retail stores depends significantly on the location and accessibility of our stores. However, our ability to secure and operate stores in desirable locations is subject to factors beyond our control, including but not limited to: the availability and cost of suitable locations in existing or new shopping centers or districts; competition with other retailers for prime locations; and the development or decline of shopping centers or districts where our stores are located. We may encounter challenges in opening new stores in existing or new geographies on schedule, or at all, which could harm our growth plans and results of operations. Meanwhile, existing store locations may become less desirable over time due to various factors, such as economic downturns in the surrounding area, reduced consumer foot traffic, shifting consumer demographics or lifestyle changes in the local market, and increased competition from nearby retailers. Furthermore, if we are unable to renew or replace existing store leases or enter into new leases on favorable terms, or if we violate the terms of our current leases, our ability to maintain or expand our offline retail footprint could be harmed. As we grow our offline footprint, there is also a risk that increased sales from offline retail stores may come at the expense of our e-commerce sales. Changes in the retail environment could make it more challenging to achieve our growth targets for offline retail stores. In addition, we may face increasing costs in acquiring or leasing warehouses at suitable locations, and we may not be able to find suitable locations for our warehouses on commercially acceptable terms, if at all. Any significant increase in the costs of acquiring or leasing warehouse facilities could negatively impact our operating expenses and profitability.

Our sales channels include partnership retail stores, over which we have limited control.

We rely on our partners to adhere to our brand standards, operational practices, and consumer experience expectations. In addition, we have limited control over the financial and operational stability of our third-party partners. If a partner faces financial difficulties or operational disruptions, such as labor shortages or economic downturns in their local markets, it may adversely impact the performance of their stores and, by extension, our sales. Furthermore, disagreements or misalignment with our partners regarding business strategies, marketing, or sales initiatives could negatively affect the success of these stores. If we are unable to secure new partnerships or if existing partners choose to terminate their agreements with us, the growth and profitability of this sales channel could be adversely affected. If our partnership retail stores fail to perform as expected or if we are unable to effectively manage the risks associated with this sales channel, our ability to grow our business, maintain our brand reputation, and achieve our financial objectives could be materially and adversely affected.

We may not be able to effectively manage and develop our distribution network, which could adversely affect our brand, operations and results of operations.

The performance of our distributors, including their ability to sell our products, uphold our brand and expand their businesses and distribution networks, is crucial to our future growth and directly impacts our sales and profitability. During the Track Record Period, revenue contributed by our distributors accounted for 11.1%, 12.5% and 9.4% of our total revenue in 2023, 2024 and 2025, respectively. For additional information, see "Business — Our Multi-channel Sales and Distribution Network — Distributorships." Our distribution network may be adversely affected if our relationships with existing distributors are disrupted or if we are unable to timely identify and engage suitable new distributors. In addition, the effectiveness of our distribution expansion efforts may be impacted by changes in the competitive landscape and evolving consumer preferences, which could in turn affect our business, brand image, results of operations and financial condition. In addition, we may not be able to adequately manage our distributors' behaviors, or successfully detect or prevent any non-compliance by our distributors with the provisions of our existing distribution agreements. Any noncompliance by our distributors could negatively affect our brands and relationships with other distributors. Moreover, if any distributor fails to distribute our products to consumers in a timely manner, accumulates excess inventory, or undertakes actions inconsistent with our business strategy, our future sales may be affected.

The inability to adequately promote our products or any negative publicity or developments with respect to our marketing channels may materially and adversely affect our consumer acquisition, reputation, and results of operations.

We are subject to various risks associated with certain marketing channels, including negative publicity, contractual disputes, or shifts in public perception, which could weaken our brand presence, reduce consumer acquisition, and negatively impact our business. Our brand image and reputation may be affected by the actions of our celebrity endorsers and brand partners. In addition, disputes, early terminations, or other disruptions in our collaborations with these celebrity endorsers and brand partners may affect the effectiveness of our marketing strategies and our ability to reach target consumers.

Furthermore, livestreaming and online marketing activities in Chinese mainland are subject to regulatory scrutiny. Authorities have tightened oversight on tax compliance and content regulations for livestreaming participants. In respect of our proprietary livestreaming accounts, as the livestreaming room operator, we maintain control over the content disseminated through these accounts. To ensure compliance with applicable regulations, we have established guidelines to ensure that celebrity endorsers or brand partners appearing in our livestreams do not transmit non-compliant content. As of the Latest Practicable Date, we had not been subject to any fines, administrative penalties, or other sanctions by regulatory authorities, nor had we been involved in any litigation or legal proceedings relating to our livestreaming or other online marketing activities, which would have a material adverse effect on our business, financial condition, results of operations and prospects. While we actively monitor and manage our marketing activities, we cannot assure you that we will be able to effectively manage or mitigate all risks associated with our marketing channels. A number of factors, including many that are beyond our control, may lead to negative publicity or negative news regarding our marketing channels, with or without merit, which could adversely impact our reputation, business, financial condition, and results of operations.

Changes to the pricing of our products could adversely affect our business, financial condition, results of operations and prospects.

We cannot guarantee that our pricing strategies will always remain competitive or effective. If we price our products too low, our profit margins may suffer. Conversely, if we price our products above consumer expectations or the price of competing alternatives, we may fail to achieve the expected sales volume, which could negatively impact our revenues. We may need to adjust our prices over time due to various factors, such as (i) offering substantial discounts during major promotional events to increase brand awareness and drive sales volumes; (ii) reducing prices as products progress through their life cycles in order to maintain their appeal to consumers; and (iii) cutting prices to sell excess inventory in the event of inaccurate demand forecasts. These price reductions may not always result in the expected sales volumes and could negatively impact consumer perception of our brand or reduce demand for newly launched or higher-end products, which may further affect our revenue and profitability. Our pricing decisions may be affected by changes in market conditions, competitive pressures and the dynamics of secondary sales, which could have a material adverse impact on our business and financial performance.

Our warranties and product maintenance services may increase our expenses.

Our products are sold with warranties in accordance with applicable laws, regulations, and the policies of our sales channels. In addition, we voluntarily offer lifetime maintenance services for certain products as part of our commitment to consumer satisfaction and brand loyalty. The associated costs in relation to our lifetime maintenance services during the Track Record Period were relatively minor in terms of our total revenue. In addition, the majority of our lifetime maintenance service related costs arise from products within the one-year usage window, aligning with customer behavior and industry norms, according to Frost & Sullivan. While these warranties and maintenance services enhance the appeal of our outdoor product offerings and strengthen consumer relationships, they also expose us to potential risks and increased expenses related to warranty claims and maintenance obligations. We may face warranty claims if our products fail to meet quality standards, contain defects, or do not perform as expected by consumers. If the number or severity of warranty claims exceeds our expectations, we may experience a significant increase in expenses. Furthermore, our voluntary lifetime maintenance services for certain products may result in additional costs over an extended period of time. The demand for these maintenance services may increase as products age or in the event of a higher-than-expected rate of wear and tear.

