An investment in the H Shares involves various risks. You should consider carefully all the information set out in this document and, in particular, the risks described below before making an investment in the H Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial position, results of operations or prospects. If any of these events occurs, the trading price of the H Shares could decline, and you may lose all or part of your investment. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below. You should seek professional advice from your relevant advisors regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We derived a significant portion of our revenue from a limited number of customers during the Track Record Period and may continue to be exposed to the risk of customer concentration subsequent to the Track Record Period.

A significant portion of our revenue during the Track Record Period was derived from a limited number of customers. During the Track Record Period, our revenue generated from our largest customer in each year/period amounted to approximately RMB234.9 million, RMB284.3 million, RMB278.7 million and RMB116.8 million, respectively, accounting for approximately 89.9%, 51.1%, 26.7% and 54.3% of our total revenue for the same years/periods, respectively; our revenue generated from our top five customers amounted to approximately RMB247.9 million, RMB509.2 million, RMB905.4 million and RMB201.0 million, respectively, accounting for approximately 94.8%, 91.6%, 86.7% and 93.5% of our total revenue for the same years/periods, respectively. See "*Business — Sales and Marketing — Our Customers — Major Customers*".

While it is crucial for us to develop new customers on a continuous basis, we may not be able to diversify our customer base or secure more potential customers. There is also no guarantee that we will be able to maintain our business relationship with our existing customers or secure new contracts from them in the future, or that our major customers will make timely payments according to the contract. In these cases, our business, results of operations and financial condition would be materially and adversely affected.

In addition, we generally enter into framework agreements with these customers, and the agreements do not specify the number of products these customers will purchase from us in any given year or contain minimum purchase requirements. Product sales are confirmed with purchase orders rather than framework agreements, and the quantities stated in these purchase orders can be amended unilaterally by our customers before we accept the purchase orders.

If (i) there is any reduction, delay or cancelation of orders from one or more of our key customers due to a reduction in their product sales or for any other reason, (ii) one or more of our key customers select our competitors' products; (iii) we lose one or more of our key customers and are not able to obtain additional or alternative customers that can replace the lost sales volume and profit or (iv) any of our key customers fails to make timely payment for our products, our financial condition and results of operations may experience material fluctuations and our sales may decline.

We generate a significant portion of revenue from sales to Shenzhen MicroBT Group. Any material changes in our relationships with the related parties would have a material adverse impact on our business, financial conditions and operating results.

Shenzhen MicroBT Group is both a shareholder of the Company and a major customer of our Group. It is a related party to our Group as defined by IAS24 until December 12, 2025. As one of the five largest customers in each period during the Track Record Period, it contributed to 89.9%, 51.1%, 22.0% and 9.0% of our revenue for 2023, 2024, 2025 and three months ended March 31, 2026, respectively. In the ordinary course of business, we have entered into transactions with Shenzhen MicroBT Group, primarily involving the sale of application-specific computing server power supplies. We have adopted procedures to ensure that all related party transactions are conducted on ordinary commercial terms and at prices and on conditions substantially similar to those available to independent third parties. However, we cannot guarantee that we will not be subject to heightened regulatory scrutiny or negative market perception, which could adversely affect our reputation and our ability to conduct business. See "*Business — Sales and Marketing — Our Customers — Our Relationship with Shenzhen MicroBT Group*".

In addition, any material deterioration, modification or termination of our business relationships with Shenzhen MicroBT Group due to disputes, changes in ownership or management, legal or regulatory developments, or other factors could result in increased costs, supply chain disruptions, loss of revenue or loss of business opportunities. We may also encounter difficulties in sourcing alternative business partners on comparable terms or within a commercially reasonable timeframe.

We rely on downstream market demand for our products. Any slowdown or decrease in downstream market demand may have a material impact on us.

During the Track Record Period, our downstream end markets mainly included high-performance computing servers and energy storage. Any material turbulence or downturn in the downstream industries may reduce their demand for our products, which may in turn have a material impact on our business operations and financial conditions. For example, changes in policies, technology upgrades or other market dynamics may adversely affect these end markets. There is no assurance that the downstream demand for our products will remain at the same level as in the past or continue to increase in the future.

The market in which we operate is competitive, and we may face challenges in competing effectively with existing or new participants.

