RISK FACTORS

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 make any [REDACTED] in our H Shares. Our business, financial condition, or results of operations could be materially and adversely affected by any of these risks and uncertainties. Additional risks and uncertainties that are presently unknown to us or not expressed or implied below or that we currently deem immaterial could also harm our business, financial condition, or results of operations. The [REDACTED] of the H Shares could decline significantly due to any of these risks and uncertainties, and you may lose all or part of your [REDACTED].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our growth is subject to the market demand for our solutions.

We provide smart energy solutions that are primarily used for residential, commercial and industrial, and utility-scale users. Accordingly, our results of operations have been and are expected to continue to be affected by market demand and the development of the global energy storage system and photovoltaic inverter industry. The market demand for our solutions is affected by many factors, such as the government policies which promote the development of photovoltaic and energy storage products and the advancement of energy transition, the fluctuations in installation and maintenance costs, and the upgrading and commercialization of AI-driven energy management technologies.

We cannot assure you that the global energy storage system and photovoltaic inverter market will maintain its historical growth rate or continue to expand in the future. If such market demand does not increase as we expect, the market demand for our solutions will decrease correspondingly, which may result in underutilization of our production capacity, and in turn materially and adversely affect our business, financial condition, and results of operations.

Changes to the current electricity pricing mechanisms may adversely affect our business, financial condition, and results of operations.

The commercial viability and market demand for our solutions are subject to the electricity pricing mechanisms and relevant government policies. Electricity pricing mechanisms, help our customers in photovoltaic power generation, energy storage, and related sectors to manage operating costs, thereby promoting demand for our solutions, and indirectly influencing our pricing strategies.

Regulators may revise, adjust, or discontinue existing policies from time to time. Any such changes could adversely affect our operations. Potential adverse changes may include reduction or removal of electricity price subsidies, adjustment of grid feed-in tariff benchmarks, and narrowing of peak-to-off-peak price differentials. These changes may raise energy costs or decrease income for our customers, and weaken their incentive to invest in energy storage systems, and ground power stations, ultimately reducing the demand for our solutions. In addition, shifts in electricity pricing mechanisms may alter the industry profit models, delay or cancel projects under negotiation or ongoing projects, and impair our ability to collect receivables.

We have not developed a comprehensive contingency plan for all potential pricing policy scenarios, and our capabilities in policy analysis and market adaptation remain under development. We cannot assure you that current favorable policies will be maintained, or that compensatory measures will be introduced if policies change. Should favorable electricity pricing mechanisms be revised or discontinued, and should we fail to adapt our business strategy, pricing, customer development, and market positioning accordingly, our market share and gross margin could decline materially, adversely affecting our business, financial condition, and results of operations.

We operate in a competitive market and may not be able to compete successfully against our existing and future competitors.

Our business development depends on our abilities to respond efficiently and effectively against the heightened competition from both well-established competitors and new entrants within our industry. We expect competition to increase and intensify as more companies enter our markets. Some of our competitors may have greater financial and other resources with which to pursue technology development, product design, manufacturing, marketing of their products. Increased competition could result in price pressure, reduced profitability, and loss of market share, any of which could materially and adversely affect our business, revenue, and operating results. Currently, our competitors include large, established, and international companies that offer a wide range of new energy products, as well as smaller, specialized companies that focus on specific products within the energy storage or photovoltaic field. In addition, as markets grow, we expect new market entrants and existing competitors may increase their investments in order to compete more effectively against us. These competitors could develop technologies that would render our solutions and technologies uncompetitive or obsolete.

Our ability to compete successfully depends on various factors both within and outside of our control, including the functionality, performance, and pricing of our solutions, our relationship with our customers, and other industry participants, our ability to develop innovative and high-performance products, our ability to retain talent, and the actions of our competitors.

In the event of a market downturn, competition in the markets in which we operate may intensify as our customers reduce their purchase orders. Our competitors that are significantly larger and have greater financial resources may be better positioned to withstand adverse economic or market conditions. If we fail to increase our competitiveness or achieve technology innovation to meet our customers' needs, our industry position, market share, business, financial condition, and results of operations will be adversely affected.

Our competitiveness is built on our technological innovation and research and development capabilities, and failure to maintain our competitiveness could materially and adversely affect our business, financial condition, and results of operations.

Our industry is characterized by rapid technological iteration and continued product innovation, which constantly reshapes market demand and customer expectations. To maintain our competitiveness and industry leadership, we must actively lead these developments with substantial and sustained investments in research and development. Our ability to attract new customers and retain existing ones is subject to our technological innovation capabilities.

We have consistently prioritized research and development to strengthen our leadership in technology and solutions. Despite our past achievements and progress in research and development, we cannot assure you that our ongoing investments will always yield the expected technological breakthroughs or commercial success. Research and development activities are inherently uncertain and subject to various risks, including delays in development or commercialization timelines, inability to keep pace with the technological advances in the industry, and lack of market acceptance or rapid obsolescence of newly developed solutions.

If we are unable to maintain industry leadership in technology and solutions, we may lose our competitive strength, which could result in the loss of existing customers and hinder our ability to attract new customers. In addition, our upgraded or newly developed solutions may not generate profits within a short period or at all. Any of these outcomes could adversely affect our business, financial condition, and results of operations.

If we fail to acquire new customers or retain existing customers, our business, financial condition, and results of operations may be materially and adversely affected.

We have invested in branding, sales and marketing to acquire and retain customers since our inception. However, we cannot assure you that our efforts will be successful in attracting new customers or retaining existing ones, or that the revenue and profits generated from new customers will be sufficient to offset the costs incurred in acquiring them. As of December 31, 2025, we have served over 1,400 customers in China and overseas. In 2025, we expanded our customer base by acquiring 61 new customers in the Chinese mainland and 154 new customers in overseas markets.

