You should carefully consider all of the information in this document including the risks and uncertainties described below before making **[REDACTED]**. *Our operations involve certain risks, many of which are beyond our control. You should pay particular attention to the fact that most of our business is located in the PRC and we are governed by a legal and regulatory environment which in some respects may differ from that which prevails in other countries. Our business, financial condition and operating results could be materially and adversely affected by any of these risks. The* **[REDACTED]** *could decline due to any of these risks, and you may lose all or part of* **[REDACTED]**. *Additional risks and uncertainties that are not presently known to us, or not expressed or implied below, or that we deem to be immaterial, could also have a material adverse effect on our business, financial condition and operating results.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business and future growth are subject to macroeconomic conditions, and changes in government policies and market demand for our services, which are beyond our control.

We are a comprehensive power engineering service provider specialising in the provision of EPC, construction design and consultancy services, with a focus on new energy sectors. Our business and future growth prospects depend on general economic conditions and levels of the aforementioned business segments, as well as other construction and infrastructure development in China. The activities in respect of power industry, and other construction and infrastructure development in China are susceptible to global economic fluctuations and market uncertainty. Our revenue may be adversely affected if the global economy, especially the economy of China, experiences slower growth or enter into recession, or if the spending on the power industry, in particular new energy sectors, and other construction projects is reduced, including any reduction in government infrastructure spending.

In addition, we are susceptible to changes in government policies related to the power and engineering industries, including those that affect the development, financing, investment and tax policies of power infrastructure and new energy sector in the fields of our core specialisations. We are also susceptible to changes in local government budgets and the regulation regarding private enterprise's participation in the infrastructure industry. We cannot assure you that Chinese government's industry-related policies will not change in the future, any adjustment and change in relevant policies by the government may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We face intense competition in our industry and largely depend on our ability to win bids for projects. Failure to compete effectively may cause us to lose market share and adversely affect our results of operations.

The PRC comprehensive power engineering service market is characterised by varying levels of competition across different segments. According to Frost & Sullivan, the market is led by large state-owned groups, while non-state-owned participants generally operate at a smaller revenue scale but compete through flexible customer response, specialised qualifications, regional coverage and one-stop service capabilities, and the non-state-owned segment is relatively fragmented. In this competitive landscape, we largely depend on our ability to win bids for projects; for the years ended 31 December 2023, 2024 and 2025, our tender success rate was approximately 65.3%, 64.8% and 65.7%, respectively. We cannot assure you that we will be able to maintain our historical tender success rates in the future.

Despite high entry barriers regarding technical qualifications, competition has intensified due to favourable government policies encouraging power infrastructure and new energy alternatives and differentiated technical capabilities and efficient project delivery are key factors for maintaining competitiveness. We face competition from a significant number of peers that provide services or products similar to or substituting for ours. According to Frost & Sullivan, as of 2025, in terms of revenue from power engineering services, we ranked third among non-state-owned enterprises with both Grade A and professional Grade A qualifications in the comprehensive power engineering service market in the PRC.

Some of our competitors may have longer operating histories, greater capital resources, larger customer bases, stronger brand recognition, or more extensive financial, technical, and marketing resources than we do. As a result, these competitors may be better positioned than we are to develop quality services and products or to adapt to changing market trends. Our competitiveness depends on our track record of timely project delivery, the breadth of our service offerings, and our technological capabilities. Competitive pressures may require us to reduce our prices or increase our costs, which could adversely affect our profit margins. Our failure to compete effectively could materially and adversely affect our business, financial condition, results of operations, and market position.

We bear ultimate responsibility to project owners for the performance, quality, and timely execution of our suppliers and subcontractors.

Our EPC services involves the design, procurement, construction, installation of project infrastructure for a project. We procure materials and organise construction based on various engineering design drawings and is responsible to the owner for the quality, adherence to project timeline, and costs of the project as per the contract. As we are responsible for the quality, safety, timeline, and cost of the contracted project, we undertake to select and recommend qualified and suitable professional subcontractors through bidding to complete the relevant construction tasks. Furthermore, we are responsible for the procurement of related equipment and components, as well as the overall project management and quality control.

There is no guarantee that we will be able to continuously engage suitably qualified subcontractors for our EPC projects and at a reasonable cost, and we may be required to terminate our engagement with our subcontractors at various stages of our projects, which may lead to significant delays in the progress of, or prolonged suspensions to, the projects, and the incurrence of significant wasted costs. Moreover, there is no assurance that the engineering services, raw materials and equipment procured by us, or provided under our supervision, will consistently meet the stringent standards and requirements of the project owners. Our failure to ensure the quality, availability and performance of our subcontractors, as well as the engineering services, raw materials and equipment for, our projects may adversely impact the quality, progress and completion timeline and cost of our projects, and thereby adversely impact our business, reputation, relationship with our customers and financial position.

Our revenue is concentrated among a number of customers, and we rely on a limited number of suppliers.

We rely on a limited number of suppliers for construction services. During the Track Record Period, we procured certain construction services from Customer Group A, which accounted for 24.7%, 49.7% and 51.2% of our total procurement in the corresponding year respectively.

We also rely on a limited number of customers for construction services. During the Track Record Period, our total revenue attributable to our five largest customer in each year during the respective year was 59.2%, 76.9% and 73.9% respectively.

Further, we engaged subcontractors to provide certain construction and installation services and labour services, primarily for our EPC on a project basis. When there are too many projects, we usually use labour subcontracting to flexibly adjust internal human resources to ensure timely project delivery and shorten the project delivery period. During the Track Record Period, we engaged in total 432, 427 and 426 subcontractors, all independent third parties, for the years ended 31 December 2023, 2024 and 2025.

Any interruption in the operation of these suppliers or subcontractors, inability to accommodate our business growth, termination or suspension of supply arrangements, change in procurement terms, deterioration in our relationships, or disputes with them could materially and adversely affect our operations. In addition, supply and project execution could be disrupted by accidents, natural disaster, labour shortages, supply chain bottlenecks, or other unforeseen events beyond our control. If we are unable to identify and secure alternative suppliers and subcontractors on a timely basis and on commercially reasonable terms, we may not be able to deliver projects to our customers in the required quantities, on schedule, or at competitive prices. Any prolonged or significant supply disruption could have a material adverse effect on our business operations, financial condition and results of operations.

We are exposed to substantial potential risks and liabilities associated with our EPC services.