The market for high-performance power supply in which we operate is experiencing rapid technological transformation and increasing competition, driven by the accelerated growth of AI computing infrastructure. In response to these developments, both established companies and new entrants are actively strengthening their positions across these high-growth market segments.

Our competitors include established international manufacturers and fast-growing domestic enterprises that may have longer operating histories, stronger brand recognition, more established relationships with customers, greater financial and other resources, larger customer bases, better access to materials and greater economies of scale than we do. Certain competitors may also maintain closer relationships with major customers or enter into exclusive supply arrangements, enabling them to respond more rapidly to technological changes and evolving customer requirements. Some of our competitors may have more diversified product offerings than ours, which may better position them to withstand a decline or shift in demand for certain types of products.

To maintain our competitiveness, we are required to continue investing in research and development to strengthen our technological capabilities. See "— *Our R&D efforts are not guaranteed to yield the results we anticipate*". However, there can be no assurance that our R&D efforts will be successful or that our new products will achieve commercial acceptance. Any failure to adapt to market trends or maintain product competitiveness could adversely affect our market position.

Our R&D efforts are not guaranteed to yield the results we anticipate.

We have continuously made investments in our R&D activities to develop new products and relevant technologies, which we believe are crucial to our future development. In 2023, 2024, 2025 and three months ended March 31, 2026, our R&D expenses amounted to RMB42.3 million, RMB63.2 million, RMB83.3 million and RMB28.5 million, accounting for 16.2%, 11.4%, 8.0% and 13.3% of our total revenue in the respective years/periods.

However, as R&D activities are inherently uncertain, we cannot assure you that our R&D projects will be successful or be completed within the anticipated time frame and budget, or that our newly developed products will achieve wide market acceptance or enjoy the advantages as we expected. If we fail to keep up with the latest technological development and industry trends, we may suffer a decline in our competitive position. Even if such products are successfully launched, we cannot assure you that they will be accepted by our customers and achieve anticipated sales targets or profit. In case of adverse market reception, our previous investment in it may be wasted.

In addition, we cannot assure you that our existing or potential competitors will not develop products that are similar or superior to our products or more competitively priced. Due to uncertainties in the time frame for developing new products and the duration of market window for these products, there is a substantial risk that we may have to abandon a product or a potential product that is no longer commercially viable, even after we have invested significant resources in the development of such product.

If we fail to respond appropriately in the aforementioned situations, our expenditure on R&D may not generate corresponding benefits, which may materially and adversely affect our business, prospects, financial condition and results of operations.

Our future success depends on our ability to successfully produce new products at scale and effectively manage our growth.

There is no guarantee that our introduction of new products or enhancements to existing products will attain our anticipated level of market acceptance or market share, if any.

Delays in delivering new products could also result in negative publicity regarding our research and development capabilities or products, which could have a material adverse effect on our growth prospects, potentially hindering our efforts to establish or expand our market share. As part of our strategy to introduce new products and refine existing ones, we expect to allocate a substantial amount of capital towards research and development, product refinement, and sales and marketing. Failure to successfully execute our long-term growth strategy could materially and adversely affect our business, results of operations, financial condition, and cash flows.

If our products do not meet our customers' quality or performance standards, our business and financial condition may be negatively impacted.

If we are unable to provide products that meet our customers' demands on a timely basis, our relationships with our customers will be negatively impacted. In addition, if we are unable to repair these relationships by increasing our customers' confidence in us, we may lose our customers. Furthermore, our customers conduct quality checks and inspection of our products when they receive

them, and they can return or exchange products that do not meet their quality standards. If we experience a high level of product returns or exchanges, our business and financial condition may be negatively impacted.

We have a limited operating history, which makes it difficult to evaluate our business and prospects, and our historical growth may not be indicative of our future performance.

We commenced business operations in 2021. Our limited operating history makes it difficult to evaluate our business prospects and to plan for our future. We have relatively limited historical data for making judgments on the demand for our products, our ability to develop, manufacture and deliver products, or our profitability in the future. We may not always be accurate in predicting industry trends that may emerge and affect our business.