Any significant reduction in purchases by our existing customers, or the loss of any major customer, could have a material adverse impact on our business, financial condition, and results of operations. Our existing customers may reduce or cease their orders with us due to a number of factors beyond our control, including dissatisfaction with the performance, quality or pricing of our solutions, availability of alternative solutions or products offered by our competitors, or adverse publicity relating to our brand or reputation. In addition, changes in our customers' procurement plans or the timing of their orders, which may be beyond our control, could cause our revenue and business operations to fluctuate. If we are unable to retain our existing customers or acquire new customers in a cost-effective manner, our business, financial condition, and results of operations may be materially and adversely affected.

Our business prospects may be shaped by the successful launch of new solutions and execution of our planned business initiatives, which involve additional uncertainties and risks.

The successful launch of new solutions, as well as the execution of our planned business initiatives, require multi-dimensional efforts. There may be uncertainties at various stages before the launch of our new solutions, which may be attributable to factors beyond our control. Any delay in the design, production, and eventually the launch of our new solutions, could materially damage our brand, business, prospects, financial condition, and results of operations. In such circumstances, our growth prospects could be adversely affected as we may fail to grow our market shares, keep up with competing solutions, or satisfy customers' demands. Due to the uncertainties in the market window, any delay in such launch may result in the obsolescence of our solutions, and our previous investments in developing solutions may therefore become sunk costs, which will materially and adversely affect our business, financial condition, and results of operations.

We have incurred net losses and net operating cash outflows, and we cannot assure you that we will not incur net losses again in the future.

We incurred net losses of RMB65.2 million in 2024. We may incur net losses in the near term as we are in the stage of business expansion in the global energy storage system and photovoltaic inverter market and continue to invest in research and development. Our costs and expenses may also increase as we further expand our business and operations and invest in research and development activities. If we are unable to generate sufficient revenue and effectively manage our costs and expenses, we may incur net losses again and may not maintain profitability.

We recorded net cash flows used in operating activities of RMB148.7 million and RMB206.3 million in 2024 and 2025, respectively. We cannot assure you that we will be able to generate net operating cash inflows in the future. If we continue to record net operating cash outflows in the future, our working capital may be constrained, which may adversely affect our financial condition. Our future liquidity depends on our ability to maintain adequate cash inflows from our operating activities and adequate external financing such as offering and issuing securities, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. If we fail to obtain sufficient funding in a timely manner and on reasonable terms, or at all, we will be in default of our payment obligations and may not be able to expand our business. As a result, our business, financial condition, and results of operations may be adversely affected.

Fluctuations in exchange rates could materially and adversely affect our business, financial condition, and results of operations.

We are exposed to foreign currency fluctuation in relation to transactions, investments, and financing activities denominated in currencies other than Renminbi. Our overseas businesses are generally settled in local currencies and subsequently translated into Renminbi for our consolidated financial statements. Significant fluctuations in exchange rates between Renminbi and other currencies may result in changes in operating income, impact gross profit levels, and lead to exchange gains or losses between the recognition of sales and the receipt of foreign currency. Appreciation of Renminbi against foreign currencies may increase the prices of our solutions in overseas markets, reducing competitiveness, and potentially leading to decreased sales. Depreciation of Renminbi may increase the costs of raw materials, parts, and components sourced from overseas suppliers, adversely affecting our profit margins and financial results.

We may also be influenced by changes in foreign exchange regulations, restrictions on the remittance of funds, and the availability and effectiveness of hedging instruments. Volatility in currency markets may increase our financing costs, limit our ability to plan and budget, and create uncertainty in our results of operations. If we are unable to effectively manage significant fluctuations in foreign exchange rates or related events, we may incur net foreign currency losses or other adverse financial impacts, which could adversely affect our business, financial condition, and results of operations.

Our overseas business development is subject to various cross-border operating risks, which may adversely affect our business, financial condition, and results of operations.

As of December 31, 2025, we had nine overseas subsidiaries, providing our solutions to users globally. In 2023, 2024, and 2025, our revenue generated from overseas market amounted to RMB1.16 billion, RMB958.1 million, and RMB1.27 billion, representing 40.2%, 35.5%, and 51.0% of our total revenue, respectively. Operating in international markets exposes us to challenges, including building effective sales and distribution networks, recruiting local talent, and navigating unfamiliar regulatory regimes and government policies.

If we are unable to effectively avoid or mitigate these risks, our ability to expand in international markets will be impaired. In addition, our international business may not be able to achieve or sustain profitability, which could materially and adversely our business, financial condition, results of operations, and prospects.

Changes to the current policy restriction on import and export, as well as trade restrictions and geopolitical tensions, may adversely affect our business, financial condition, and results of operations.

Changes in global political, regulatory, and economic conditions, or in laws and policies governing foreign trade, manufacturing, development, and investment in the territories or countries where we currently purchase materials, seek to offer our solutions, or conduct our business, could adversely affect our business, financial condition, results of operations, and prospects.

The trade tensions may have an adverse impact on our business operations as we continue to expand into global markets. In particular, the evolving tariff landscape may affect the pricing competitiveness of our solutions, potentially resulting in lower sales volumes or compressed profit margins. In addition, prolonged trade tensions may disrupt global supply chains, dampen investor confidence, and weaken downstream demand in our key international markets. As we expand our operations across international markets, we are also subject to various restrictions under applicable export control laws and regulations. Changes in export and import laws may adversely affect our business expansion, financial condition, and results of operations.

Price fluctuations or supply instability of raw materials may adversely affect our business, financial condition, and results of operations.