We are exposed to substantial potential risks and liabilities associated with our EPC services, which may be caused by one or several of the following factors: (i) ageing, malfunctioning, inappropriate installation, control or operation of various equipment, systems and facilities; (ii) human error or misconduct or strikes by or disputes with our labour force; (iii) external attacks, such as terrorist attacks and other malicious acts by third parties; and (iv) adverse weather or natural disasters. Any of the above may cause delay in our EPC projects or interruption of our business operation, and cause us to incur civil or criminal liability, material and adversely affect our businesses or cause us to incur significant additional costs or expenses. We may also suffer from claims by project owners or third parties resulting from claims for additional costs incurred in excess of current contract provisions arising out of project delays and changes in the initial scope of work and their use of the projects and infrastructure we constructed. Both claims brought against us and by us, if not resolved through negotiation, are often subject to lengthy and expensive litigation or arbitration proceedings. Amounts ultimately realised from project claims could differ materially from the balances included in our financial statements, resulting in a charge against earnings to the extent that profit has already been accrued on a project contract basis. Charges associated with claims brought against us and write downs associated with claims brought by us could have a material adverse impact on our business, financial position and results of operations.

Given the nature of our business, we cannot assure you that any measures we may take will be sufficient to prevent work-related injuries or deaths of our employees, or the labours of our subcontractors, which may damage our reputation and corporate image, and accordingly have a material adverse effect on our construction qualifications, business, financial position and results of operations. We cannot assure you that the above risks and uncertainties will not affect our operations or lead to any accidents, thus causing harm to people or the environment, leading to suspension or termination of our projects, and resulting in significant liabilities to us. If any of these risks materialises, it could have a material and adverse effect on our business, financial position and results of operations.

Tender price may not reflect the actual costs involved. If we fail to accurately estimate the overall risks or cost of projects, or the time needed to complete the relevant projects, we may experience cost overruns, schedule delays, additional expenses, lower profitability, or losses, or could even encounter events giving rise to contract disputes.

Our contract price is usually based on our estimated project costs (which mainly include labour costs, equipment costs, material costs and sub-contracting costs) at the time when we submit our tenders for projects. We currently generate, and expect to continue to generate, a substantial portion of our revenue from contracts with a pre-agreed price in our EPC services, and construction design and consultancy services in both of our business segments. The terms of these contracts require us to complete a project for a pre-agreed price which is generally established prior to commencement of work and therefore expose us potentially to cost overruns.

Our estimates of the costs for completing a project are subject to a number of assumptions, including market conditions, future economic conditions the cost and availability of labour and raw materials, sub-contractors' performance, utilisation rates of shield tunnelling machines and construction and technical standards to be applied to the project. However, these assumptions may be inaccurate. To a certain extent, we are exposed to fluctuation risks in raw material price, labour costs and equipment costs in some projects, depending on the terms agreed in specific contracts. Some of our construction contracts include price adjustment clauses, which permit us to negotiate with project owners or clients for compensation under certain circumstances, such as a change in laws, regulations and policies that affect the contract price or price adjustments announced by the authorities overseeing construction costs. However, even for contracts that contain price adjustment clauses, we are generally required to bear a portion of the increased costs. In addition, delays caused by inclement weather, technical issues and an inability to obtain the requisite permits and approvals, or failure by the project owner to fulfill construction conditions or site preparation as scheduled, as well as other variations and risks inherent in the performance of contracts, may cause our actual overall risks and costs to substantially differ from our original estimates despite buffers we may build into our bids for increases in labour, raw materials and other costs. Cost overruns can result in a lower-than-expected profit or a loss on a project.

Similarly, we may be unable to complete a project in accordance with the schedule set forth in the relevant contract. A project can be delayed for a number of reasons, including those relating to market conditions, policies and regulations of the PRC and other relevant jurisdictions, availability of funding disputes with suppliers and sub-contractors, employees, local governments and communities, natural disasters, and availability of technical or human resources. Our overseas projects may also be affected by factors such as any adverse changes in the relations between the PRC and relevant foreign governments, war or other significant adverse developments in international relations.

From time to time, we may need to perform extra work for our contracts on customers' requests or adjust the work scope under our contracts (for example, when the project owner changes the design after the design plan is confirmed). This may result in disputes over whether the work performed is beyond the scope of work included in the original project specifications, or what price the customer should pay for the extra work. Although some of our contracts stipulate that the customer should be responsible for costs of the extra work they requested, we may be required to advance the cost of such work for a lengthy period of time until the design change is approved and funded by our customers. We cannot assure you that we will be able to recover the costs arising from change in scope of work caused by a project owner. In addition, any delay caused by the extra work may impact the progress of our projects and our ability to meet specific contract milestone dates. We may not be able to recover all incurred costs if the design changes initiated by our customers are subsequently be declined by relevant authorities or result in contract disputes. We cannot assure you that we will be able to recover the cost of the extra work in full or at all, which may lead to business disputes, or may otherwise adversely affect our business, financial position, results of operations and prospects.

For details of our loss-making projects during the Track Record Period, please refer to "Business – Project movement and contract values – Project Movement based on business segment. We cannot guarantee that we will not encounter cost overruns or delays in our current and future projects, which could cause our costs to exceed our budget or cause us to be required to pay liquidated damages in accordance with the terms of our contracts, with a consequent reduction in profits or even loss on our contracts. Cost overruns or delays could therefore have a material adverse effect on our business, financial position, results of operations and prospects.

We may not be able to meet our significant working capital requirements if we experience significant delays in our progress payments and settlement process, or significant delays or defaults in our trade receivables and bills receivable, performance guarantees or retention fees.

Most of our EPC projects take a substantial period of time to complete. Therefore, the contracts for our various construction contracting business generally require our clients to make payments on a regular basis to us in instalments upon our achieving certain project milestones or with regard to the portion of work completed. See "Business – Customers – Contract Terms" for further details. Our contracts for construction services generally include promises to provide labors and materials, as well as a guarantee that the constructed asset is free from defects for a period of 2 years after completion. We have determined that these contracts generally contain only a single performance obligation because there is a significant integration of the different promised goods and services underlying each contract, and we act as a principal in these transactions. We record contract assets when we have performed work that is transferred to customers but remains conditional on certification by supervision engineers or customer representatives before becoming an unconditional right to billing. Our contract assets were approximately RMB27.5 million, RMB61.8 million and RMB39.5 million as at 31 December 2023, 2024 and 2025, respectively, and there is no assurance we will be able to bill them on time or in full. Our trade receivables after deducting provision for impairment were approximately RMB140.0 million, RMB114.0 million and RMB152.2 million as of 31 December 2023, 2024 and 2025, respectively, representing approximately 26.4%, 19.0% and 24.7% of our total current assets at the corresponding dates, respectively. During the years ended 31 December 2023, 2024 and 2025, the provision for expected credit losses on trade receivables were approximately RMB120.3 million, RMB112.2 million and RMB114.0 million, respectively. For more information on our trade receivables and bills receivable, see "Financial Information – Discussion of certain selected items from our consolidated statements of our financial position – Trade receivables" and note 25 to the Accountants' Report included in Appendix I to this document.