In addition, the costs and operational demands associated with the warranty claims or maintenance requests may vary depending on product performance, consumer expectations and market conditions. Unexpected increases in warranty claims or maintenance requests may lead to higher costs, reputational risks and adverse effects on our business and financial performance. A high volume of claims or complaints about product quality could damage our brand image, reduce consumer trust, and negatively impact our ability to attract and retain consumers. If consumers lose confidence in the reliability of our products, our sales and market position may suffer.

Delivery delays and poor handling by third-party logistics providers and courier companies, disruptions in the transportation network, or interruptions in the operation of our warehouse facilities may adversely affect our business, financial condition, results of operations, and prospects.

We rely on independent third-party logistics service providers to deliver our products to consumers. Disputes with, or the termination of relationships with, one or more of these logistics service providers could result in delivery delays, damage to products, increased costs, or consumer dissatisfaction. We cannot guarantee that we will be able to maintain or extend our relationships with these logistics providers on commercially acceptable terms, or at all. Similarly, we cannot assure you that we will be able to establish relationships with new logistics providers to ensure the continued provision of safe, timely, and cost-efficient delivery services.

In addition, the efficiency and accuracy of our warehouse operations are critical to our ability to process and fulfill consumer orders in a timely manner. Any operational issues within our warehouses could result in delays, canceled sales, and a loss of consumer loyalty. If any of our warehouse facilities are rendered inoperable or experience significant disruptions, we may be unable to fulfill consumer orders on time, leading to financial losses and reputational harm. Furthermore, any delays or errors in our warehouse operations, such as mismanagement of inventory or improper handling of goods, could lead to damaged products, inaccurate inventory records, or increased costs to resolve fulfillment issues, all of which could adversely affect our business. We do not carry business interruption insurance to cover potential losses resulting from disruptions to our logistics or warehouse operations. As a result, any significant operational issues or delivery disruptions could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

Counterfeit or "knock-off" products may siphon off demand we have created for our products, and may result in consumer confusion, harm to our brands, a loss of our market share, and/or a decrease in our results of operations.

Counterfeit or "knock-off" products that imitate our designs, trademarks, and other intellectual property may siphon off demand we have created for our products, leading to consumer confusion, harm to our brands, and a loss of market share. Counterfeit products are often of inferior quality, which could erode consumer trust, diluting the distinctiveness of our brands, and harming our reputation. In addition, the prevalence of counterfeit products could reduce demand for our authentic offerings, as consumers may be unwilling to pay premium prices for products they perceive to be widely counterfeited.

We may not be able to effectively prevent the production, distribution, or sale of counterfeit products. If counterfeit products continue to proliferate and divert sales from our authentic offerings, we may experience a loss of revenue, a decrease in profitability, and damage to our competitive position. Furthermore, the costs associated with monitoring, investigating, and enforcing our intellectual property rights could increase significantly and may not yield the desired results. Protecting the integrity of our brands is essential to maintaining consumer trust, and if counterfeit products become widespread or difficult to detect and prevent, our business, financial condition, and growth prospects could be materially affected.

The success of our business depends, in part, on competent employees, including key personnel, as well as our ability to maintain our corporate culture and values.

Our success depends in part on the continued service of competent employees, including key executive officers and personnel. The loss of any key individuals, or any negative perception with respect to these individuals, our corporate culture, or our corporate values, could harm our business, disrupt our operations, and impact our ability to execute our strategies. Our success also relies on our ability to recruit, retain, and engage talented personnel to sustain our current operations and implement our strategic initiatives. Competition for skilled employees, particularly in the performance outdoor garment industry, is intense, and we may not always succeed in attracting or retaining the talent we need. Challenges in preserving or adapting our culture, particularly in times of organizational change, could harm employee morale, reduce engagement, and negatively affect our ability to retain and recruit employees.

Any deterioration of our labor relations could lead to labor disputes. Moreover, average wages in the society are expected to increase as China's economy grows, and the trend of labor shortage and aging population may further contribute to increases in labor costs. Prolonged labor shortages or inflation in labor costs could have an adverse impact on our business, results of operations and financial condition. We have not obtained key person life insurance policies for any members of our senior management team. Consequently, we are not protected against the financial loss that could result from the unexpected departure or loss of services of any of these individuals.

We face challenges in protecting our intellectual property rights, which could affect our business, financial conditions, and results of operations.

Any unauthorized use, infringement, or misappropriation of our intellectual property by third parties, or challenges in enforcing our rights in certain jurisdictions, may adversely affect our brand reputation, business operations, and financial condition. We rely on, and expect to continue to rely on, a combination of confidentiality, invention assignment, and license agreements with our employees, consultants, and third parties with whom we have business relationships, as well as trademarks, domain names, copyrights, trade secrets and patent rights, to protect our brand and other intellectual property rights. However, various events outside of our control may pose a threat to our intellectual property rights, as well as to our products and services. Effective protection of intellectual property rights is expensive and difficult to maintain, both in terms of application and maintenance costs and in terms of the costs of defending and enforcing those rights. The efforts we have taken to protect our intellectual property rights may not be sufficient or effective. Our intellectual property rights may be infringed, misappropriated or challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. Counterfeit products or unauthorized reproductions of our designs and trademarks can dilute the value of our brands, damage our reputation, and result in lost revenue. In some cases, we may be required to initiate litigation or other legal proceedings to enforce our rights, which may not always result in favorable outcomes. Furthermore, defending our intellectual property may divert management's attention and resources away from our core business activities.

Disputes regarding trademarks or other intellectual properties may be expensive to defend and may disrupt our business operations.

As we expand our product offerings, brand portfolio, and operations, we may face an increased risk of trademark or other intellectual property disputes or infringement claims from third parties. These disputes or claims may allege that our products, designs, trademarks, technologies, or other intellectual property assets, such as alleging our infringement upon their intellectual property rights or challenging the validity of our intellectual property rights. Litigation or other legal proceedings resulting from such disputes or claims, regardless of their merit, could be time-consuming, costly, and disruptive to our business operations. Defending against trademark or other intellectual property disputes can divert management's attention and resources away from our core operations and strategic initiatives.