Raw materials of our products mainly include battery cells, magnetic and semiconductor components, and structural parts. Changes in the availability and prices of raw materials may have a significant impact on our results of operations. In 2023, 2024, and 2025, our cost of raw materials accounted for 86.8%, 86.1%, and 84.1% of our cost of sales, respectively. The current or expected supply of our key raw materials may fluctuate depending on a number of factors beyond our control, including but not limited to the availability of resources in the raw materials market, market demand, potential speculation, market disruptions, natural disasters, and other factors. For example, the prices of lithium carbonate, copper, and aluminum can fluctuate rapidly, which may affect the prices of battery cells, magnetic and semiconductor components, and structural parts. Our sales pricing generally lags such input cost changes, which may compress margins during periods of rising commodity prices. We cannot assure you that we will not experience any price fluctuations or supply instability in the future, which could materially and adversely affect our production costs and results of operations.

In addition, some of our suppliers may import raw materials and components from overseas regions. These imports are inherently subject to various external risks beyond our control, including but not limited to changes in international trade policies, customs procedures, tariffs, foreign exchange volatilities, and geopolitical tensions. Any disruption, delay, or increased cost associated with such imported materials could erode the cost efficiency of our supply chain and thus may compromise our production schedules, increase our manufacturing costs, and adversely affect our business operations and financial position.

Potential unsatisfactory performance or defects in our solutions may result in product warranty, recalls, or liability claims, which could increase our costs, harm our reputation, and adversely affect our sales.

Our solutions may contain errors and defects when first introduced to customers. Delivery of products with production defects or reliability, quality, or compatibility problems could significantly delay or hinder market acceptance of our products, result in a costly recall, damage our reputation, and adversely affect our ability to retain existing customers and attract new customers. Errors and defects could cause problems with the functionality of our products, resulting in interruptions, delays, or cessation of sales of these products to our customers. We may also incur additional capital and resources to resolve such problems. If any of our products contain defects or have reliability, quality, or compatibility problems that we fail to resolve, our sales volume, financial condition, results of operation, and reputation could be materially and adversely affected.

In addition, due to the complex product development, external procurement, and production process, our solutions may contain defects or failures, which may be difficult to detect at an early stage of the production process and are time-consuming, expensive, or impossible to correct. Any such defects or errors, or the perception of such defects or errors, or other performance problems may, in certain circumstances, be attributable to quality issues of external suppliers and could result in, among others, (i) expenditure of significant financial and product development resources, including recalls, in efforts to analyze, correct, eliminate, or work around errors or defects; (ii) loss of existing or potential customers; (iii) interruptions or delays in sales; (iv) delayed or lost revenue; (v) delay or failure to attain market acceptance; (vi) delay in the development or release of new functionality or improvements; (vii) negative publicity and reputational harm; and (viii) legal claims under applicable laws, rules, and regulations, any of which may adversely affect our business, financial condition, and results of operations.

We rely on third-party logistics and installation service providers, and any disruption, delay, cost increase, or improper handling in connection with their services may adversely affect our business, financial condition, and results of operations.

We rely on third-party logistics service providers and installers for the long-distance transportation, storage, delivery, and installation of our raw materials, components, and finished products. Their services may be suspended, disrupted, delayed, reduced, or otherwise adversely affected by events beyond our control, including improper handling or storage, prolonged customs clearance times, acts of war or terrorism, geopolitical tensions, trade restrictions or sanctions, epidemics or pandemics, natural disasters, adverse weather and climate-related events, port congestion, labor shortages, work stoppages or strikes, carrier capacity constraints, changes in carrier alliances or schedules, and changes in applicable environmental or emissions regulations. These factors may lead to delivery delays, extended lead times, inability to secure sufficient or competitively priced shipping capacity, and shipment cancellations, which could disrupt our supply chain and delivery commitments, cause us to miss contractual deadlines, trigger liquidated damages or penalties, and adversely affect customer satisfaction and our reputation.

We are also exposed to fluctuations and potential increases in transportation and related logistics costs, including freight rates, fuel and bunker surcharges, charter and trucking rates, terminal handling charges, demurrage and detention fees, other ancillary charges and foreign exchange movements. Disruptions to key shipping lanes or routes may require rerouting or the use of expedited transportation, such as air freight, to meet delivery schedules or to replace or repair products under warranty. Moreover, any improper handling, loading, unloading, storage or installation of our products by logistics service providers or installers may result in product damage, defects or malfunctions, leading to increased returns, warranty claims, product liability exposure, repair or replacement costs and reputational harm, which could adversely affect our business, financial condition, and results of operations.

If we fail to manage our inventory effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

Our inventories consist primarily of finished goods, work in progress, and raw materials. As of December 31, 2023, 2024, and 2025, we had inventories of RMB891.2 million, RMB714.7 million, and RMB851.3 million, respectively.

We assess impairment to inventories in each year during the Track Record Period and may make provision to write down our inventories to the net realizable value if they become obsolete, out-of-season, or are damaged, or their prices decrease, and their net realizable value is lower than the costs. In 2023, 2024, and 2025, we recognized provision for impairment of inventories of RMB27.0 million, RMB31.0 million, and RMB37.2 million, respectively. However, we cannot assure you that we will not experience material write-offs in the future. In addition, during the Track Record Period, we have experienced fluctuations in our inventory turnover days. The fluctuation and extension of inventory turnover may materially and adversely our cash flow and liquidity position. It is crucial that we monitor these metrics closely to ensure the financial health of our organization. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Inventories" for details.

In addition, it may be difficult to accurately forecast demand and determine appropriate levels of inventory we should maintain. Any change in end user demand for our solutions or the occurrences of catastrophic events may have an adverse impact on our sales, which may in turn lead to decline in inventory value or inventory write-off. In the case of overestimation of customer demand, we may be subject to overstock, resale of the inventories at less favorable terms, or even write-downs of inventories. In addition, if we are required to lower sale prices to boost demand for our sales to reduce inventory level, our profit margins might be adversely affected. In the case of underestimation of customer demand, we may not be able to fulfill all the orders we receive to maximize our revenue. Any of the above may adversely affect our business, results of operations, financial condition, and prospects.