In line with the prevailing market practice adopted and under our typical commercial arrangements, approximately 3%-5% of the contract value is typically withheld by our clients as retention fee against any possible defects in the quality of our work and will only be released after expiration of the defects liability period, which typically lasts for the two-years defects liability period. There is no assurance that the retention monies will be released by our customers to us on a timely basis and in full accordingly. As a result, we are often required to bear some costs and expenditures for projects prior to receiving full payment from our clients to cover such costs and expenditures. Furthermore, our clients generally require us to provide advance payment guarantees and performance guarantees to secure our contractual obligations. If our clients claim that we failed to perform our obligations and thus they delay or refuse to repay retention fees, our liquidity could be materially and adversely affected in a direct or indirect way. For more details, see "Business – Customers – Contract Terms". Any default in payments of receivables and progress payments or delays in payments of retention fees owed to us or any unilateral demands on performance and quality guarantees by our clients may lead to a decrease in working capital available for our business. While we may file claims against clients for uncompensated costs we have incurred pursuant to our contracts, dispute resolutions process requires significant time, financial and other resources, and the outcome is often uncertain.

In addition, we face the risk that our clients may be unable to perform their contractual obligations due to their failure to obtain sufficient funding for project development, general financial difficulties or other reasons. Over the Track Record Period, our trading terms with our customers were mainly on credit. For the three years ended 31 December, 2025, our Group had turnover days of trade receivables of approximately 97.3 days, 68.3 days and 59.9 days, respectively. For the three years ended 31 December 2025, our turnover days of trade payables were approximately 154.3 days, 127.2 days and 103.4 days, respectively. When our clients require bank financing for EPC services, the availability and terms of financing in the market will have a significant impact on clients' demand for our services. To the extent there is instability in the credit markets, the availability of credit may be limited and it may be difficult or expensive to obtain financing. This situation could negatively impact our clients' ability to fund their projects and purchase our services. Accordingly, if our clients are unable to obtain financing in a timely manner or at a reasonable cost, the relevant projects may be adversely affected, we may be required to consider alternative sources of financing and/or delay our payment obligations and our financial performance and prospects may be materially and adversely affected.

We also routinely enter into contracts with suppliers and subcontractors, who may be negatively impacted by the credit market. If those counterparties are unable to perform their obligations to us or our clients, we may be required to provide additional services or make alternate arrangements on less favourable terms with other parties to ensure adequate obligation performance and provision of services to our clients. Moreover, we may be subject to disputes brought by clients, subcontractors or suppliers who refuse to make payment to us of costs exceeding forecasted expenditures or who deny their obligations to perform certain duties under their contracts. These circumstances could also lead to disputes and even litigations with our clients or other contractual counterparties, which could have a material adverse impact on our reputation, business, financial condition and results of operations.

Any difficulty or delay in billing or collecting a substantial portion of our trade receivables, bills receivable, and contract assets could materially and adversely affect our cash flows, working capital, and financial positions.

Failure to pay the social insurance and housing provident funds on behalf of our employees may subject us to penalties.

Companies operating in China are required to pay for their employees' social insurance (in most cases including pension insurance, unemployment insurance, medical insurance, work-related injury insurance and maternity insurance) and housing provident funds in amounts equal to a certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government at locations where they operate their business. Companies who fail to make adequate payments of social insurance and housing provident fund may be subject to late payment fees, fines and/or other penalties.

During the Track Record Period, we were not in strict compliance with the social insurance and housing provident fund contributions requirements as prescribed by the relevant PRC laws and regulations. In particular, we did not make social insurance and housing provident fund contributions in full for our employees, and aggregate shortfall of social insurance and housing provident fund contributions amounted to approximately RMB5.4 million, RMB7.4 million and RMB7.0 million for the years ended 31 December 2023, 2024 and 2025, respectively.

As at the Latest Practicable Date, we had not been subject to any material administrative action or penalty imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor did we have any outstanding notice or demand from any competent authorities taking the initiative to order us to pay shortfalls for the social insurance and housing provident fund contributions. We were also not aware of any material pending complaint filed by any of our employees regarding our social insurance and housing provident fund policy. However, we cannot assure you that any new laws and regulations or any changes in the implementation of the existing laws and regulations will not require us to pay any contribution shortfall or impose late payment penalties and fines on us, thereby adversely affecting our financial condition and results of operations. Please refer to "Business – Legal proceedings and regulatory compliance – Non-compliance events" in this document for more information.

Any reduction, termination, or delay in the government grants or preferential tax treatments available to us could adversely impact our financial condition and results of operations.

During the Track Record Period, our Group received a variety of government grants from local PRC authorities, which were primarily awarded in recognition of our contribution for research and development of technology. For FY2023, FY2024, and FY2025, these government subsidies amounted to approximately RMB0.3 million, RMB0.1 million, and RMB0.9 million, respectively.

Our Company were qualified as new high-tech enterprise and was entitled to a preferential income tax rate of 15% during the Track Record Period, the current recognition is valid until 2027. Furthermore, we were entitled to claim R&D expenses incurred as tax deductible expenses when determining our assessable profits during the Track Record Period.

We cannot assure you that we will continue to qualify for such preferential tax treatments and government grants, or that the policies providing for the preferential tax treatments and government grants will continue to be effective. If we fail to provide requisite materials retained for future reference, we will not be entitled to enjoy the preferential tax treatments, as well as other benefits conferred under the accreditations. If we were not entitled to preferential tax treatments in the future, our effective tax rate may increase to 25%, and our income tax expense would increase accordingly, which will adversely affect our net profit.

Our revenue is generally non-recurring in nature, and most projects do not generate any recurring revenue upon completion.