In addition, any of our patents, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative proceedings or litigations. On September 25, 2024, an individual claimant filed requests with the China National Intellectual Property Administration (the "**PRC IP Administration**") for the invalidation of three trademarks owned by us (the "**Subject Trademarks**"), alleging that the Subject Trademarks carry a negative meaning (the "**Claim**") from her perspective. On January 12, 2025, we received the Claim case materials delivered by the PRC IP Administration, and we had engaged a trademark litigation counsel and submitted responses to the Claim to the PRC IP Administration on February 10, 2025. On December 15, 2025, the PRC IP Administration issued three judgments in our favor (the "**Rulings**"), ruling that the grounds for the Claim are not established. In early 2026, the individual claimant appealed the Rulings by filing three administrative lawsuits with the Beijing Intellectual Property Court (the "**IP Cases**"). We are actively communicating with our trademark litigation counsel and vigorously advocating for the Subject Trademarks in the IP Cases. Currently, the IP Cares are scheduled for hearing in May 2026. For details, please see "Legal Proceedings and Non-compliance — Legal Proceedings." In addition to the aforementioned Claim and IP Cases, on May 28, 2025, another individual claimant filed a request with the PRC IP Administration for the Subject Trademarks, alleging that the Subject Trademarks carry a negative meaning (the "**Second Claim**") from her perspective. On October 31, 2025, we received the Second Claim case materials delivered by the PRC IP Administration, and our trademark litigation counsel submitted a reply for the Second Claim to the PRC IP Administration on November 27, 2025. Currently, the PRC IP Administration has not yet issued any ruling on the Second Claim. As advised by our trademark litigation counsel, in light of the Ruling, it is likely the PRC IP Administration will issue a judgment in our favor for the Second Claim. In the unlikely event of an adverse decision, we may file an administrative lawsuit with the Beijing Intellectual Property Court and, if necessary, appeal to the Beijing High People's Court.

Any intellectual property disputes or infringement claims, whether valid or not, could result in costly litigation, require us to alter or cease the use of certain intellectual property, pay damages, or enter into costly licensing arrangements. If we fail to adequately protect our intellectual property rights or if third parties successfully challenge or infringe upon them, the distinctiveness and value of our brands may be diminished. This could lead to reduced consumer demand, lost revenue, and harm to our competitive position. Any inability to effectively protect and enforce our trademark or other intellectual property rights could materially and adversely affect our business, financial condition, results of operations, and growth prospects.

We may not have adequate insurance coverage for losses and liabilities arising from various operational risks and hazards that we are subject to.

We purchase and maintain insurance policies that we believe are in line with the industry practice and as required under the relevant laws and regulations. See "Business — Insurance" for details. However, we cannot assure you that our insurance policies will provide adequate coverage for all the risks in connection with our business operations. Consistent with customary practice in Chinese mainland, we do not carry any business interruption or litigation insurance. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we could suffer significant costs and diversion of our resources, which could have a material and adverse effect on our business, financial condition, results of operations and prospects. We may be required to bear our losses to the extent that our insurance coverage is insufficient.

Any fraud, bribery or other misconduct committed by our employees, suppliers, contractual manufacturers or other third parties may subject us to financial losses and adverse publicity.

We may be exposed to fraud, bribery, or other misconduct committed by our employees, suppliers, contractual manufacturers or other third parties, which could subject us to financial losses and penalties from governmental authorities. Although our internal control procedures are designed to monitor our operations and ensure overall compliance, our internal control procedures may be unable to identify all non-compliance, suspicious transactions, fraud, corruption, bribery or other misconduct in a timely manner, or prevent or deter such instances. Our ability to implement and maintain stringent internal control may be affected by our expansion in business scale and business scope. If any misconduct of third parties committed against our interests occurs, we may suffer from negative publicity and reputational damage, or even become subject to litigation and other proceedings, as well as administrative or criminal penalties for such misconduct, thereby adversely affecting our business and results of operations.

We may be exposed to risks arising from disruptions to our IT systems and evolving data privacy and cybersecurity regulatory requirements.

We increasingly rely on information technology ("**IT**") systems to process, transmit and store information in relation to our operations. Our IT systems are subject to various risks beyond our control, including natural disasters, telecommunications failures, power outages, computer viruses, hackers and other security issues. Any such interruption to our IT systems could disrupt our operations and negatively impact our ability to fulfill sales orders, which may adversely affect our business and results of operations. In addition, we engage in e-commerce for the sales of our outdoor product offerings, and we process consumers' personal information in the course of our provision of products to them. If our network security is compromised, and such information is stolen or obtained by unauthorized persons or used inappropriately, we may become subject to litigation and other proceedings brought by consumers and relevant authorities. Furthermore, we may from time to time implement, modify and upgrade our IT systems and procedures to support our growth and the development of our business. These modifications and upgrades require investment and may not achieve the anticipated effects or returns of investments, thereby adversely affecting our results of operations and financial condition.

Claims, disputes, legal proceedings and regulatory investigations may subject us to substantial damages and other related costs.

From time to time, we, our Directors, or executive officers may become involved in claims, disputes, legal proceedings, and regulatory investigations arising in the ordinary course of our business. The occurrence of any claims, disputes, or investigations, whether initiated by us or brought against us, with or without merit, could result in substantial costs, including legal fees, settlements, damages, and fines. These matters may also consume significant time and resources of our management, distract us from our core business operations, and damage our reputation. Regulatory investigations could also expose us to penalties, fines, or operational restrictions if we are found to be in violation of applicable laws and regulations. Such investigations may also require us to adjust our business practices, incur additional compliance costs, or limit our ability to compete effectively in certain markets.

We are subject to risks relating to our ability to obtain or renew these approvals, licenses and permits required for our operation.

We are required by relevant PRC laws and regulations to obtain and maintain various licenses, approvals and permits in order to operate our business. These licenses, approvals and permits are obtained upon satisfactory compliance with, among other things, the applicable laws and regulations. Furthermore, as we continue to develop and launch new products, we may be required to obtain various permits, registrations and/or licenses for certain categories of products according to relevant PRC laws and regulations. If we fail to obtain the required licenses, approvals, registrations and permits, we may be subject to fines, confiscation of the associated income, suspension of relevant business or other legal consequences and adverse publicity arising from such non-compliance, which may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, there can be no assurance that we will be able to obtain, renew and/or convert all of the licenses, approvals, registrations and permits required for our existing business operations upon their expiration in a timely manner or at all, which may materially and adversely impact our operations. If government authorities in jurisdictions where we operate require additional licenses or permits or provide stricter supervision requirements in the future, or if we have to obtain relevant licenses or permits in a short period of time, there is no guarantee that we would be able to obtain such licenses or permits or meet all the supervision requirements in a timely manner, or at all.

Failure to comply with relevant regulations relating to social insurance and the housing provident fund may subject us to penalties and adversely affect our business, financial condition, results of operations and prospects.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》), we are required to make contributions to the social insurance plans and the housing provident fund under the relevant PRC laws for our employees. According to the Interpretation II by the Supreme People's Court on Legal Issues in the Trial of Labor Dispute Cases, effective on September 1, 2025, any agreement between an employer and an employee to waive mandatory social insurance contributions shall be deemed invalid, and employees may terminate their labor contracts and claim economic compensation accordingly. See "Regulatory Overview — Laws and Regulations Relating to Labor and Social Security — Social Insurance and Housing Provident Fund" for details. During the Track Record Period, we did not make social insurance contributions and housing provident funds for our employees in full as required under the relevant PRC laws and regulations. The shortfall in social security insurance and housing provident fund contribution amounted to RMB7.8 million, RMB11.3 million and RMB17.6 million in 2023, 2024 and 2025, respectively. As advised by our PRC Legal Advisor, according to the relevant PRC laws and regulations, the social insurance authorities may order us to make the full amount of contributions within a stipulated period and pay an overdue fine equal to 0.05% of the outstanding amount per day computed from the due date; and where the payment is not made within such stipulated period, the relevant authorities may impose a fine ranging from one to three times the amount of arrears. The housing provident fund management center may order us to make the full amount of housing fund within a stipulated period, and if the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement. During the Track Record Period and up to the Latest Practicable Date, our Directors have confirmed that (i) there had been no material dispute between us and our employees in relation to the payment of social insurance contributions; and (ii) no administrative action had been taken nor any penalty had been imposed by the relevant regulatory authorities in respect of our social insurance contributions. We cannot assure you that we will not be subject to any order from the relevant government authorities in the future that requires us to pay the outstanding amount or imposes late fees or fines on us or that there will not be any employee complaints or claims regarding social insurance payments or housing provident fund contributions made against us. We may also incur additional costs to comply with relevant laws and regulations by the PRC government or competent local authorities. Any such development could adversely affect our business, financial condition, results of operations and prospects.