Our distributors' performance is not fully within our control, and any improper conduct or adverse changes in their business relationships with us may materially and adversely affect our business, financial condition, and results of operations.

During the Track Record Period, we generated a significant portion of our revenue from sales to distributors. If our distributors encounter financial difficulties or operational challenges, their purchase orders for our solutions may decrease, and their ability to market and sell our solutions effectively may be adversely affected. In addition, we may lose certain distributors without a corresponding increase in sales from other distributors due to changes in their business models, competitive pressures, or experience disruptions in our distribution relationships, which could result in a decline in sales and adversely affect our business, financial condition, and results of operations.

We have limited control over our distributors' operations and actions. We cannot assure you that we will be able to effectively manage our distributors, or that they will comply with applicable laws, regulations, and our distribution agreements. Any breach of contract, failure to maintain required licenses or approvals, or improper use of our brand or intellectual property rights may damage our reputation and brand image, reduce customer confidence and demand, and adversely affect our sales growth. In addition, some distributors may sell competitors' products and may not prioritize the marketing of our solutions.

Inadequacies or delays in our after-sales services, including the handling of repairs and warranty claims, may result in additional costs and expenses that adversely affect our business, financial condition, and results of operations.

Subject to local laws and regulations, as well as market conditions across different jurisdictions where we operate our business, we generally provide 5 to 10 year warranties for our main products. We accrue provisions for warranties for products still under warranty period at the end of each reporting period, which includes our best estimate of the projected costs to repair or replace items that fail to perform satisfactorily under warranties. The amount of provisions for warranties is estimated based on the sales volume and historical experience of the level of repairs and returns. The estimation is reviewed on an ongoing basis and is revised when appropriate. We have limited experience with warranty claims regarding our products or with estimating provisions for warranties. In 2023, 2024, and 2025, we recorded warranty costs of RMB101.6 million, RMB74.7 million, and RMB50.6 million, representing 4.0%, 3.2%, and 2.4% of our total cost of sales, respectively. We cannot assure you that our warranty-related expenditure will remain at a relatively stable level. We could, in the future, become subject to significant and unexpected warranty claims, resulting in significant expenses, which would in turn materially and adversely affect our business, results of operations, financial condition, and prospects.

Any disruption to our production arrangements or failure to maintain our production capacity could materially and adversely affect our business, financial condition, and results of operations.

Our business operations and growth prospects depend on our ability to effectively plan and adjust our production capacity and capabilities in response to changes in market demand. This requires us to accurately forecast demand, formulate appropriate manufacturing plans, and make prudent investment decisions regarding manufacturing facilities, equipment procurement, and personnel recruitment.

Our business operations also depend on the stable and efficient operation of our production base, including our ability to maintain existing production capacity. Our production operations are subject to various risks, including product failures, power supply disruptions, industrial accidents, labor shortages or disputes, and natural disasters. Any unexpected or prolonged disruption to our production operations could interrupt production and delivery schedules, result in underutilization or suspension of production capacity, adversely affect customer relationships and expose us to contractual claims. Any of the foregoing could materially and adversely affect our business, financial condition, and results of operations.

Any errors or improper practices during our production processes may lead to workplace accidents, injuries, or fatalities, consequently adversely affecting our operations, reputation, and financial standing.

Our production is exposed to risks and occupational hazards, including but not limited to dust, fires, and electric shock. These hazards may result in harm to human health, property damage, worker injuries, or other serious consequences. See "Business — Environmental, Social, and Governance" for details. Factors such as insufficient attention to safety, inadequate maintenance, substandard working conditions, or lapses in training may increase the likelihood of accidents or health issues.

We cannot assure you that the health and safety protection mechanisms we maintain will provide adequate protection in all circumstances. Any occurrence of workplace accidents or occupational health incidents may result in regulatory investigations, penalties, compensation claims, production disruptions, increased costs, and negative publicity. If any of these circumstances materialize, our business, financial condition, and results of operations could be adversely affected.

If we are unable to attract and retain competent talents who support our existing operations and future growth, our business may be materially and adversely affected.

Due to the highly specialized and technical nature of our business, we will attract, train, and retain a sizable workforce comprising highly skilled employees and other key personnel. Moreover, our industry is characterized by high demand and intense competition for talents, we may have to offer higher salaries and benefits in order to attract and retain key professionals to achieve our strategic objectives. Our ability to recruit, train, and integrate new employees into our operations may not meet the growing demands of our business. Our failure to attract, train, or retain highly skilled employees and other key personnel in numbers that are sufficient to satisfy our needs would materially and adversely affect our business and the results of operations.

We may have limited insurance coverage and may be subject to liabilities resulting from potential operational risks and losses that may not be covered by our insurance policies, and our product liability insurance may not be sufficient to cover potential product liability claims.

We have obtained insurance to cover certain potential risks and liabilities, such as cargo transportation insurance, product liability insurance, property insurance, and employers' liability insurance. See "Business — Insurance" for details. However, insurance companies in China and other jurisdictions in which we operate may offer limited business insurance products. As a result, we may not be able to acquire any insurance for all types of risks we face in our operations in China and overseas, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. This potentially insufficient coverage could expose us to potential claims and losses. Any business disruption, litigation, regulatory action, outbreak of epidemic disease, adverse weather conditions, or natural disasters could also expose us to substantial costs and diversion of resources. We cannot assure you that our insurance coverage will be sufficient to cover us for any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensation amount is significantly less than our actual loss, our business, financial condition, and results of operations could be materially and adversely affected.

In particular, we may be subject to product liability claims, product recalls, or product redesign efforts, all of which may be time-consuming and costly. Our product liability insurance may not be sufficient to cover all potential claims or liabilities. If we incur material product liability losses or liabilities that are not adequately covered by our insurance, our business, financial condition, and results of operations could be materially and adversely affected.

Any significant delay in payment or default on our receivables could adversely affect our liquidity and financial performance.