In addition, we experienced significant revenue growth and the increase in our production capacity during the Track Record Period. Our revenue increased from RMB261.2 million for 2023 to RMB555.9 million for 2024, and further to RMB1,044.6 million for 2025, and increased from RMB158.9 million in the three months ended March 31, 2025 to RMB215.0 million in the same period in 2026. There is no assurance that we will be able to sustain our historical growth rates in future periods, or grow at all. We believe that period to period comparisons of our operating results and our results for any period should not be relied upon as an indication of future performance, especially given that there is no guarantee that we can compete successfully in the markets in which we operate or the ones we plan to enter in the future.

We may be subject to the risks associated with international trade policies, export controls and economic sanctions, geopolitics and trade protection measures.

We operate within a global supply chain, and our products are sold globally as part of various end products. As such, we face risks associated with international trade regulations and geopolitical developments.

Trade tensions. Recent trade tensions, such as the ongoing U.S.-China trade dispute, have led to high tariffs, export controls and other restrictive measures targeting high-technology goods, semiconductors and electronics. Regarding tariffs, in February 2025, the United States imposed a 20% tariff on certain categories of Chinese goods ("**Fentanyl Tariff**"). Subsequently, on April 2, 2025, the United States imposed a 10% baseline tariff on all imports from its trading partners, along with additional country-specific tariffs for various countries (**"Reciprocal Tariffs"**, as adjusted from time to time). This has led to a series of retaliatory measures by other countries, including China, and further countermeasures by the United States. On May 12, 2025, the President of the United States issued an executive order that suspended certain retaliatory tariff increases imposed on April 8, 2025 and April 9, 2025 against China and reinstated the Reciprocal Tariff on imports originating from China, Hong Kong, and Macau for a 90-day period. This results in a combined effective tariff rate of approximately 30% on certain of our products sold into the U.S. market during this period. On August 12, 2025, the President of the United States signed an executive order extending the deadline for higher tariffs on China for another 90 days until November 10, 2025. Following the U.S.-China leaders' meeting on October 30, 2025, the United States and China announced steps to pause certain tariff escalations. On November 4, 2025, the President of the United States issued executive orders that, among other things, reduce the Fentanyl Tariff from 20% to 10%, effective November 10, 2025, and continue the suspension of heightened China-specific Reciprocal Tariff rates through November 10, 2026, thereby maintaining the 10% Reciprocal Tariff baseline on imports from China during that period. The United States and China are engaged in ongoing trade discussions, but there is no assurance that the higher tariffs will be suspended further or that a long-term agreement will be reached, and there is no assurance that the tariff policy will remain in its current form. At the same time, on May 28, 2025, the U.S. Court of International Trade ruled that many of the tariffs the current administration put in place exceeded the president's legal authority, which was affirmed by the U.S. Court of Appeals for the Federal Circuit on

August 29, 2025. On February 20, 2026, the U.S. Supreme Court issued its opinion affirming the lower court's ruling, striking down the tariffs implemented pursuant to the International Emergency Economic Powers Act (IEEPA), including the Reciprocal Tariff and the Fentanyl Tariff. Following this decision, the administration rescinded the IEEPA-based tariffs but concurrently imposed new 10% tariffs on a global basis for a 150-day period under separate statutory authority and discussed plans to rely on other statutory authority to impose other tariffs.

Tariffs. The international tariff policies are rapidly evolving, and the final outcome, including whether the tariff level can be implemented as proposed, is highly uncertain. Any additional tariff may increase the price of the end products imported to the U.S. market and reduce their competitiveness. The imposition of additional tariffs could increase overall costs along the supply chain. Even if these tariffs are not directly passed on, the resulting decline in product competitiveness could lead to reduced demand or order cancelations. A number of our customers ship end products containing our products to the United States or other overseas markets and may therefore be indirectly affected by the shifting global trade landscape and associated trade restrictions. Such measures could raise our customers' overall export costs, compress their margins or dampen overseas demand, and prompt them to revise their production and procurement plans, which could in turn affect the volume and mix of products they purchase from us. In addition, our products serve as critical components in industries that are particularly exposed to geopolitical developments and trade restrictions, including high-performance computing. If tariffs or other import restrictions are imposed on our customers' finished goods exported to the United States or other overseas markets, the resulting cost increases may undermine the competitiveness of, and reduce market demand for, those products. A downturn in our customers' sales could consequently lead to lower order volumes, order cancelations, or downward adjustments to their procurement forecasts for our products. Furthermore, in seeking to manage their own exposure, our customers may seek price concessions from us or reconfigure their supply chain arrangements, potentially reducing our share of their procurement or resulting in a loss of business. Should global trade tensions intensify, or should additional tariffs or non-tariff barriers be introduced or existing measures be extended or tightened, our customers' export activities and competitiveness could be adversely affected, which may in turn negatively impact our sales volumes, product mix, and margins.