During the Track Record Period, we paid the social insurance or housing provident funds through third-party human resources agencies for certain of our employees, primarily because they prefer their social insurance and housing provident funds to be paid at their respective places of residence for the convenience of utilizing such benefits locally. The calculation method of contributions of certain of our employees may differ from local requirements. There can be no assurance that any new laws and regulations will not require us to settle the outstanding amount within a specified time limit, which may adversely affect our results of operations and financial condition.

Compliance with applicable data-related laws and regulations could require additional expenditures and consequently affect our business, financial condition and results of operations.

Laws and regulations governing cybersecurity, information security, privacy and data protection, and the use of the internet as a commercial medium are rapidly evolving, extensive, and complex.

In the course of our business operations and the provision of products or services to consumers, including when placing orders, arranging product delivery, and providing after-sales services, we process data of our employees, consumers, and third-party enterprises. We cannot guarantee that our data protection and cybersecurity measures will be effective in all circumstances to prevent data leakage, misuse, unauthorized access, or other security incidents. As our business continues to grow, and with the rapid evolution of technology and increasingly stringent regulatory requirements, we face a more complex data compliance environment. Failure to continuously and effectively comply with applicable laws and regulations relating to data protection, cybersecurity, and personal information, whether due to employee error, system vulnerabilities, cyberattacks, or security issues arising from third-party service providers, could subject us to regulatory investigations, penalties, or civil and administrative liabilities.

In addition, when engaging in business collaborations with third parties involving data processing or entrusting third parties with data processing, we enter into data processing and protection agreements with them. We cannot control third parties or monitor their data processing activities in real time. Should any third party violate the terms of these agreements or applicable laws and regulations, we may be required to incur additional costs and time to monitor their activities. Furthermore, we may be held liable and subject to claims arising from such third parties' improper conduct.

In addition, the Measures for Cybersecurity Review (《網絡安全審查辦法》) promulgated by thirteen PRC governmental and regulatory agencies including the Cyberspace Administration of China (the "CAC"), required that any network platform operator who possesses the personal information of over one million users and seeks a "foreign listing" shall be subject to cybersecurity review. As advised by our PRC Legal Advisor, we are not required to apply for a cybersecurity review by the Cybersecurity Review Office for the **[REDACTED]**, because a listing on the Stock Exchange does not constitute a "foreign listing" under the Measures for Cybersecurity Review. As of the Latest Practicable Date, we had not received any notice from any governmental authorities that we are required to conduct a cybersecurity review, had not received any notices that our data processing activity affects or may affect national security. However, the interpretation and implementation of these laws and regulations keep evolving. Any potential or perceived non-compliance with data-related laws and regulations may prevent us from using or providing certain products and services, and may result in fines or other penalties such as making certain required changes to our business, suspending our relevant lines of business, taking down our website or shutting down our operations, reputational damages or proceedings or actions against us by regulatory authorities, consumers or others, which may have a material adverse effect on our business, operation or financial conditions. Therefore, we may incur additional costs to comply with applicable data-related laws and regulations and maintain internal compliance policies.

Security breaches and attacks against our system and network, and challenges in protecting confidential and proprietary information, could damage our reputation and adversely affect our business, financial condition and results of operations.

Our technology operations are vulnerable to potential disruptions arising from human errors, natural disasters, power failures, computer viruses, spam attacks, unauthorized access and other similar events. Our cybersecurity measures may not detect or prevent all attempts to compromise our systems. Breaches of our cybersecurity measures could result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of consumer information, or a denial-of-service or other interruption to our business operations. We may be unable to anticipate, or implement adequate measures to protect against, these attacks. During the Track Record Period, we had not been subject to these types of attacks that had materially and adversely affected our business operations. Cyber-attacks may target us, our consumers, or the information infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants.

Changes or slowdown in the e-commerce industry in China could negatively affect our business and growth prospects.

Any changes, stagnation, or slowdown in the e-commerce industry in China could materially and adversely affect our business, financial condition, and growth prospects. The e-commerce market in China is influenced by a variety of factors, including economic conditions, consumer spending habits, government regulations, technological advancements, and competition among major e-commerce platforms. A slowdown in China's economic growth or a reduction in consumer disposable income could lead to decreased online spending, negatively impacting our sales and overall performance. In addition, changes in government policies or regulations concerning e-commerce, internet usage, data privacy, or taxation could increase our compliance costs or limit our ability to operate effectively in the online marketplace. Meanwhile, the growth of the e-commerce market in China may slow as the industry matures, particularly in urban markets where penetration rates are already high. If we are unable to expand our online presence in emerging or rural markets or diversify our sales channels effectively, our growth potential may be constrained.

Laws and regulations related to e-commerce activities in China may impose additional requirements and obligations on our online channels or could increase our compliance cost.

The e-commerce industry in which we have operations is highly regulated. As the e-commerce industry is evolving rapidly in China, new laws and regulations may be adopted to address new issues that arise from time to time and to impose additional restrictions on our e-commerce business. If the PRC government establishes stricter data privacy or other regulatory requirements on e-commerce activities in the future, we may incur significantly higher compliance costs in our online channels, and we cannot assure you that we would be able to meet all the regulatory requirements in a timely manner, or at all. See "Regulatory Overview — Laws and Regulations Relating to the Retail Industry — Online Retail Businesses" for details. Such legislation and enforcement may result in additional compliance obligations and costs or place restrictions upon our current or future operations. This may in turn materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

We are subject to regulatory and reputational risks associated with advertising activities and compliance with applicable advertising laws and regulations.

We advertise our brands and product offerings through various channels, including social media and content platforms, which are subject to the applicable PRC laws and regulations. For example, from time to time, we may be scrutinized for the source of certain data or choice of certain words used in our advertising. If our employees or the third-party service providers we engage fail to comply with such laws and regulations, or the relevant government authorities, who have broad discretions in interpreting the laws and regulations, ultimately take a view that is inconsistent with our understanding in the process of administrative law enforcement, we may be subject to potential risks and penalties. We cannot ensure that inadvertent noncompliance will not happen in the future, which may subject us to further penalties imposed by the relevant authorities and may further damage our brand image and reputation. We may need to increase compliance costs in the future to comply with applicable advertising laws and regulations. Accordingly, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to risks relating to compliance with PRC property-related laws and regulations regarding certain of our leased properties.