As of December 31, 2023, 2024, and 2025, our total trade and bills receivables were RMB884.6 million, RMB1.31 billion, and RMB1.39 billion, respectively. We may be affected by our customer's credit and may not be able to collect all such receivables due to a variety of factors that are outside of our control, including the long payment cycle of our customers and the adverse operating or financial condition of customers. Any payment delays or defaults from our customers may adversely affect our cash flow, financial condition, and results of operations. The credit term that we granted to our customers is generally from 30 to 180 days, and our cash flow may be adversely affected by any deterioration in their credit quality. If we are not able to manage the credit risk effectively, our results of operations may be adversely affected.

In addition, if our customers or other business partners delay or default on their payments, for reasons including non-payment, termination of our relationship with these customers or business partners, or a general decrease in their business, we may not be able to fully recover the outstanding amounts due from them and we may have to make provision for impairment, write off the relevant receivables, or incur legal costs to enforce our rights. As of December 31, 2023, 2024, and 2025, we recorded impairment losses on trade and bills receivables of RMB17.3 million, RMB31.7 million, and RMB45.6 million, respectively. See "Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade and Bills Receivables" for details. Our business, financial condition, and results of operations may be adversely affected if significant trade receivables are not settled on time, or at all.

Changes to or discontinuation of government grants may adversely affect our financial condition and results of operations.

We have received, and expect to continue to receive, various government grants from applicable governmental authorities. During the Track Record Period, we recorded government grants of RMB15.1 million, RMB22.9 million, and RMB33.0 million in 2023, 2024, and 2025, respectively, primarily comprising technology research and development subsidies and talent allowances.

Government grants are subject to ongoing policy reviews and may be adjusted, reduced, or revoked as a result of changes in government priorities, budgetary constraints, or regulatory requirements. In addition, our continued eligibility for such grants depends on our ability to maintain the relevant qualifications and satisfy applicable criteria. If any of our current government grants are adjusted, reduced, or discontinued, or if we fail to qualify for or receive such grants in the future, our financial condition and results of operations could be materially and adversely affected.

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

During the Track Record Period, certain of our customers settled their payments with us through third-party payors. In 2023, 2024, and 2025, the aggregate amount of third-party payments was RMB3.7 million, RMB5.0 million, and RMB1.9 million, accounting for 0.13%, 0.19%, and 0.08% of our total revenue for the relevant period, respectively. For details, see "Business — Third-Party Payment Arrangements." We might be subject to various risks relating to such payment arrangements, such as possible claims from such payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors, and potential money laundering risks as we, in certain occasions, may have limited knowledge about the source and purpose of the funds utilized by the third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings instituted or brought against us in respect of third-party payments, we will have to spend substantial financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payments for the products that we sold or the solutions that we provided.

Any negative publicity and allegation involving us may damage our reputation and adversely affect our business and results of operations.

We attach great importance to the global recognition of our brand, which plays an integral role in ensuring the rapid and sustainable growth of our business. Any public perception that our solutions are defective or otherwise unsatisfactory, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, and undermine the credibility that we have established. Our brand may suffer substantial reputational damage due to unpredictable factors, such as product liability claims, changing customer perceptions of the industry, negative perceptions of packaging, lack of recyclability or other environmental impacts, concerns about equality and inclusion practices, and distribution and sale of counterfeit products. If we are unable to manage effectively real or perceived issues, sentiments towards our products and brand could be adversely impacted. Failure to maintain or enhance the reputation of our brand could make it difficult to maintain and grow our customer base, and our business, financial condition, and results of operations may be adversely affected.

We may not be able to adequately protect our intellectual property rights, and we may be exposed to intellectual property infringement or misappropriation claims.

We rely primarily on a combination of our patents, copyrights, and trademarks, the confidentiality agreements signed by the employees, and confidentiality agreements signed with the third parties to protect our intellectual property rights. As of December 31, 2025, we had 299 trademarks, 270 patents, and 73 domain names. See "Business — Intellectual Property" for details. We cannot assure you that we are able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future, for such applications are expensive and time consuming.

Despite our efforts to protect our proprietary rights, unauthorized parties may be able to obtain and use information that we regard as proprietary. In such circumstances, to protect our intellectual property rights and maintain our competitive advantages, we may initiate legal proceedings against parties, who may infringe our intellectual property rights. Legal proceedings are often costly and may divert management attention and resources away from our business. In certain situations, we may have to initiate such legal proceedings in foreign jurisdictions, in which we are subject to additional risks as to the result of the proceedings, the amount of damages that we can recover, and the enforcement process.

In addition, if we are found to have infringed upon a third party's intellectual property rights, we may be required to cease to sell products that are involved in the challenged intellectual property rights owned by others or pay damages.

The validity and scope of any potential claims or requests can be complicated and involve complex scientific, legal, and factual questions and analysis and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings, and related legal and administrative proceedings or requests can be both costly and time consuming and may significantly divert the efforts and resources of our management. A determination in any such litigation, proceedings, or requests to which we are a party may invalidate our patents, subject us to pay damages to third parties, require us to seek licenses from third parties, pay ongoing royalties, redesign our products, or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Any of the aforementioned will materially and adversely affect our business, financial condition, and results of operations.

Any changes to policy restrictions on cross-border information transmission or cybersecurity policies may adversely affect our business operations.

The regulatory framework governing cross-border data transfers, data security, and cybersecurity is evolving in the jurisdictions where we operate. Our smart energy management systems inherently involve the collection, processing, and storage of operational data from customers. Markets such as the European Union have implemented stringent data protection regimes, including the General Data Protection Regulation ("GDPR"), and other regions may introduce or amend comparable legislation. Future regulatory developments could impose data localization requirements, restrict cross-border data flows, mandate specific security standards or certifications, or modify consent and disclosure obligations. Any such changes may require significant adjustments to our system architecture, data handling procedures, and operational protocols. This could lead to delays in system deployment or upgrades and constraints on our ability to deliver full functionality in certain markets.