U.S. Export Controls. In October 2022, the BIS issued an interim final rule (**"BIS October 2022 IFR")** to limit China's access to advanced computing integrated circuits, supercomputers, and advanced semiconductor manufacturing. In October 2023, the BIS released another interim final rule (**"BIS October 2023 IFR")** that updated and expanded the restrictions from the BIS October 2022 IFR (together with the BIS's clarification effective on 4 April 2024, **"BIS 2022/23 IFRs"**). Among other measures, the BIS 2022/23 IFRs, imposed new or expanded license requirements for items subject to the U.S. Export Administration Regulations (**"EAR"**) intended for use in developing or producing supercomputers, advanced node integrated circuits, and advanced semiconductor manufacturing equipment in certain jurisdictions, including China. Most recently, in January 2025, the BIS issued an interim final rule (**"BIS January 2025 IFR"**) to further limit China's access to advanced computing integrated circuits and advanced semiconductor manufacturing equipment. Our products are non-U.S. origin power supply and energy-conversion units for AI computing servers, Application-specific computing servers and portable energy storage systems and do not themselves constitute the advanced computing or semiconductor items targeted by the BIS. Further, our products are not direct products of U.S. origin technology or software, nor are they produced by a plant or contain a major component of a plant that is a direct product of US-origin technology or software, within the meaning of the foreign direct product Rule. Although there are certain components used in our products that were originally manufactured by U.S. companies, they either fall outside the Commerce Control List or do not exceed the de minimis thresholds for controlled content under the De Minimis Rule. Under the De Minimis Rule, a non-U.S. made item becomes subject to the EAR if the value of incorporated U.S.-origin controlled content meets or exceeds the applicable threshold. The U.S.-origin components incorporated in our products are not treated as controlled content for de minimis purposes or fall within a low-risk

category that does not trigger the applicable thresholds. Therefore, based on the assessment of our international sanctions counsel, our products are not subject to the EAR as they do not meet the threshold outlined in the regulations. From time to time we also purchase certain third-party components and products for our business, including consumer graphics processing units. When making such purchases, we conduct a risk assessment to ensure that the proposed purchase does not give rise to any U.S. export control licensing requirements or sanctions concerns. Because certain U.S. controls can apply depending on the identity of a customer or end-user, we maintain screening and "know your customer" procedures in respect of our sales and the onward supply of our products.

We are exposed to risks associated with U.S. Executive Order 14105 and its implementing regulations that prohibit and require notification by U.S. persons for certain investments.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 ("**Final Rule**"), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons". U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions", and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. On February 21, 2025, the President of the United States issued a memo entitled the "America First Investment Policy" ("**America First Memo**"), indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors.

On December 18, 2025, the U.S. Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**"), which will supersede the Outbound Investment Rule, became law. The COINS Act is subject to a rulemaking process, which is required to be completed by March 2027, and there is substantial uncertainty regarding how the new law will be implemented. Possible changes to the Outbound Investment Rule, the COINS Act, or similar laws and regulations could limit or, in the worst-case scenario, eliminate our ability to raise capital or contingent equity capital (such as convertible bonds) from U.S. investors in the future, or our ability to raise such capital may be significantly and negatively affected, which could be detrimental to our capital-raising capacity and our business, financial condition and prospects. In addition, changes to the publicly traded securities exception or other aspects of the Outbound Investment Rule could prohibit the purchase or trading of our H Shares by U.S. persons, impose new notification or other regulatory requirements, or make our H Shares less attractive to such investors. In such cases, the value of our H Shares could significantly decline, and our liquidity may be materially and adversely affected. Investors, including those that are U.S. persons or are subsidiaries of U.S. persons, should consult their own legal counsel regarding the applicability of the Outbound Investment Rule, the COINS Act or similar laws and regulations to this **[REDACTED]** and any potential obligations and exceptions thereunder.