According to applicable PRC property-related laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As of the Latest Practicable Date, lease agreements of our 42 leased properties had not been filed with the local housing administration authorities as required under PRC laws and regulations. As advised by our PRC Legal Advisor, if such lease agreements fail to be registered as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreements.

In addition, as of the Latest Practicable Date, we had not received sufficient or valid ownership certificates or other ownership documents of 24 properties we leased from lessors and used as offline retail stores or employee dormitories. There is a risk that such lessors may not have the relevant property ownership certificates or the right to lease or sublease such properties to us, in which case the relevant lease agreements might be deemed unenforceable in accordance with the relevant laws and regulations. If we are challenged by third parties or government authorities upon any of the circumstances stated above, we may be forced to relocate, as the case may be, and, as a result, our results of operations and financial condition may be adversely affected.

We may be the subject of anti-competitive, harassing, or other detrimental conduct by third parties including complaints to regulatory agencies, negative social media postings, and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, consumers and revenues.

We may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted online by anyone, whether or not related to us, on an anonymous basis. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, consumers, and revenues.

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

We have designed and implemented risk management and internal control systems comprising organizational framework policies and procedures, financial reporting processes, compliance rules, and risk management measures that we believe are appropriate for our business operations. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot assure you that these systems are sufficiently effective in ensuring, among other things, accurate reporting of our financial results and the prevention of fraud. See "Business — Risk Management and Internal Control" for further information on our internal control policies. Since our risk management and internal control systems depend on implementation by our 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 human 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 procedures, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Investment in new business strategies, acquisitions and other forms of business integration could disrupt our ongoing business and present risks not originally contemplated, and we may be unable to realize the anticipated benefits, synergies, cost savings or efficiencies from acquisitions.

We may actively seek strategic opportunities for acquisitions of businesses, products, technologies or know-how that we believe would benefit our product development, R&D capabilities, or technology. Our ability to grow through acquisitions depends upon our ability to identify and integrate suitable targets and to obtain necessary financing at reasonable terms. Such acquisitions may involve significant risks and uncertainties; in particular, we may experience: (i) difficulties in integrating acquired companies, personnel or products into our business, particularly different quality management, consumer service and other business functions; (ii) delays or failures in realizing the benefits of acquisitions; (iii) diversion of our management's time and attention from other business concerns; (iv) higher costs of integration than we anticipated; or (v) difficulties in retaining key employees of acquired businesses. An acquisition could also materially impair our results of operations by causing us to incur debt or amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy and integrity, service quality, regulatory compliance and liabilities in the businesses we have acquired which we did not uncover prior to such acquisition.

We face risks related to health epidemics and other outbreaks, and events such as wars and acts of terrorism, which could significantly disrupt our operations.

Our business is subject to risks related to outbreaks of a widespread health epidemic or pandemic (such as avian influenza, swine influenza, severe acute respiratory syndrome (SARS), Middle East respiratory syndrome coronavirus (MERS-CoV), or COVID-19), or other events such as war, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of any of the foregoing events may harm the global and regional economy in general, disrupt the outdoor product industry and our operations, and have an adverse effect on our business, results of operations and financial condition. While COVID-19 did not have any material adverse impact on our results of operations or financial position during the Track Record Period and up to the Latest Practicable Date, there is no assurance that similar public health events will not occur in the future. The emergence or recurrence of infectious diseases, including new variants of COVID-19 or other epidemics or pandemics, could adversely affect global and local economies and disrupt the normal functioning of society and business activities. Governments around the world, including those in our principal markets, may impose emergency public health measures, which could result in significant disruptions to supply chains, logistics, manufacturing, and consumer demand. The extent and duration of any such measures are difficult to predict and are beyond our control. If any such events or measures were to occur, they could materially and adversely affect our results of operations, financial position, and growth prospects.

The increasing awareness of environmental, social and governance issues may lead to the adoption of more stringent laws and regulations and increase our compliance costs.

We may need to devote more effort and resources to ensure our compliance with applicable ESG-related laws and regulations. We acknowledge the potential environmental impact associated with sourcing our products. The manufacturing process of our contract manufacturers consumes a substantial amount of energy and exerts pressure on environmental protection efforts. For details, please see "Business — Environmental, Social and Governance." We cannot assure you that our risk management measures can effectively mitigate the relevant risks and help us to constantly maintain compliance under relevant laws and regulations. Revisions to existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, our business and financial performance may be materially and adversely affected.

Ongoing geopolitical tensions may materially and adversely affect our business, financial condition and results of operations.

We may be affected by the continued escalation of geopolitical and economic tensions. Strategic rivalries and sanctions among major economies, particularly between the United States and China, as well as ongoing conflicts and instability in regions such as Ukraine and the Middle East, have contributed to heightened global uncertainty. These geopolitical tensions, coupled with trade disputes and regional instability, may lead to increased economic volatility, regulatory unpredictability, and disruptions in market conditions, all of which may adversely affect our supply chain, operations, and consumer demand.

Recently, the United States proposed multiple rounds of tariffs on a broad range of imports from various countries, including China. In response, China implemented retaliatory tariffs. The tariffs pose a substantial threat to trades between China and the United States. The final levels of tariffs between the United States and China remain uncertain and subject to ongoing policy developments. Historically, such tariff measures have intensified both economic and political frictions, not only between the United States and China, but also between the United States and other countries. These tensions could reduce trade volumes, restrict cross-border investment, hinder technological collaboration, and constrain other forms of international economic activity. As a result, global macroeconomic conditions and the stability of international financial and stock markets could be materially and adversely affected.

Although the majority of our business operations are based in China, we may still be affected by ongoing geopolitical tensions and trade disputes. Such tensions may lead to increased procurement costs for raw materials originated from, or incorporating materials made in, the United States, consumer boycotts, increased security requirements, travel restrictions or market disruptions, any of which could undermine the stability of our supply chain and reduce our flexibility in pursuing business expansion. We are unable to predict how tariff policies or geopolitical developments in various jurisdictions may evolve, nor can we anticipate the extent to which subsequent changes in international trade policies may affect our business. If we, our suppliers or other business partners become subject to any of the aforementioned restrictions or uncertainties, our business, financial condition and results of operations may be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL PERFORMANCE

Our long-term growth and competitiveness are highly dependent on our ability to control costs and expenses.

In 2023, 2024 and 2025, our cost of sales was RMB379.2 million, RMB713.1 million and RMB1,014.6 million, accounting for 41.8%, 40.4% and 36.3% of our revenues, respectively. If we fail to control these costs, our profitability, financial condition, and overall competitiveness may be materially and adversely affected. Any significant increase in raw material costs could materially increase our production expenses, and we may not be able to pass these costs on to consumers without reducing demand for our products. Labor costs also represent a significant component of our operating expenses, particularly as we expand our workforce to support business growth. Rising wages, changes in labor laws or regulations, or shortages of skilled labor could increase our personnel costs and impact our operations. Similarly, increases in costs associated with outsourcing manufacturing to third-party suppliers could reduce our margins if we are unable to negotiate favorable terms.