While we have implemented measures aiming at complying with existing regulations, including maintaining localized data storage servers in major overseas markets and enforcing strict internal data security and access control policies, we can not assure you that these measures will be adequate or adaptable in a timely manner to future regulatory changes. Non-compliance with applicable laws could result in investigations, fines, legal claims, or operational limitations. In addition, any perceived or actual vulnerabilities in our systems, or failure to meet evolving security expectations, could harm our business and reputation. Any material adverse change in the regulatory landscape relating to data transmission or cybersecurity may therefore increase operational complexity and costs and adversely affect our business, financial condition, and results of operations.

We may be involved in lawsuits, claims, regulatory investigations, or legal proceedings in our ordinary course of business, which could materially and adversely affect our reputation, business, financial condition, and results of operations.

Our business operations entail litigation and regulatory risks, including the risk of lawsuits and other legal or regulatory actions relating to, among others, product liability, delivery, sales and customer services, leases, and labor disputes. We may be subject to claims and lawsuits in the ordinary course of our business. We may also be subject to inquiries, inspections, investigations, and proceedings by relevant regulatory and other government agencies. Actions brought against us may result in settlements, injunctions, fines, penalties, or other results adverse to us that could harm our business, financial condition, results of operations, and reputation. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant to us. In such event, our business, financial position, results of operations, cash flow, and reputation may suffer considerably and adversely.

Failure to protect our leasehold interests could adversely affect our business operations.

As of the Latest Practicable Date, we leased nine properties in China, with a total gross floor area of 38,468.9 square meters. Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branches of the PRC Ministry of Housing and Urban-rural Development (中華人民共和國住房和城鄉建設部). As of the Latest Practicable Date, 7 lease agreements of our leased properties had not been registered with the PRC government authorities as required. While the lack of registration will not affect the validity of the lease agreements under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. The aggregate maximum potential penalties for failing to complete the registration within a prescribed period in relation to the 7 lease agreements would be RMB70,000. See "Business — Properties — Leased Properties" for details.

We are subject to risks relating to our use of independent contractors.

Our operations partially rely on independent contractors for certain functions, including non-core manufacturing processes and overseas sales. While the use of independent contractors allow us to manage costs and scale our production capacity flexibly, they also expose us to associated risks that could adversely affect our business. Our ability to control the quality, timing, and compliance standards of work performed by independent contractors is inherently limited. We cannot assure you that their performance will consistently meet our technical specifications, safety protocols, or project schedules. Substandard workmanship, operational delays, or accidents at customer sites could lead to rework costs, production disruptions, contractual penalties, and damage to our reputation. In addition, we may be held vicariously liable for the actions or omissions of our independent contractors, including potential violations of labor, employment, health and safety, or environmental regulations by our service providers. Such violations could result in legal proceedings, fines, or sanctions against us, even if they occur without our direct knowledge.

Furthermore, independent contractors' financial instability or operational failures could directly disrupt our project execution and customer commitments. If we fail to effectively manage these independent contractors, or if a key independent contractor terminates its agreement or becomes unable to perform, we may face increased operating costs, challenges in finding qualified replacements in a timely manner. Any materialization of the aforementioned risks could adversely affect our business, financial condition, and results of operations.

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

To develop new solutions and technologies, support future growth, and achieve operating efficiencies in order to generate operating cashflows, we must make significant capital investments in procurements of equipment and research and development. From time to time, we may experience volatility in our cash flows and results of operations. We have utilized external sources of financing when needed. We may need additional capital in the future to fund our continued operations, in addition to the use of our cash inflows from our operating activities. However, we may be unable to raise additional funds, whether through equity or debt financing, when needed on favorable terms or at all. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing Shareholders, including investors in this [REDACTED] will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our Shareholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. In addition, our credit rating may be affected by our liquidity, financial performance, economic risk, or other factors, which may increase the cost of future borrowings and make it difficult for us to obtain financing on terms acceptable to us or at all. We cannot assure you that we will be able to generate sufficient cash flows, access capital or credit markets, or find other sources of financing to fund our operations, make debt payments, pay dividend, and make adequate capital investments to remain competitive in terms of technology development and cost efficiency. Any failure to raise capital as and when needed could adversely affect our financial condition and our ability to pursue our business plans and strategies.

Our business growth, financial condition, and prospects may be affected by any future occurrence of force majeure events and unforeseen, hostile, or catastrophic events.

If any force majeure event or any event beyond our control happens, our customers may terminate the contracts, and they may only be required to compensate us under certain circumstances, such as damage to or loss of our containers, and we may be forced to assume losses to the extent our insurance coverage is inadequate. Any uninsured loss could materially and adversely affect our business, results of operations, and financial condition.

In addition, our business operations are vulnerable to interruption and damage from unforeseen, hostile, or catastrophic events. These events are often outside of our control and include acts of war, terrorist attacks, natural disasters, and extreme weather events such as health pandemic, floods, heavy rains, winds, and waves. Such events may materially and adversely affect the global financial markets and consumer confidence. Similarly, severe weather conditions may force us to temporarily suspend operations based on warnings from national meteorological departments or cause prolonged disruption of our business operations. We cannot assure you that acts of wars, terrorist attacks, natural disasters, and extreme weather will not occur and result in major damage to our business operation. If we fail to effectively manage these risks, our business, financial condition, results of operations, cash flow, and prospects may be materially and adversely affected.