We mainly provide EPC, construction design and consultancy services in the form of projects, which are non-recurring in nature and most projects do not generate any recurring revenue upon completion. Furthermore, as is customary in the industry in which we operate, we are awarded projects by our customers on a project-by-project basis, primarily through a competitive tendering process. Accordingly, our existing customers are not obligated to award projects to us or to place new orders, and there is no guarantee that we will be able to secure new business from our customers despite the long-term relationships we have established with them.

As a result, our revenue and the number of projects we are able to secure may vary from period to period, making it difficult to accurately forecast the volume of our future business. We cannot guarantee that we will be able to secure business from our existing customers or develop relationships with new customers, in which case our business, results of operations, and prospects would be materially and adversely affected.

We are subject to various risks relating to Payment Arrangements during the Track Record Period.

During the Track Record Period, as requested by our Relevant Customers , we settled their payments with us through Third-party Payers and Third-party Payment Arrangements. The aggregate amounts of third-party payments we received from Third-party Payers were RMB0.4 million, RMB4.0 million and RMB0.5 million, respectively, representing 0.07%, 0.6% and 0.07% of our total revenue for the corresponding years. For details, please refer to "Business – Third-party Payment Arrangements" in this document.

We may be subject to various risks relating to such Third Party Payment Arrangements during the Track Record Period, including possible claims from third party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third party payors. In the event of any claims from third party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third party payments, we may have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may as a result be adversely affected.

We are subject to inherent operational risks and occupational hazards at our construction sites that could result in substantial costs, reputational damage, or disruptions to our business.

Our operations are subject to inherent operational risks and occupational hazards, which may incur substantial costs for us, damage our reputation and loss of future business.

Construction sites are potentially dangerous workplaces and our specialised electrical energy engineering, environmental protection engineering, and municipal engineering and construction projects, and other construction projects routinely expose our engineers and other employees, subcontracted workers and other personnel to heavy machinery and equipment, moving motor vehicles, highly regulated and volatile materials. We continue to be subject to risks surrounding these activities, such as equipment failure, work injury accidents, geological catastrophes, fire and explosions. These hazards may cause personal injury or fatalities, as well as damage to or destruction of property and equipment. We cannot assure you that material workplace incidents will not occur in the future. Even if such incidents were not caused by our fault or negligence, such incidents may still cause us to incur substantial costs, damage to our reputation and loss of future business, which may materially and adversely affect our business, financial condition and results of operations.

Backlog is subject to unexpected adjustments and cancellations and, therefore, may not be indicative of our future results of operations.

Backlog in our major businesses represents our estimate of the contract value of work that remains to be completed as of a certain date. The contract value of a project represents the amount that we expect to receive under the terms of the contract, assuming the contract is performed in accordance with its terms. Backlog may not be indicative of future results of operations. For further details, see "Business – Project Movement and Contract Values – Project movements and backlog". As at 31 December 2025, the unreceived contract value of our aggregate backlog for our construction projects was approximately RMB1,505.9 million from 785 projects; whereas as at the Latest Practicable Date, we had an ending backlog value of RMB1,785.9 million from 1,027 projects. However, this figure is based on the assumption that our relevant contracts will be performed in full in accordance with their terms. The termination or modification of any one or more major contracts may have a substantial and immediate effect on our backlog. Also, we cannot guarantee that the amount estimated in our backlog will be realised in full, in a timely manner, or at all, or that the realisation of our backlog will result in profits as expected. As a result, you should not rely on our backlog information as an indicator of our future earnings.

Our inability to attract, retain or secure senior management and key personnel for our operations could hinder our continuing growth and success.

Our success depends, to a significant extent, on the effort, professional expertise and experience of senior management and key personnel and our ability to continuously attract, retain and motivate key personnel. We compete with other regional and national construction contracting companies for recruiting experienced management and qualified personnel, and the competition for such personnel is intense. There can be no assurance that we will be able to continue to attract and retain the qualified personnel who are essential for our growth. The loss of services of any employees holding important positions or possessing substantial industry expertise or experience, including those in charge of project management, risk management, production, sales and marketing, research and development, and accounting and financial management, could have a material and adverse effect on our operations. Under such circumstances, if we are unable to recruit and retain replacement personnel with the equivalent qualifications in time or at all, our growth and success could be adversely affected. For more information on our senior management, see "Directors and Senior Management" in this document.

We may have difficulty in managing our future growth, successfully expanding our operations, and our historical results may not be indicative of our future performance.

We have generated revenue of approximately RMB581.6 million, RMB678.1 million, and RMB810.7 million for each of FY2023, FY2024, and FY2025, respectively, and recorded revenue growth of approximately 19.6% between FY2024 and FY2025. As a company operating in the energy and power industry, we may face operational, financial and managerial challenges, and our forecasts may be less predictable than those of more mature businesses.

To continue our growth, we are required from time to time to take calculated risks. The success of our business operations and the continuous growth depend on our effective management of the resulting risks by, among others:

- improving our operational, financial and management systems;
- developing comprehensive and diverse competencies of our management team;

- training, motivating, managing and retaining our employees and professionals;
- maintaining adequate facilities and equipment and design capacity resources, while ensuring a stable supply of materials, particularly for our EPC services;
- enhancing our risk monitoring to assess the financial condition and business;
- acquiring new customers and maintaining relationships with existing customers;
- managing our liquidity position while committing substantial resources to market expansion, business development, and service and product development efforts;
- managing the increased complexity of and costs associated with expanded operations, which may divert our resources and require substantial capital;
- managing our international business in terms of our exposure to foreign economic and political uncertainties, including but not limited to expropriation and nationalization of our assets; civil unrest, acts of terrorism, war, or other armed conflicts; natural disasters, including those related to earthquakes and flooding; governmental actions or policies that limit or disrupt markets.

Our future performance depends on our ability to manage growth effectively and execute our strategies, including expanding operations, increasing market penetration and developing new services. We may incur losses due to execution risks, unforeseen costs or delays. If we fail to achieve operational efficiency and sustainable profitability, our business and the **[REDACTED]** could be adversely affected.

There is no guarantee that our recent growth is indicative of our future performance. We cannot assure you that our systems, procedures, management, personnel and expertise will be adequate to support our future growth. Failure to achieve any of the foregoing, or to manage the risks and uncertainties created by measures to achieve the foregoing, could materially and adversely affect our business, financial condition, results of operations and growth prospects.

We incurred net current liabilities as of 31 December 2023, 31 December 2024 and 31 December 2025.