Based on the advice of our international sanctions counsel, we believe that we are not deemed to be a "covered foreign person" under the Final Rule because we do not engage in any "covered activities" described in the definitions of "notifiable transactions" or "prohibited transactions" under 31 C.F.R. §850.217. and 850.224. In particular, we do not design, fabricate or package any integrated circuit described in 31 C.F.R. §850.224(c), (d) or (e), nor do we engage in the other activities described

in 31 C.F.R. §850.224. We also do not engage in high-performance computing, supercomputing or hypersonic systems activities covered by the proposed expanded activities under the COINS Act. Accordingly, the acquisition of our H Shares by U.S. persons in connection with the **[REDACTED]** would not, on that basis, constitute a notifiable transaction or prohibited transaction under the Final Rule.

However, there is no assurance that the Treasury will take the same view as us. If the Treasury were to take a different view and consider the acquisition of our H Shares by U.S. persons to be within the scope of the Final Rule, our international sanctions counsel has advised that, under the Treasury FAQs issued on 23 December 2025, participation in the **[REDACTED]** to the extent that their acquisition of our H Shares occurs after the H Shares are publicly traded, would qualify as excepted transactions involving publicly traded securities. U.S. persons may not, however, receive any **[REDACTED]** of our H Shares, which are not excepted transactions under the Final Rule.

The Final Rule, the COINS Act and any related implementing regulations may increase compliance costs for the Group and U.S. investors, cause certain U.S. investors to adopt a more cautious approach in their investments in our Group, and potentially limit our access to capital from U.S. investors after this **[REDACTED]** given that the relevant laws, regulations and policies continue to evolve. In addition, the application and implication of the Final Rule, the America First Memo and any related policies, laws and regulations are complex, which may be changed and updated from time to time. Future changes in the Final Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business and/or limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us, which could adversely affect our performance, financial condition and prospects.

Our patents and other non-patented intellectual properties are valuable assets, and if we are unable to protect them from infringement, our business prospects may be harmed.

Our success depends in part on our ability to obtain and maintain trade secrets and patent protection for our technologies, processes and products as well as to successfully enforce our intellectual property rights and to defend our intellectual properties against third-party challenges. As of the Latest Practicable Date, we had 11 invention patents, 31 utility model patents, 14 software copyrights, 13 registered trademarks, two domain names and one artistic copyright. See "*Business — Intellectual Properties*". If our issued patents and patent applications do not adequately provide coverage for our technologies, processes or products, we would not be able to exclude others from developing or utilizing these technologies, processes and products. Furthermore, the degree of future protection of our proprietary rights is uncertain because legal means may not adequately protect our rights or permit us to gain or keep our competitive advantage.

As our technologies involve unpatented, proprietary technologies, processes, know-how or data, we primarily rely on trade secret protection and agreements to safeguard our interests. However, trade secrets are difficult to protect. We use reasonable efforts to protect our trade secrets, including requiring our employees and suppliers who may have access to trade secrets to enter into confidentiality agreements or other agreements including confidentiality provisions with us, these efforts cannot completely prevent such persons from unintentionally or willfully disclosing our information to competitors. In addition, confidentiality agreements or other agreements including confidentiality provisions may not be enforceable or provide an adequate remedy in the event of unauthorized use or disclosure. It may be difficult to prove or enforce a claim that a third party had illegally obtained and used our trade secrets. In addition, our competitors may independently develop technologies that are equivalent to our trade secrets, in which case we would not be entitled to enforce our trade secrets, and our business could be harmed.

We may encounter future litigation by third parties based on claims that our technologies, processes or products infringe the intellectual property rights of others or that we have misappropriated the trade secrets of others. We may also initiate lawsuits to defend the ownership of our inventions and our trade secrets. Litigation relating to intellectual property rights is costly and diverts technical and management personnel from their normal responsibilities. Furthermore, a determination in an intellectual property litigation or proceeding that results in a finding of non-infringement by others to our intellectual property or an invalidation of our patents may result in the use by competitors of our technologies or processes and sale by competitors of products that resemble our products.

We may not be able to upgrade and increase our production capacity as planned, and even if our production upgrade and expansion projects proceed as planned, we may not be able to increase our production output in a timely manner or at all as initially envisioned.