RISKS RELATING TO DOING BUSINESS IN THE MARKETS IN WHICH WE OPERATE

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

Legal systems of the jurisdictions where we operate vary significantly. Some jurisdictions have a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. We are also subject to certain uncertainties embedded in the legal systems of some jurisdictions where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the regions where we operate. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

In addition, many of the legal systems in the jurisdictions where we operate are based in part on their respective policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effects. There are other circumstances where key regulatory definitions are unclear, imprecise, or missing, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of the regions where we operate may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in the regions where we operate and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in the jurisdictions where we operate may slow down the growth of the industry and affect our business, financial condition, and results of operations. For instance, in April 2026, the European Commission announced a plan to restrict the use of EU-level funds for projects incorporating inverters sourced from China. The measure primarily targets projects financed by EU-level funding mechanisms rather than imposing a blanket prohibition on the sale or use of China-manufactured inverters in Europe, and its scope and implementation timeline remain subject to uncertainty. As our revenue from European markets accounted for over 20% of our total revenue during the Track Record Period, to the extent that our customers' projects are financed by EU-level funds, the restrictions may reduce demand for our solutions in Europe and adversely affect our business, financial condition, and results of operations.

Regulatory control over capital inflow or outflow, currency conversion, and fluctuations in exchange rates may affect the value of your [REDACTED], result in [REDACTED] losses, and limit our ability to utilize our cash effectively.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [REDACTED], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, we cannot assure you that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to our Shareholders, to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results, and financial condition, may be affected.

Our transfer pricing arrangements may be subject to scrutiny, audit, or challenge by tax authorities in the jurisdictions where we operate.

Under the applicable laws and regulations in the jurisdictions where we operate, arrangements and transactions among related parties may be subject to audit or challenge by the tax authorities. During the Track Record Period, we conducted certain intra-group transactions. For details, see "Business — Transfer Pricing Arrangement." We could face material and adverse tax consequences if tax authorities determine that our intra-group transactions do not follow the arm's length principle and consequently adjust our Group members' taxable income. If we fail to rectify within the timeframe set forth by tax authorities, late payment interest or surcharge and other penalties may be imposed on us for any overdue or unpaid taxes. In addition, our transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. We cannot assure you that we could successfully recover the tax recoverable from these tax authorities. As a result, our business, financial condition, and results of operations may be materially and adversely affected.

We could be subject to changes in our tax rates, the adoption of new tax legislation, or exposure to additional tax liabilities.

The EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. For example, our Company and AISWEI Yangzhong have been qualified as high-tech enterprises or engaged in policy-encouraged businesses, accordingly, they were entitled to a preferential income tax rate of 15% during the Track Record Period. See "Financial Information — Income Taxation" for details. To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added, and other taxes. Non-compliance with the tax laws and regulations in the Chinese mainland may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in the Chinese mainland and tax penalties or fines could affect our businesses, financial condition, and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to invest more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental authorities. If our effective tax rates were to increase, or if the ultimate determination of our taxes payable is for an amount in excess of amounts previously accrued, our financial condition, operating results, and cash flows could be adversely affected.

Changes to preferential tax treatment could adversely affect our financial condition and results of operations.

We derive a substantial proportion of our revenue from overseas sales, and export tax rebate policies are significant to our financial performance. On January 8, 2026, the Ministry of Finance and the State Taxation Administration jointly issued the Announcement on Adjusting Export Tax Rebate Policies for Photovoltaic and Other Products, pursuant to which the VAT export rebate applicable to photovoltaic and certain other products has been cancelled with effect from April 1, 2026. As our products may fall within the scope of such cancellation, we may no longer be entitled to the relevant VAT export rebates.

We cannot assure you that the applicable governmental authorities will not introduce further adjustments to other preferential tax treatments applicable to our business. If we are unable to pass any increased costs on to our customers or otherwise mitigate the impact of such changes, our business, financial condition, and results of operations could be materially and adversely affected.

Payment of dividends or gains from the sale or other disposition of our H Shares is subject to taxation under PRC law.

Non-PRC resident individual holders of H Shares whose names appear on the register of members of H Shares are subject to the PRC individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) (國税函[2011]348號) dated June 28, 2011 and issued by the STA of the PRC, the tax rate applicable to dividends paid to Non-PRC resident individual holders of H Shares varies from 5.0% to 20.0%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the Non-PRC resident individual holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Where the applicable tax treaty provides for a withholding tax rate on dividends lower than 10.0%, the withholding agent may apply to the competent tax authority for treaty benefits on behalf of the Non-PRC resident individual holder; upon approval, any excess tax withheld shall be refunded. Where the applicable tax treaty provides for a withholding tax rate on dividends higher than 10.0% but lower than 20.0%, such treaty rate shall apply directly and no separate application is required. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) and its implementation regulations, Non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20.0% on gains realized upon the sale or other disposition of H Shares. Based on our knowledge, as of the Latest Practicable Date, the PRC tax authorities had not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders' investments in H Shares may be materially and adversely affected.

Under the EIT Law and its implementation regulations, a non-PRC resident enterprise is generally subject to EIT at a rate of 10.0% with respect to its PRC-sourced income, including dividends received from a PRC company and gains derived from the disposition of equity interests in a PRC company. This rate may be reduced under any special arrangement or applicable treaty between the PRC and the jurisdiction in which the non-PRC resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of EIT for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No.897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated by the STA on November 6, 2008, we intend to withhold tax at 10.0% from dividends payable to non-PRC resident enterprise holders of H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to applicable tax refund procedures. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by the PRC tax authorities, including whether and how EIT on gains derived upon the sale or other disposition of H Shares will be collected from non-PRC resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-PRC resident enterprise holders' investments in H Shares may be materially and adversely affected.