We recorded net current liabilities of approximately RMB114.1 million, RMB68.9 million and RMB3.4 million as of 31 December 2023, 2024 and 2025, respectively. For reasons and further details, see "Financial Information – Net Current Assets and Net Current Liabilities". We cannot assure you that we will not have a net current liabilities position in the future. The net current liabilities position, if it recurs in the future, would expose us to liquidity risk which could restrict our ability to make necessary capital expenditure or develop business opportunities, and our business, operating results and financial condition could be materially and adversely affected.

We incurred negative reserves and accumulated losses during the Track Record Period.

As at 31 December 2023, we recorded negative reserves of approximately RMB29.1 million. Our accumulated losses during this period was primarily a result of unpaid registered share capital.

The historical presence of negative retained earnings restricted our capital management options and dividend capacity during the Track Record Period. While these negative retained earnings have subsequently been fully cleared and resolved as at 31 December 2025, we cannot assure you that we will not experience accumulated losses or negative retained earnings in the future, which could again limit our ability to declare or distribute dividends. We did not declare or pay any dividends during the Track Record Period, and we cannot assure you that our future operations will generate a sufficient surplus to distribute dividends to our Shareholders.

We are exposed to fair value change for financial assets measured at fair value through other comprehensive income ("FVOCI") and valuation uncertainty due to the use of unobservable inputs that require judgment and assumptions which are inherently uncertain.

We are exposed to fair value change for financial assets measured at fair value through other comprehensive income ("**FVOCI**"). As at 31 December 2023, 2024, and 2025, our financial assets measured at FVOCI were approximately RMB74.6 million, RMB1.3 million and RMB4.7 million, respectively, represents note receivables at the corresponding dates. Since the value of our financial assets depend on the investment performance of the underlying financial instruments, our investments are subject to all of the risks associated with those underlying financial instruments, including the possibility of bankruptcy of the unlisted entities. Any potential realised or unrealised losses in our investments in the future resulting from the changes in the value of the financial instruments we invested in may adversely affect our business, our results of operations and our financial condition.

The fair value of our financial assets that are not traded in an active market is determined using valuation techniques, which require judgment and assumptions and involve the use of unobservable input, such as the discount for lack of marketability. Changes in the basis and assumptions used in the estimation could materially affect the fair value of these financial assets. Factors beyond our control can significantly influence and cause adverse changes to the estimates and thereby affect the fair value. These factors include, but are not limited to, general economic conditions, changes in market interest rates and stability of the capital markets. The valuation may involve a significant degree of judgment and assumptions which are inherently uncertain, and may result in material adjustment, which in turn may materially and adversely affect our results of operations.

We may not be able to fulfill our obligations in respect of contract liabilities, which may have a material and adverse impact on our business, reputation and liquidity position.

As at 31 December, 2023, 2024, and 2025, our contract liabilities were approximately RMB283.2 million, RMB317.5 million and RMB251.3 million, respectively. If we fail to fulfill our obligations in respect of contract liabilities, it may have a material and adverse impact on our business, reputation and liquidity position. Contract liabilities are recognised when the customers pay consideration before we recognise the corresponding revenue. Contract liabilities will also be recognised if we have an unconditional right to consideration before the related revenues are recognised. In this case, the corresponding receivables will also be recognised. For a single contract entered into with a customer, net contract assets or net contract liabilities are presented. For multiple contracts, contract assets and contract liabilities for unrelated contracts are not presented on a net basis. For further details, see "Financial Information – Contract Liabilities."

We may be involved in claims and litigations in our ordinary course of business.

We may be involved in claims and litigation in the ordinary course of our business arising from defective or allegedly defective services or products, personal injuries, damage to or destruction of property, payment disputes, breaches of contract, project delays, and other miscellaneous matters with external parties. If found liable on such claims, we would be subject to significant monetary damages, as well as find ourselves subject to government sanctions, including fines and the loss or non-renewal of operational licenses, approvals and permits. For details on outstanding legal proceedings and potential claims, see "Business – Legal Proceedings and Regulatory Compliance". We may be subject to lengthy and expensive legal proceedings if the dispute is not resolved through negotiations. Further, we might suffer negative publicity resulting from such claims. If any negative publicity or reputational harm is not effectively remedied or reversed, our existing or potential customers may develop negative views of the safety and quality of our services and products, which may negatively affect our ability to maintain solid relationships with our customers, engage new customers and expand into new markets. We cannot assure you that we will not be subject to future liability claims, or that if any such claims were successful, our business prospects, results of operations and reputation would not be materially and adversely affected.

We may be subject to design quality and construction liability claims.

Our business relies heavily on providing precise engineering designs and delivering high-quality EPC and construction services. Under PRC laws and regulations, we can be held liable for design defects, engineering flaws, or construction quality issues that arise during a project's operational lifespan. Any calculation errors, planning oversights, or failure to meet rigorous national engineering standards by our design teams could result in project delays or structural issues for our clients. Major design or construction safety incidents could also expose us to regulatory penalties by PRC authorities, including the suspension or downgrading of our crucial professional qualifications (such as our power industry design or construction general contracting licenses). Any loss of qualifications or negative publicity would damage our market reputation, disqualify us from future tenders, and severely jeopardize our business and results of operations.

Our insurance may not be adequate to cover all risks of loss associated with our business operations.

We maintain insurance policies in accordance with the needs of our business, industry practice and the requirements set forth in relevant laws and regulations. However, we cannot guarantee that our insurance will provide adequate coverage for all of the risks we face in our business operations. During the Track Record Period, we maintained group accident insurance for our personnel onsite our construction projects. Consistent with customary practice in China, we do not maintain any business interruption or litigation insurance policies which are not mandatory according to the laws and regulations of the PRC. If we were to incur substantial liabilities that are not covered by our insurance or if we suffer protracted periods of disruption or interruption in our business operations, we would incur significant costs and losses that could materially and adversely affect our results of operations. In addition, it is possible that the occurrence of certain incidents, including earthquakes, fires, adverse weather conditions, war, floods, power outages, equipment failures, construction accidents and the consequences, damages and disruptions resulting from any of the foregoing incidents, may not be covered adequately, or at all, by our insurance. Any uninsured loss or liabilities may cause us to incur substantial costs and the diversion of resources, which could have a material and adverse effect on our operations and financial position.

We do not possess valid title or rights to certain properties that we occupy.