We expect to increase our production capacity through our upgrade and expansion plan to meet customers' demands for our products. See "*Future Plans and Use of* **[REDACTED]**". Such upgrade and expansion will require significant commitment of our resources, including financial resources and the time needed to identify, recruit, maintain and integrate additional employees. Our proposed upgrade and expansion may also expose us to greater overhead and support costs and other risks associated with the manufacturing and commercialization of new products. Difficulties in effectively managing the budgeting, financing, forecasting and other process control issues presented by such upgrade and expansion could negatively affect our business, prospects, results of operations and financial condition. Such upgrade and expansion are also required to obtain various approvals, permits, licenses and certificates and complete relevant inspections by competent government authorities.

There is no assurance that we will be able to execute our upgrade and expansion plan as contemplated or at all. Any delay or failure to obtain relevant approvals, permits, licenses and certificates or complete the inspections for our production upgrade and expansion projects may materially delay our production upgrade and expansion or even result in the cancelation of such plans, which may adversely affect our business, financial conditions and results of operations.

However, even if we manage to upgrade and expand our production capacity as planned, there is no assurance that we may increase our production output in a timely manner or at all as envisaged. Our ability to increase our production output is subject to significant constraints and uncertainties, including but not limited to: (i) delays by our suppliers and cost overruns as a result of a number of factors, many of which may be beyond our control or cannot be foreseen, such as increases in raw material prices or delivery problems; (ii) delays in government approval process or denial of required approvals for production by relevant government authorities; (iii) our ability to configure the production lines for specific products in a timely manner; and (iv) the performance and efficiency of the manufacturing equipment we procured and the production expertise we retained.

Moreover, our product development, manufacturing and testing protocols are complex and require significant technological and production process expertise. Any change in our processes could cause one or more production errors, requiring a temporary suspension or delay in our production line until the errors can be researched, identified, and properly addressed and rectified, and thus limit our production output. This may occur particularly as we introduce new products, modify our engineering and production techniques, and/or upgrade and expand our production capacity.

In addition, our failure to maintain appropriate quality assurance processes could result in increased product failures, loss of customers, increased warranty reserves, or increased production and logistics costs, and delays. If we are unable to increase our production output in a timely manner or at all in the end because of any of the risks described above, we may be unable to fulfill customer orders or achieve the growth we expect. In addition, if we are unable to fulfill customer orders, our reputation

could be affected, and our customers could source products from other companies. The combination of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Price fluctuation and inadequate or interrupted supply for our materials and components could adversely affect our business, financial condition and results of operations.

Prices of raw materials have a significant impact on our cost of sales. During the Track Record Period, our raw materials costs were RMB179.7 million, RMB390.5 million, RMB697.7 million and RMB151.6 million, respectively, accounting for 89.0%, 90.0%, 86.3% and 86.3% of our cost of sales for the same years/periods, respectively. See "*Financial Information — Principal Components of Results of Operations — Cost of sales*". Our key raw materials include power semiconductors, passive components (including magnetic components) and control and driver chips. The current or expected supply of our key materials may fluctuate depending on a number of factors beyond our control, including the availability of resources in the materials and components market, market demand, potential speculation, market disruptions, natural disasters and other factors. Consequently, we may not be able to obtain stable and high-quality materials and components at reasonable prices at all times.

We cannot assure you that the prices of key materials needed for our products would become favorable to us in the future, or that we will not experience significant fluctuation in the prices of materials and components in the future. Under such circumstances, we may need to adjust the prices of our products accordingly. However, we cannot assure you that we will be able to pass all or a portion of our costs to our customers due to factors such as competition, or we will be able to find alternative sources in a timely and cost-effective manner, or at all.

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

During the Track Record Period, we had one production plant in Hengyang, Hunan Province, China, and we also maintained a production plant in Hangzhou from 2021 to early 2025. The operation of our production plant may be disrupted by physical damage from fires, floods, earthquakes, typhoons, power outages, mechanical breakdowns, telecommunications failures, loss of licenses, certifications and permits, changes in governmental planning for the underlying land, and regulatory development, many of which are beyond our control. In addition, as our production process requires substantial amounts of electricity, any power outage, disruption or shortage in power supply could therefore have a materially adverse impact on our production and employee safety. Any of these events could disrupt the operation of our production plant and materially and adversely affect our inventory level and production schedule.