Our offshore subsidiaries may be treated as a resident enterprise for PRC tax purposes.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), enterprises established under the laws of jurisdictions outside of the Chinese mainland with "de facto management bodies" located in the Chinese mainland may be considered PRC resident enterprises for tax purposes and may be subject to the PRC EIT at the rate of 25% on their global income. In addition, the Announcement on the Issuance of the Administrative Measures for Enterprise Income Tax of Overseas-registered Chinese-controlled Resident Enterprises (Trial) (State Administration of Taxation Announcement [2011] No. 45) specifies that the determination of resident enterprise status may be made either through self-assessment by the enterprise concerned followed by an application to the competent tax authorities for confirmation, or through investigation initiated by the tax authorities upon discovery. The competent tax authorities for such purposes shall be the tax authorities responsible for the enterprise income tax of the principal holding investor of the relevant overseas-registered Chinese-controlled resident enterprise that is registered within the PRC. Once an offshore subsidiary is determined to be a PRC resident enterprise, it shall complete tax registration with the competent tax authorities and shall be subject to EIT at the rate of 25% on its worldwide income, and shall file tax returns and pay taxes in accordance with the relevant provisions of the EIT Law and its implementation regulations.

As our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, the competent regulatory authorities may request EIT at 25% on such our offshore subsidiaries' global income, except that the dividends they receive from our subsidiaries in the Chinese mainland, if any, may be exempt from the EIT to the extent such dividend income constitutes "dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise." Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a "PRC resident enterprise" for such purposes. The EIT on our subsidiaries' global income could significantly increase our tax burden and affect our cash flows and profitability.

You may experience difficulties in effecting service of legal process or enforcing foreign judgments against us and our directors and management.

We are a company incorporated under the laws of the PRC and the majority of our assets and subsidiaries are located in the PRC. Most of our Directors and senior management reside within the PRC. The assets of these Directors and senior management are also mostly located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon most of our Directors and senior management outside the PRC. In addition, investors may also experience difficulties in enforcing judgements due to lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the listing of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong, but compliance therewith is enforceable through the regulatory and disciplinary powers of the Stock Exchange and the SFC.

RISKS RELATING TO THE [REDACTED]

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

Prior to the [REDACTED], there was no public market for our H Shares. We cannot assure you that a [REDACTED] for our H Shares with adequate liquidity and [REDACTED] volume will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our H Shares is the result of negotiations between the Sponsor-Overall Coordinators (for themselves and on behalf of the [REDACTED]) and us, and may not be an indication of the [REDACTED] at which our H Shares will be [REDACTED] following the completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our H Shares may be materially and adversely affected.

The price and [REDACTED] volume of our H Shares may be volatile, which could result in substantial losses to investors.

The price and [REDACTED] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and trading volume volatility that are not related to the operating performance of any particular company. The business performance and the market price of the shares of other companies engaging in similar business may also affect the price and [REDACTED] volume of our H Shares. In addition to market and industry factors, the price and [REDACTED] volume of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors, or regulatory developments. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our business performance.

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

Our Controlling Shareholders have significant influence over our operations and business strategies, and may have the ability to require our Group to effect corporate actions according to their own desire by virtue of their shareholding in our Group. The interests of our Controlling Shareholders may not always coincide with the best interests of other Shareholders. If the interests of our Controlling Shareholders conflict with the interests of other Shareholders, or if our Controlling

Shareholders choose to cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, our Group or those other Shareholders' interests may be adversely affected as a result.

In addition, there is no guarantee that the Controlling Shareholders will not dispose of their Shares following the expiration of its respective lock-up periods after the [REDACTED]. We cannot predict the effect, if any, of any future sales of the Shares by the Controlling Shareholders, or that the availability of the Shares offered by the Controlling Shareholders for purchase may have on the [REDACTED] of the Shares. Sales of a substantial number of Shares by any of our Controlling Shareholders or the market perception that such sales may occur could materially and adversely affect the prevailing [REDACTED] of the Shares.

Future sales or perceived sales of our H Shares in the [REDACTED] could adversely affect the [REDACTED] of our H Shares and our ability to raise additional capital in the future or may result in [REDACTED] of your shareholding.

The [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be adversely affected as a result of future sales of our H Shares or other securities relating to our H Shares in the [REDACTED] by our Shareholders, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. In addition, we may issue shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. 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. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may adversely affect the [REDACTED] of our H Shares.

In addition, while investors subscribing shares in the [REDACTED] are not subject to any restrictions on the disposal of the H Shares they subscribed, they may have existing arrangements or agreement to dispose part or all of the H Shares they hold immediately or within certain period upon completion of the [REDACTED] for legal and regulatory, business and market, or other reasons. Such disposal may occur within a short period or any time or period after the [REDACTED]. Any sale of the H Shares subscribed by such investors pursuant to such arrangement or agreement could adversely affect the [REDACTED] of our H Shares, and any sizeable sale could materially and adversely affect the [REDACTED] of our H Shares and could cause substantial volatility in the [REDACTED] volume of our H Shares.

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].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional media coverage regarding us, our business, our industry and the [REDACTED] subsequent to the date of this document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations, and other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media, and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. Our Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], and any of our and their respective directors, supervisors, officers, representatives, employees, advisors, or any other persons or parties involved in the [REDACTED], make no representation as to the appropriateness, accuracy, completeness, or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, our Company, the Joint Sponsors, the Sponsor-Overall Coordinators, the Overall Coordinators, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], and any of our and their respective directors, supervisors, officers, representatives, employees, advisors, or any other persons or parties involved in the [REDACTED], disclaim responsibility for it, and you should not rely on such information.

Certain facts, forecasts and statistics contained in this document are derived from government official sources and may not be accurate or reliable.

Certain facts, forecasts, and statistics in this document relating to the economy and the industry in which we operate are obtained from official government sources. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, the Overall Coordinators, the [REDACTED], or any other party involved in the [REDACTED], and no representation is given as to its accuracy.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such information and statistics may be inaccurate or may not be comparable to information and statistics produced with respect to other countries. Statistics, industry data, and other information relating to the economy and the industry derived from the official government sources used in this document may not be consistent with other information available from other sources and therefore, investors should not unduly rely upon such facts, forecasts, and statistics while making investment decisions.

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

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