For our owned properties located in Shuntai Plaza in Jinan City of Shandong Province with an aggregate floor area of approximately 8,168 square meters, as at the Latest Practicable Date, no property ownership certificate has been issued. See "Business – Properties" for details of our property defects. We cannot predict how our rights as owner and our business, results of operations and financial position may be materially and adversely affected as a result of the absence of legal title or rights. We cannot assure you that ownership disputes or claims will not occur or that third parties will not assert any claims against us for compensation in respect of any illegally authorised use of their land or buildings, which could have a material and adverse effect on our operations and financial position.

We may not be able to adequately protect our intellectual property rights, and may be involved in intellectual property disputes and claims of infringement, which may harm our reputation and profitability.

We rely upon a combination of patents, trademarks, domain names and contractual rights to protect our intellectual property rights. As at 31 December 2025, we also owned 165 valid patents, three registered trademarks register in the PRC, one computer software copyrights. During the Track Record Period, we have filed and have been granted 81 patents, and we have not filed and been granted any intellectual property rights in other jurisdictions.

For detailed information about our material intellectual property, see "Statutory and General Information – Further Information about our Business – Intellectual property rights of our Company" in Appendix VI to this document.

We rely primarily on a combination of patents, trademarks, trade secrets, and unfair competition laws and contractual rights, such as confidentiality agreement, to protect our intellectual property rights. We generally state all rights and obligations regarding the ownership and protection of intellectual properties in employment confidentiality agreements and some commercial agreements we enter into. In addition, we have taken the following key measures to protect our intellectual property rights: (i) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, (ii) deploying a special team to guide, manage, supervise and monitor our daily work regarding intellectual properties, (iii) timely registration, filing and application for ownership of our intellectual properties, (iv) actively tracking the registration and authorization status of intellectual properties and take action in a timely manner if any potential conflicts with our intellectual properties are identified, and (v) engaging professional intellectual property service providers. As at the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement upon third parties' intellectual property rights in the PRC and, to the best knowledge of our Directors and senior management, they are not aware of any such disputes. In the event that the measures taken by us or the protection afforded by law do not adequately safeguard our proprietary technology and other intellectual property rights, we could suffer losses in revenues and profits due to competing sales of products and services that exploit our intellectual property. Furthermore, we cannot assure you that any of our intellectual property rights will not be challenged by third parties. Adverse rulings in any litigation or proceeding could result in the loss of our proprietary rights and subject us to substantial liabilities, or even disrupt our business operations.

We are subject to extensive environmental, safety and health laws and regulations, and our compliance with these laws and regulations may cause an increase in our compliance cost.

Our operations are subject to various environmental, safety and health laws and regulations promulgated by the PRC government. Given the complexity and continuous amendments to these laws and regulations, compliance therewith may be complicated and may involve substantial financial, human and other resources to establish efficient monitoring systems, purchase pollution control equipment, and train our employees and subcontractors.

We are required to comply with a number of national and local environmental laws and regulations in the PRC that set out standards for the discharge and treatment of pollutants generated from our operations, including the Environmental Protection Law of the PRC (中華人民共和國環境保護法), the Environmental Impact Assessment Law of the PRC (中華人民共和國環境影響評價法), the Regulations on the Administration of Pollutant Discharge Permits (排污許可管理條例), and the Measures for the Administration of Pollutant Discharge Permits (排污許可管理辦法). For example, in our EPC projects, we are required to take measures to control environmental pollution from construction sites and pay for the discharge of waste. Historically, the project owner rather than us has been responsible for obtaining the primary environmental protection permits, and while we handle day-to-day environmental compliance during construction, those core compliance costs are eventually passed to the project owner. In addition, we consider the environmental compliance costs of our construction design and consultancy services to be immaterial.

However, the regulatory landscape continues to evolve, and we cannot guarantee that authorities will not impose additional or stricter standards. Any changes or amendments to such laws or regulations may impose more onerous responsibilities, requiring us to change current practices or introduce enhanced internal controls that cause us to incur significant costs we may not be able to pass on to our customers. Any non-compliance or failure to remedy environmental damage in a timely manner may result in substantial penalties or fines, the suspension or revocation of our relevant licenses or permits, or an order from law enforcement officers to close our construction facilities. Such events could materially impact our operating results, financial condition, working capital, and market reputation, as well as hinder our endeavors to enter into new overseas markets that may have even more stringent regulations. See "Business – Environment Protection" and "Business – Occupational Health and Safety" for further details.

We need to comply with the relevant laws and regulations or maintain the relevant licenses, certificates or permits.

Various aspects of our operations are subject to laws and regulations at the national and local level as well as industry standards. We are required to obtain prescribed technical qualifications in order to undertake certain projects. We cannot guarantee that our internal control measures will always be sufficient and effective in preventing non-compliance. If deemed non-compliant, we could be subject to administrative or regulatory fines and penalties, including the suspension or revocation of our qualifications, and our operations may be hindered or halted, which could have a material and adverse effect on our business and results of operations. As the legal systems of the place we operate and engineering installation industry continue to evolve, relevant laws and regulations or their interpretation or enforcement may be amended or changed from time to time, and we may fail to make timely adjustments to comply with relevant laws and regulations. We may also be subject to the risk of penalty due to landlord violations. For more information about our certain non-compliance with relevant laws and regulations during the Track Record Period, see "Business – Legal and Regulatory Compliance".

We operate heavily-regulated businesses that require us to obtain, maintain and renew a number of licenses, qualifications and permits. Further, we are subject to regular inspections, examinations, inquiries and audits, as well as periodic and spot inspections by the relevant governmental authorities to maintain or renew such licenses, qualifications and permits. We cannot guarantee that we will be able to obtain, maintain or renew the requisite licenses, qualifications and permits, or comply with any new licensing requirements, when new laws or regulations are promulgated or existing laws or regulations are amended, which may subject us to resulting penalties, limitations or costs and, in turn, may have a material and adverse effect on our business, financial condition and results of operations. Further, extensive government regulation and related delays in seeking the requisite licenses, qualifications and permits can significantly delay the introduction of additional services or products, which could materially and adversely affect our competitiveness.

Our risk management and internal control systems may not fully protect us against various risks inherent in our business.