Our business depends substantially on the continuing efforts of our senior management and our ability to attract and retain key employees and a skilled labor force.

As a result of the highly specialized and technical nature of our business, we must attract, train and retain a sizable workforce comprising highly skilled employees and other key personnel. If one or more of our highly skilled employees or key personnel were unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all.

Moreover, as our industry is characterized by high demand and intense competition for talent, we may have to offer high salaries and benefits to attract and retain highly skilled employees or other key personnel that we will need to achieve our strategic objectives. As we are still a relatively young company, 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. Staff that we are unable to retain also pose a risk, since they can inform competitors of our commercially sensitive information such as know-how and may lessen the technological advantages over our competitors that we have developed.

If we experience increases in labor costs, shortage of labor or deterioration in labor relations, our production costs may be affected.

Labor costs have been fluctuating and may rise in the future. Our staff costs accounted for 6.3%, 5.3%, 5.5% and 4.8% of our total cost of sales in 2023, 2024, 2025 and three months ended March 31, 2026, respectively. Labor cost increases may cause our production costs to increase, and we may not be able to pass on such an increase to our customers. We also cannot assure you that we will not experience any shortage of labor, especially skilled personnel with critical project management and strategic decision-making capabilities needed to oversee complex projects and implement new technologies as required. Any such shortage could hinder our ability to maintain our production schedules and maintain or expand our business operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

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

Our business is subject to legal, regulatory, political, economic, commercial and other risks associated with conducting operations in various jurisdictions.

We derive a certain portion of our revenue overseas. Accordingly, we have faced and continue to face numerous risks, including legal, regulatory, political, economic, commercial, and other risks associated with conducting operations in various jurisdictions, any of which could negatively affect our financial performance, including: (i) legal, regulatory, political, economic, and commercial instability and uncertainty; (ii) changes in foreign tax rules, such as tax rates and statutory and judicial interpretations of tax laws; (iii) compliance complexities relating to foreign anti-bribery, anti-corruption, anti-money laundering, and antitrust laws; (iv) difficulty enforcing agreements and collecting overdue receivables through local legal systems; (v) changes in geopolitical situations in jurisdictions where we operate; (vi) inflation, deflation, and changes in interest rates; (vii) trade customer insolvency and the inability to collect accounts receivable; (viii) customer misconduct beyond our control, including breaches of their agreements with us and of applicable laws; (ix) labor disputes and work stoppages at our operations and suppliers; and (x) increased costs of understanding local markets and following their trends.

We may make acquisitions, establish joint ventures and conduct other strategic investments, which may not be successful.

To further expand our business and strengthen our market-leading position, we may form strategic cooperation or make strategic investments and acquisitions to fuel business growth. See "*Business — Strategy*" and "*Future Plans and Use of* **[REDACTED]**". Acquisitions involve numerous risks, including risks associated with the valuation of target companies, as we may not be able to accurately assess the fair value of the target's business, assets, liabilities or future document, which may result in overpayment or impairment losses, difficulties in integrating the operations and personnel of the acquired companies, such as harmonizing systems, aligning corporate cultures, and retaining key employees, distraction of management from overseeing our existing operations, difficulties in executing new business initiatives, entering markets or lines of business in which we have no or limited direct prior experience, the possible loss of key employees and customers and difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity or other benefits we expected. In particular, we may not be able to realize the anticipated benefits, synergies, cost savings or operational efficiencies from such acquisitions, or may take longer than expected to do so. These transactions may also cause us to (i) significantly increase our interest expense, leverage and debt

service requirements if we incur additional debt to pay for an acquisition or investment, (ii) issue Shares that would dilute our current Shareholders' percentage ownership, or (iii) incur asset write-offs and restructuring costs and other related expenses. Acquisitions, joint ventures and strategic investments involve numerous other risks, including potential exposure to unknown liabilities of acquired or invested companies and restrictions under regulations relating to anti-monopoly. There can be no assurance that our acquisitions, joint ventures and other strategic investments will be successful and will not have a material and adverse impact on our business, results of operations and financial condition.

We may not be able to maintain or enhance our brand recognition among our customers.