In addition, we may experience higher operating and administrative expenses. Logistics and distribution costs are another critical factor. Changes in shipping rates, fuel prices, or disruptions in transportation networks could increase our costs and impair our ability to deliver products efficiently to consumers. Furthermore, as we rely heavily on third-party service providers, we have limited control over their pricing, which may fluctuate due to industry conditions or market demand. Our ability to manage costs is also influenced by regulatory compliance requirements. Changes in tax policies, environmental standards, data privacy laws and other applicable laws and regulations could lead to higher compliance costs, which may further strain our financial resources.

We have incurred significant costs for a variety of sales and marketing efforts, including advertisements and promotions to attract consumers through multiple channels. If our marketing activities are not effective in attracting consumers in a cost-effective and efficient manner, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In 2023, 2024 and 2025, our selling and distribution expenses were RMB277.2 million, RMB586.5 million and RMB1,058.7 million, accounting for 30.5%, 33.2% and 37.9% of our revenue, respectively. If our marketing efforts fail to attract consumers, drive sales, or build brand awareness in a cost-effective and efficient manner, our business, financial condition, results of operations, and future growth prospects may be materially and adversely affected. The effectiveness of our marketing efforts depends on various factors, many of which are beyond our control. If the costs of advertising increase or if platforms modify their algorithms or policies in ways that reduce the visibility or effectiveness of our advertisements, we may experience higher consumer acquisition costs or reduced marketing efficiency.

In addition, as we expand into new markets, we may need to tailor our marketing strategies to different consumer segments, cultures, and preferences. If we fail to adapt our marketing strategies to new markets or effectively target our desired audience, we may not achieve the level of consumer engagement or sales growth necessary to justify our investments. Furthermore, our reliance on promotional discounts, loyalty programs, and other incentives to attract and retain consumers may erode our margins if these efforts do not lead to sustainable consumer relationships or repeat purchases. We also depend on third-party service providers, including advertising platforms, digital marketing agencies, and influencers, to execute our marketing campaigns. Any failure on their part to deliver the desired results, comply with regulations, or uphold our brand standards could harm our reputation and reduce the effectiveness of our marketing efforts. If we are unable to generate a sufficient return on our marketing investments, attract new consumers, or retain existing ones, our ability to grow our revenue and maintain profitability could be significantly impaired. As a result, our business, financial condition, results of operations, and prospects may be materially and adversely affected.

We recorded net operating cash outflow historically and there can be no assurance that we will not have net cash outflow in the future.

We recorded net operating cash outflow of approximately RMB30.5 million in 2024. This net operating cash outflow was primarily due to the increase in inventories of RMB391.2 million, the increase in trade receivables of RMB128.7 million, and the increase in prepayments, other receivables and other assets of RMB60.0 million. For further details, see "Financial Information — Liquidity and Capital Resources — Summary of Consolidated Statements of Cash Flow — Net Cash From/(Used in) Operating Activities." We cannot assure you that we will not experience net operating cash outflows in the future, whether as a result of our business expansion, intensified market competition, unfavorable changes in the macroeconomic environment or other factors beyond our control. If we are unable to generate sufficient operating cash inflows on a sustained basis, we may not have adequate working capital to fund our operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Our results of operations could be materially harmed if we are unable to manage our inventory adequately.

We recorded total inventories of RMB238.2 million, RMB595.1 million and RMB870.0 million as of December 31, 2023, 2024 and 2025, respectively. In 2023, 2024 and 2025, our average inventory turnover days were approximately 189 days, 213 days and 264 days, respectively. If we fail to maintain an appropriate level of inventory, we may experience inventory shortages, excess inventory, or obsolescence, any of which could materially and adversely affect our business, financial condition, results of operations, and growth prospects. Demand for our products can be difficult to predict and is influenced by various factors, including changes in consumer preferences, seasonal changes, market trends, the competitive landscape, and economic conditions. Any unexpected weather conditions could further reduce consumer demand for our cold-weather products and adversely affect our sales performance during the winter season. If we overestimate demand, we may accumulate excess inventory, which could lead to higher storage costs, the need to sell products at discounted prices, or write-downs for inventory obsolescence. Conversely, if we underestimate demand, we may face inventory shortages, which could result in lost sales, diminished consumer satisfaction, and harm to our brand reputation.

Delays or disruptions in our supply chain could further exacerbate inventory imbalances, making it difficult to meet consumer demand in a timely manner. In addition, we may face increased challenges in accurately forecasting demand and managing inventory levels. Misjudging demand for new or unfamiliar products, or failing to anticipate regional or cultural differences in consumer preferences, could result in inventory inefficiencies and increased costs. Our ability to manage inventory is also affected by external factors such as changes in transportation and logistics costs, disruptions in global supply chains, and evolving regulations related to trade or product standards. Any of these factors could increase our inventory carrying costs or complicate our ability to align inventory levels with demand. If we are unable to manage our inventory effectively, we may experience reduced profitability, increased operational inefficiencies, and damage to our consumer relationships.

We are exposed to credit risks related to our trade receivables.

Our trade receivables increased from RMB103.6 million as of December 31, 2023 to RMB232.3 million as of December 31, 2024, and further increased to RMB458.8 million as of December 31, 2025, as a result of our increased sales. Our trade receivables mainly arose from sales to our major e-commerce platform partners and from our partnership retail stores. As part of our ordinary course of business, we generally grant credit terms of 60 to 90 days to our e-commerce platform partners and 45 to 60 days to shopping malls. In 2023, 2024 and 2025, our average trade receivables turnover days were approximately 31 days, 35 days and 45 days, respectively. Our senior management regularly reviews the recoverability of overdue balances for trade receivables and may provide for impairment when appropriate. Our loss allowance for trade receivables amounted to RMB1.6 million, RMB1.6 million and RMB0.9 million as of December 31, 2023, 2024 and 2025, respectively. However, given the limited financial and public information available in respect of certain of our business partners, we cannot assure you that all of them are creditworthy or will not default on their payment obligations. Any failure by our business partners to settle their trade payables to us in a timely manner could result in increased credit losses and materially and adversely affect our financial condition and results of operations.

We may require additional funding to finance our operations and expand our business, which may not be available on favorable terms or at all.

We may need to raise additional funding to support our operations, pursue growth opportunities, expand into new markets, invest in R&D, enhance our infrastructure, or address unforeseen challenges and expenses. Our ability to obtain additional financing is subject to a variety of factors, many of which are beyond our control. If we are unable to secure additional funding on favorable terms, or at all, our business, financial condition, results of operations, and growth prospects could be materially and adversely affected. The availability and cost of additional funding depend on several factors, including our financial performance, market conditions, the general availability of credit, interest rates, and investor confidence in our business and industry. Adverse developments in any of these areas could make it more difficult, costly, or impossible for us to raise the capital we need.