Since our risk management and internal control systems depend on their effective implementation by our employees, we cannot assure you that all of our employees will adhere to such policies and procedures strictly, and the implementation of such policies and procedures may involve human error. We are unable to guarantee that our internal control system will be effective in preventing the occurrence of corruption, bribery or other illegal or unethical activities. Moreover, our growth and expansion may affect our ability to implement stringent risk management and internal control policies and procedures as our business evolves. If we fail to timely adopt, implement and modify, as applicable, our risk management and internal control policies and procedures, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to changing laws, regulations and social trends regarding environmental, social and governance risks, increasing both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, once we have become a public company, the Stock Exchange and the SFC, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, as well as the various regulatory authorities in China, and to new and evolving regulatory measures under applicable laws. We may also be subject to the changing social trends on the concerns regarding environmental, social and governance risks. Our efforts to comply with new and changing laws, regulations and social trends have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalties and our business may be harmed.

Our business operations are subject to epidemics, adverse weather conditions, severe air pollution, natural disasters and other operating hazards.

Natural disasters, epidemics, severe air pollution, acts of war, terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Most of our EPC projects are conducted outdoors and are highly susceptible to these unpredictable disruptions. Serious natural disasters, operating risks or incidents such as earthquakes, floods, typhoons, landslides, sandstorms, snowstorms, fire, drought, or power, water and fuel shortages may result in loss of lives, injury, destruction of assets, and the temporary or permanent suspension or abandonment of our projects.

We may experience significant project delays caused by inclement weather, such as protracted periods of precipitation or extreme temperatures. We may also be ordered by authorities to temporarily halt certain construction projects during times of severe air pollution. These situations could result in our inability to meet key milestones set forth in the construction contracting contracts, and cause us to incur additional costs or breach of contractual obligations. Furthermore, widespread health epidemics or pandemic outbreaks could result in government-mandated quarantines, travel restrictions, labor shortages, and the extended closure of our corporate offices or construction sites, while requiring us to incur unexpected costs to maintain sanitation and implement supervisory measures.

Any significant delay, interruption, or technical and mechanical difficulty caused by these factors could impair our ability to meet our contractual commitments, render us liable for liquidated damages, or cause our customers to cancel their orders altogether. Acts of war or terrorism could also destroy our physical markets, disrupt our information management systems, and injure our employees or those of our business partners. Any such occurrences could materially reduce our revenue and profitability, limit our available working capital, damage our market reputation, and severely impact our business, financial condition, and results of operations.

RISKS RELATING TO THE LOCATION WHERE WE CONDUCT BUSINESS

Changes in the economic, political and social conditions in China could affect our business and prospects.

All of our business, assets and operations are located in China, and therefore, our business, financial condition, results of operations and prospects are affected to a large extent by the general political, economic and social developments in China. Similar to many other countries and regions, China regulates its economy through imposing and adjusting industrial, fiscal or monetary policies from time to time. Our business has been and would continue to be affected by China's economy, which in turn is increasingly influenced by the global economy. The uncertainties in the global economy and the geo-political or social environment in various regions around the world would continue to influence China's economic growth and may cause uncertainties in our prospects. Future changes in economic, political, social, and regulatory conditions may continue to influence our business, financial condition, results of operations and prospects.

We may be affected by currency exchange regimes and exchange rate fluctuation.

While our revenue, liabilities, and assets are substantially all denominated in Renminbi, the PRC Government regulates the convertibility of the Renminbi into foreign currencies. We also participated in certain overseas projects during the Track Record Period. The foreign exchange management policies could affect us in receiving sufficient foreign currency to meet our financial needs. Foreign currency shortages may limit our ability to pay dividends or other payments to our Shareholders or otherwise satisfy our foreign currency-denominated commitments.

In accordance with the present PRC foreign exchange laws, certain recurring expenses may be paid for in foreign currency without prior approval from the local branch of SAFE provided that certain procedural conditions are met. However, government approval is necessary when Renminbi is to be converted into foreign currency and transmitted outside China to pay capital expenses such as the repayment of foreign currency-denominated debt. The restrictions on foreign exchange transactions imposed by capital accounts could also affect our ability to access foreign currency through debt or equity financing, such as loans or capital contributions from us. Moreover, such foreign exchange control measures may change in the future, should such change relates to the foreign currency control over our trading account, we may not be able to pay dividends in foreign currencies to Shareholders.

Fluctuations in the value of the Renminbi may have an effect on our business.

The value of the Renminbi against the Hong Kong dollar, the U.S. dollar, and other currencies is subject to fluctuations and changes that result from various factors, including economic and political developments of the domestic and international societies, and supply and demand in the local market. With an increased floating range of the Renminbi's value against foreign currencies and a more market-oriented mechanism for determining the mid-point exchange rates, the Renminbi may further appreciate or depreciate gradually in value against the Hong Kong dollar, the U.S. dollar, or other foreign currencies in the long-term, depending on the fluctuation of the basket of currencies against which it is currently anchored. The Renminbi may also be allowed to be exchanged freely with U.S. dollar and/or other foreign currencies, which may also result in a significant appreciation or depreciation against the U.S. dollar or other foreign currencies. We cannot assure you that the Renminbi will not experience significant appreciation or depreciation against the U.S. dollar or other foreign currencies in the future.

Our revenues, liabilities, and assets are all denominated in Renminbi, whereas the **[REDACTED]** from our **[REDACTED]** will be denominated in Hong Kong dollars. As a result, material variations in the Renminbi-Hong Kong dollar exchange rate may have a negative impact on the value and amount of any dividends payable on our Shares. For instance, a considerable appreciation of the Renminbi versus the Hong Kong dollar could limit the amount of Renminbi received from converting the **[REDACTED]** of the **[REDACTED]** or future fundraising efforts into Renminbi to fund our operations. In contrast, a major depreciation of the Renminbi may increase the cost of translating our Renminbi-denominated cash flow into Hong Kong dollars, thereby decreasing our ability to pay dividends on our Shares or conduct other business operations. All of these factors could materially affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

There may be changes regarding the interpretation and enforcement of laws, rules and regulations where we conduct business.

Our operations are in the PRC and are subject to the PRC laws and regulations. The Chinese legal system is a civil law system based on written statutes. Unlike the common law legal system, prior court decisions in a civil law system can only be used as a reference. Since the PRC Government started economic reforms, the PRC has promulgated laws and regulations in relation to economic matters such as foreign investment, corporate organisation and governance, commercial transactions, taxation and trade. These laws and regulations are subject to changes in application and interpretation.

Holders of our [REDACTED] may be subject to PRC income tax on dividends from us or on any gain realised on the [REDACTED].