In addition, new equity securities may have rights, preferences, or privileges senior to those of our existing shareholders, which could further dilute their ownership and economic interests. If we incur additional debt financing, we may become subject to restrictive covenants that limit our operational flexibility. Such covenants could restrict our ability to incur additional debt, pay dividends, make investments, or engage in other activities that are in the best interest of our business. Furthermore, increased debt obligations would result in higher interest expenses, which could negatively impact our profitability and financial condition. Our ability to raise funds may also be affected by factors specific to our business or industry. Similarly, changes in industry dynamics, regulatory requirements, or market competition could lead to reduced interest from investors or lenders. If we are unable to obtain sufficient funding when needed, we may be required to delay, reduce, or terminate planned investments, product development initiatives, or market expansion efforts. This could hinder our ability to grow, compete effectively, or respond to changing market conditions, which could materially and adversely affect our business, financial condition, and results of operations.

We have historically received financial incentives, such as government subsidies or grants, and we may not continue to receive such incentives in the future. The fluctuations in amounts of government subsidies or grants may affect our financial performance.

There is no assurance that we will continue to receive government subsidies or grants in the future, and any reduction or elimination of these incentives could adversely impact our results of operations. The availability, amount, and terms of government subsidies or grants are subject to change at the sole discretion of the relevant authorities. Changes in government policies, budgetary constraints, evolving regulatory priorities, or political considerations could result in a reduction, suspension, or elimination of these incentives. In addition, if we fail to meet the eligibility criteria, performance requirements, or compliance obligations associated with these subsidies or grants, we may lose access to such financial support.

While we were generally able to extend the applicability of government subsidies or grants during the Track Record Period and up to the Latest Practicable Date, there is no guarantee that we will be able to continue doing so and the amounts we receive may fluctuate significantly from period to period. These fluctuations could result in volatility in our results of operations and make it more difficult for us to predict our financial performance accurately. If we are unable to offset the reduction or loss of government incentives through other revenue sources, cost reductions, or operational efficiencies, our financial condition could be materially and adversely affected. In addition, our competitors may also benefit from similar or even more favorable government incentives, potentially giving them a competitive advantage. If government support to our peers increases while our own access to government grants diminishes, we may face pressure in areas such as market expansion, which could weaken our competitive position in the industry. We also cannot rule out the possibility that future changes in government policy may include the introduction of more stringent qualification criteria, industry-specific limitations, or geographic restrictions that reduce our ability to qualify for relevant incentives. In particular, governments may shift focus to other sectors or new national priorities that deprioritize our industry, making us less likely to benefit from future support programs.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WE OPERATE

We are a Chinese mainland enterprise and we are subject to Chinese mainland tax on our income, and any dividends paid to [REDACTED] and gains on the sale of our H Shares by our [REDACTED] may be subject to Chinese mainland tax.

As a Chinese mainland-incorporated company, under applicable Chinese mainland tax laws, we are subject to a tax of up to 25% on our income. Under applicable Chinese mainland tax laws, regulations and statutory documents, non-Chinese mainland resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares.

Non-Chinese mainland individuals are generally subject to Chinese mainland individual income tax at 20% on Chinese mainland-source income or gains, and we are required to withhold such tax on dividends paid to them, unless otherwise exempted or reduced under State Council provisions or applicable tax treaties. Under the 1994 circular, dividends and bonuses received by foreign individuals from foreign-invested enterprises are temporarily exempt from individual income tax, and under the 1998 circular, income from individuals' transfer of listed company shares is also temporarily exempt; however, these rules do not expressly address whether non-Chinese mainland individuals are taxed on transfers of shares of a PRC resident enterprise listed overseas, and more recent policy documents indicate an intention to cancel the dividend exemption, though implementing rules have not yet been issued. Given these uncertainties, non-resident individual holders of our H Shares should be aware that they may be required to pay Chinese mainland income tax on dividends, bonuses, or share transfer gains relating to the H Shares.

Non-Chinese mainland resident enterprises with no establishments or premises in Chinese mainland, or whose relevant income is not connected with such establishments or premises, are generally subject to Chinese mainland enterprise income tax at 10% on dividends from, and gains on disposals of equity interests in, Chinese mainland companies, subject to reduction or exemption under applicable treaties or arrangements. We therefore intend to withhold enterprise income tax at 10% on dividends paid to non-Chinese mainland resident enterprise holders of our Shares (including **[REDACTED]** and payments through **[REDACTED]**); enterprises entitled to a reduced treaty rate may apply to PRC tax authorities for a refund of any tax withheld in excess of the treaty rate, which will be processed subject to the tax authorities' verification.

The interpretation and application of the relevant Chinese mainland tax laws by the Chinese mainland tax authorities are subject to evolution, including whether and how individual income tax or EIT on gains derived by holders of our Shares from their disposition of our Shares may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

Payment of dividends is subject to Chinese mainland law and regulations.

Under Chinese mainland law and regulations, we may only pay dividends out of distributable profits. Distributable profits are our after-tax profits as determined under PRC GAAP or HKFRS, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient or any distributable profit to enable us to make dividend distributions to our Shareholders, including in periods for which our financial statements indicate we are profitable. Any distributable profit not distributed in a given period is retained and available for distribution in subsequent periods. Moreover, our operating subsidiaries in Chinese mainland may not have distributable profit as determined under PRC GAAP. Accordingly, we may not receive sufficient distributions from our subsidiaries for us to pay dividends. Failure by our operating subsidiaries to pay us dividends could adversely impact our ability to make dividend distributions to our Shareholders and our cash flow, including during periods in which we are profitable.

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

We are a company incorporated under the laws of the PRC and a substantial majority of our assets and subsidiaries are located in Chinese mainland. The majority of our Directors, Supervisors and senior management reside within Chinese mainland. The assets of these Directors, Supervisors and senior management also may be located within Chinese mainland. As a result, it may not be possible to effect service of process upon most of our Directors, Supervisors and senior management outside Chinese mainland. Moreover, Chinese mainland does not have treaties providing for reciprocal recognition and enforcement of court judgments in the United States, the United Kingdom, Japan or most other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, in Chinese mainland or Hong Kong, recognition and enforcement of court judgments from the jurisdictions mentioned above may be difficult or impossible. Although we will be subject to the Listing Rules and the Takeover Codes, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeover Codes do not have the force of law in Hong Kong.

The remittance of Renminbi into and out of Chinese mainland 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 almost all of our revenue in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments to certain suppliers. 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 Chinese mainland 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 Chinese mainland to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Under the relevant laws and regulations, the government is eligible to take necessary measures to guarantee and control the international balance of payments when serious disequilibrium of balance of payments occurs or is possible to 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. Furthermore, there can be no assurance that new regulations will not be promulgated in the future that regulate the remittance of Renminbi into or out of Chinese mainland.

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

Fluctuations in exchange rates between the Renminbi and the U.S. dollar and other currencies may be affected by, among other things, changes in China's economic conditions, as well as international economic and political developments. Since we may purchase raw materials and components from overseas suppliers or through trading agents and settle in Renminbi with reference to the then foreign exchange rates, we are indirectly subject to fluctuations in exchange rates and may be indirectly adversely affected correspondingly. In addition, being a China-based company **[REDACTED]** in Hong Kong, any significant change in the exchange rates of the Hong Kong dollar against Renminbi may materially and adversely affect any dividends payable on our H Shares in Hong Kong dollars.

We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with future security activities.

On February 17, 2023, the CSRC promulgated the Overseas Listing Trial Measures and relevant five guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of Chinese mainland companies' securities and regulate both direct and indirect overseas offering and listing of Chinese mainland companies' securities. Pursuant to the Overseas Listing Trial Measures, where a Chinese mainland company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted. As advised by our PRC Legal Advisor, we are required to go through the filing procedures with the CSRC under the Overseas Listing Trial Measures.

In addition, we cannot guarantee that new rules or regulations promulgated in the future will not impose any additional requirement on us or otherwise tightening the regulations on us. If it is determined that we are subject to any CSRC approval, filing, other governmental authorization or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial condition. Furthermore, any uncertainty and/or negative publicity regarding such an approval, filing or other requirements may also have a material adverse effect on the price of our H Shares.

RISKS RELATING TO THE [REDACTED]

No [REDACTED] currently exists for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

Prior to completion of the **[REDACTED]**, there has been no **[REDACTED]** for our H Shares. We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]**, our H Shares. However, there can be no assurance that an active **[REDACTED]** for our H Shares will develop or be sustained after completion of the **[REDACTED]**. All of the Shares in issue as of the date of this document will be subject to a 12-month lock-up period from the **[REDACTED]** pursuant to applicable Chinese mainland laws. Therefore, only a small portion of our total issued Shares will be free to **[REDACTED]** immediately following completion of the **[REDACTED]**. As a result, a **[REDACTED]** on the Stock Exchange does not guarantee that an active and **[REDACTED]** for our Shares will develop, especially during the period when a significant portion of our Shares are subject to lock-up undertakings, or if such market does develop, that it will be sustained following the **[REDACTED]**, or that the **[REDACTED]** of the Shares will rise following the **[REDACTED]**. The **[REDACTED]** of our H Shares may drop below the **[REDACTED]** at any time after completion of the **[REDACTED]**.

The [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to [REDACTED].

The **[REDACTED]** of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the **[REDACTED]** of our H Shares. In addition to market and industry factors, the **[REDACTED]** of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows and investments, changes in our pricing policies and expenditures, regulatory developments, demand for our product offerings, unexpected business interruptions resulting from natural disasters or power shortages, our ability to obtain or maintain regulatory approval for our operations, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility and fluctuations in trading volume in the past, and it is possible that our H Shares may be subject to fluctuations in **[REDACTED]** not directly related to our performance but related to the overall political and economic conditions in Hong Kong, the PRC or elsewhere in the world.

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 issue additional Shares in the future.

The **[REDACTED]** is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value upon such purchases. There can be no assurance that if we were to immediately liquidate after the **[REDACTED]**, any assets will be distributed to Shareholders after the payment of creditors' claims. To expand our business, we may consider offering and issuing additional Shares in the future. **[REDACTED]** of the **[REDACTED]** may experience dilution in the net tangible asset value per Share of their H Shares if we **[REDACTED]** additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time.

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

The **[REDACTED]** of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the **[REDACTED]**, 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 issue additional Shares other than on a pro-rata basis to existing Shareholders. New Shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and our Controlling Shareholder, could adversely affect the [REDACTED] of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and our Controlling Shareholder, or the perception or anticipation of such sales, could negatively impact the **[REDACTED]** of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our Controlling Shareholder are subject to certain lock-up periods. While we currently are not aware of any intention of our Controlling Shareholder to dispose of significant amounts of his Shares after the expiry of the lock-up periods, we cannot assure you that he will not dispose of any Shares he may own now or in the future.

Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.

Immediately upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** and the **[REDACTED]** are not exercised), Mr. Liu and Ms. Hua will control approximately **[REDACTED]**% of the voting rights in our Company and will continue to be a group of Controlling Shareholders of our Company upon the **[REDACTED]**. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates or positions on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the approval of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as a part of a sale of our Company and may significantly reduce the price of our H Shares.

Any possible conversion of our Unlisted Shares into H Shares in the future could increase the supply of our H Shares in the market and negatively impact the [REDACTED] of our H Shares.

Subject to the completion of the filing with the State Council securities regulatory authority, all of our Unlisted Shares may be converted into H Shares, and such converted Shares may be listed or traded on an overseas stock exchange. Any listing or trading of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchange. No class shareholder voting is required for the listing and trading of the converted Shares on an overseas stock exchange. However, the PRC Company Law provides that in relation to the public offering of a company, the shares of that company which are issued prior to the public offering shall not be transferred within one year from the date of the listing. Therefore, upon completion of the requisite filing, Unlisted Shares may be **[REDACTED]**, after the conversion, in the form of H Shares on the Stock Exchange after one year following the **[REDACTED]**, which could further increase the supply of our H Shares in the market and could negatively impact the **[REDACTED]** of our H Shares.

We cannot assure you whether and when we will declare and pay dividends in the future.

We did not declare dividends in 2023. On June 30, 2024, we declared dividends of RMB10.6 million to our Shareholders, which were fully paid in August 2024. We also declared a dividend to our Shareholders of approximately RMB42.0 million in March 2025, which was fully paid in August 2025. We cannot guarantee when and in what form dividends will be paid on our H Shares following the **[REDACTED]**. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. For details, see "Financial Information — Dividends."

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our Shares, or the [REDACTED].

Prior to the publication of this document, there has been and there may also be, subsequent to the date of this document but prior to the completion of the **[REDACTED]**, press and media coverage regarding us, our business, our industries and the **[REDACTED]**, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of such projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective **[REDACTED]** are cautioned to make their **[REDACTED]** decisions on the basis of the information contained in this document only and should not rely on any other information.

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

We have derived certain information and statistics in this document, particularly the section headed "Industry Overview," from the report prepared by Frost & Sullivan, which was commissioned by us, and from, among others, various official government publications and other publicly available publications provided by the PRC government. The information from official government sources has not been independently verified by us, the Joint Sponsors, **[REDACTED]**, any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]**, and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics contained in such government sources may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

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

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain **[REDACTED]** information and other matters.

The words "anticipate," "believe," "could," "potential," "continue," "expect," "intend," "may," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements, which should be considered in light of various important factors, including those set out in "Risk Factors" in this document. Accordingly, such statements are not a guarantee of future performance, and 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.

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

The **[REDACTED]** of our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the **[REDACTED]** of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the **[REDACTED]** of our H Shares to decline.