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realised on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realised by such investors on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in China, it is unclear whether dividends we pay with respect to our H Shares, or the gain realised from the transfer of our H Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realised through the transfer of our H Shares or on dividends paid to our non-resident investors, the value of **[REDACTED]** may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

It may be difficult to effect service of process on our Directors or executive officers who reside in the PRC or to enforce against us or them in the PRC any judgments obtained from non-Mainland courts.

Substantially all of our assets and all of our Directors are located in the PRC. It may not be possible for **[REDACTED]** to serve those individuals or us in the PRC with legal documents. On 14 July 2006, the Supreme People's Court of the PRC and Hong Kong Special Administrative Region Government entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"), which was taken into effect on 1 August 2008. Pursuant to which a party with an enforceable final court judgment rendered by any designated Mainland court or any designated Hong Kong Special Administrative Region court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the relevant Mainland court or Hong Kong Special Administrative Region court. Similarly, a party with an enforceable final judgment rendered by a Mainland court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong Special Administrative Region court or a Mainland court is expressly identified as the court having sole jurisdiction for the dispute. Therefore, it may not be possible to enforce a Hong Kong Special Administrative Region court's verdict in the PRC if the parties to the dispute did not agree to a written choice of court agreement. On 18 January 2019, the Supreme People's Court of the PRC and Hong Kong Department of Justice entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a bilateral legal mechanism that provides clarity and certainty for the recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and mainland China, based on criteria other than a written choice of court agreement. The Arrangement was superseded upon the effectiveness of the New Arrangement on 29 January 2024 but remained applicable to a "written choice of court agreement" entered into before the Arrangement taking effect. However, we cannot assure you that all final judgments will be recognised and effectively enforced by the relevant PRC court.

RISKS RELATING TO THE [REDACTED]

As there has been no [REDACTED], the [REDACTED] and [REDACTED] of our Shares following the [REDACTED] may be volatile.

Prior to completion of the **[REDACTED]**, there has been no public market for our Shares. We cannot guarantee that an active trading market for our Shares will develop or be sustained after completion of the **[REDACTED]**. The **[REDACTED]** is the result of negotiations between our Company and the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**), which may not be indicative of the **[REDACTED]** at which our Shares will be **[REDACTED]** following completion of the **[REDACTED]**. The **[REDACTED]** of our Shares may drop below the **[REDACTED]** at any time after completion of the **[REDACTED]**.

Potential [REDACTED] may result in an increase in the number of [REDACTED] available in the [REDACTED], which in turn may affect the [REDACTED].

Subject to approval by the CSRC, Domestic Unlisted Shares may be listed or traded on an overseas securities exchange. Any listing or trading of the above-mentioned Shares on an overseas securities exchange shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities exchange. Unless otherwise required by the overseas securities exchange, there is no requirement for the listing and trading of the above-mentioned Shares to be approved in a class meeting of our Company. For details, see "Share Capital – **[REDACTED]** into H Shares". Potential **[REDACTED]** of a substantial amount of **[REDACTED]** could further increase the supply of **[REDACTED]** in the **[REDACTED]** and could negatively impact the **[REDACTED]** of **[REDACTED]**.

[REDACTED] of our Shares in the [REDACTED] will experience immediate dilution and may experience further dilution if we [REDACTED] in the future.

The **[REDACTED]** of our Shares is expected to be higher than the net tangible book value per Share immediately prior to the **[REDACTED]**. Therefore, **[REDACTED]** of our Shares in the **[REDACTED]** will experience an immediate dilution in net tangible asset value per Share. In addition, in order to expand our business, we may consider **[REDACTED]** in the future. **[REDACTED]** of our Shares in the **[REDACTED]** may experience further dilution in their shareholding percentage.

Our Controlling Shareholders have substantial control over our Company and their interests may not be aligned with the interests of the other Shareholders.

Prior to and immediately following the completion of the **[REDACTED]**, our Controlling Shareholders will remain to have substantial control over their interests in the share capital of our Company. Subject to the Articles of Association, the Listing Rules and other applicable laws and regulations, our Controlling Shareholders by virtue of their controlling beneficial ownership of the share capital of our Company, will be able to exercise substantial control and exert substantial influence over our business or otherwise on matters of significance to other Shareholders and us by voting at the general meeting of the Shareholders. The interests of our Controlling Shareholders may differ from the interests of other Shareholders and the Shareholders are free to exercise their votes according to their interests. To the extent that the interests of our Controlling Shareholders conflict with the interests of other Shareholders, the interests of other Shareholders can be disadvantaged and harmed by the actions of our Controlling Shareholders.

Certain facts, forecast and statistics contained in this document are derived from publicly available official government sources and they may not be reliable.

Certain facts, forecasts and statistics in this document relating to the PRC, the PRC economy and industries relevant to us have been derived from various official government publications, the CIA and publicly available sources. We have taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this document. However, the information from official government sources has not been prepared or independently verified by us, the **[REDACTED]** or any of their respective affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts, forecast and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, **[REDACTED]** should give consideration as to how much weight or importance they should attach to or place on such facts, forecast and statistics.

Our management has substantial discretion regarding how to use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may use the **[REDACTED]** from the **[REDACTED]** in ways that you may not agree with or that do not yield a favorable return to our Shareholders. By **[REDACTED]** in our Shares, you are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the **[REDACTED]** from this **[REDACTED]**. For details, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

[REDACTED] should read the entire document carefully and should not consider any particular statements in published media reports without carefully considering the risks and other information contained in this document.

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to or subsequent to the publication of this document, there has been or may be press and media coverage regarding us and the **[REDACTED]**. Such press and media coverage may include references to certain information that does not appear in this document or is inaccurate. We have not authorised the publication of any such information contained in the unauthorised press and media coverage. Therefore, we make no representation as to the appropriateness, accuracy, completeness or reliability of any information disseminated in the media and do not accept any responsibility for the accuracy or completeness of any financial information or forward-looking statements contained therein. To the extent that any of the information in the media is inconsistent or conflicts with the contents of this document, we expressly disclaim it. Accordingly, prospective **[REDACTED]** should only rely on the information included in this document and not on any of the information in press articles or other media coverage in deciding whether or not to purchase the **[REDACTED]**.

Forward-looking information is subject to risks and uncertainties.

This document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, business operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors described in this document. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Hong Kong Stock Exchange, we do not intend to publicly update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. **[REDACTED]** should not place undue reliance on such forward-looking statements and information.