We believe our brand image has contributed significantly to the success of our business. Therefore, maintaining and enhancing the recognition, image and acceptance of our brand are critical to our ability to differentiate our products from and to compete effectively with our peers. Our brand image, however, could be jeopardized if we fail to maintain high product quality, pioneer or keep pace with evolving technological trends, or timely fulfill the orders. If we fail to promote our brand or to maintain or enhance the brand recognition and awareness among our customers, or if we are subject to events or negative allegations affecting our brand image or publicly perceived position of our brand, our business, operating results and financial condition could be adversely affected.

Delivery delays, poor handling by third party logistics service providers or disruptions in the transportation network may adversely affect our business.

We use third party logistics service providers to deliver certain of our work-in progress and products. Disputes with or terminations of our contractual relationships with our logistics service providers could result in delayed delivery of products or increased costs. In addition, we may not be able to continue or extend relationships with our current logistics service providers on terms acceptable to us or establish relationships with new logistics service providers to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics service providers, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers.

As we do not have any direct control over these logistics service providers, we also cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue due to transportation shortages, natural disasters, labor strikes or other factors, we may lose customers and sales, and our reputation may be tarnished. In addition, our suppliers sometimes deliver materials to us through third party logistics service providers. Delays in delivery could adversely impact our suppliers' ability to timely deliver materials to us, and in turn our ability to deliver to our customers.

Our business may be impacted by geopolitical tensions, war, terrorism, public health issues, natural disasters and other business interruptions.

War, terrorism, geopolitical tensions, public health issues and other business interruptions could cause damage or disruption to international commerce and the global economy, and thus could have a material adverse effect on us, our customers and suppliers. Our business operations are subject to interruption by, among others, natural disasters, whether as a result of climate change or otherwise, fire, power shortages and other industrial accidents, terrorist attacks and other hostile acts, labor disputes, public health issues, demonstrations or strikes and other events beyond our control. Such events could decrease demand for our products, make it difficult or impossible for us to make and deliver products to our customers, or to receive materials from our suppliers, and create delays and inefficiency in our supply chain.

Any failure or perceived failure to comply with data privacy and security laws could subject us to potential liabilities.

We collect and store business data generated during or in connection with our business operations, including the data of our customers, suppliers, and employees. The secure maintenance of such data is critical. We process data in compliance with the applicable legal requirements to ensure data security. Our operations are subject to a variety of laws and regulations concerning data privacy and security. Failure to comply with the increasing number of data protection laws in the PRC, as well as the data security and privacy laws in other jurisdictions where we operate, could result in significant reputational damage and adversely affect our business performance. To ensure compliance with evolving data privacy laws, regulations and standards, it is necessary to maintain robust internal control and risk management policies, which requires substantial commitment of resources and efforts. Unauthorized access, loss, or misuse of data could lead to increased security costs, damage to our reputation, regulatory proceedings, litigation, fines, investigations, remediation efforts, indemnification expenditures, and disruptions to our business activities. Such incidents may also result in additional costs associated with defending against legal claims. Concerns from our customers, employees, and third parties, even if unfounded, may also have a detrimental impact on our reputation and operations.

Any failure to provide quality after-sales services and technical support may harm our relationships with customers and may materially and adversely affect our business and results of operations.

Our customers depend on our after-sales services and technical support to ensure the stable performance and reliability of our products. We provide such services to address product-related issues and to support customers in the maintenance of our products. The quality of our after-sales services and technical support depends on the experience and professionalism of our service personnel and the efficiency of our response to customer requests.

There can be no assurance that we will be able to maintain a consistent level of service quality or meet customer expectations in a timely manner. Any failure or delay in providing effective after-sales services or technical support may result in the loss or termination of business relationships, or potential claims and disputes, which could in turn have a material adverse effect on our business and results of operations.

We may not have adequate insurance to cover losses and liabilities arising from various operational risks and hazards.

Our business is subject to a variety of operational risks, including but not limited to production disruptions due to operational errors, power outages, equipment failures and suspension due to other risks; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest, environmental or industrial accidents, and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters; and geopolitical tensions, policy changes and intellectual property and technology protection. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities. To manage these risks, we maintain a range of insurance policies, which cover, among others, pension insurance, medical insurance, work-related injury insurance, maternity insurance, and unemployment insurance. There is no assurance that our insurance will be adequate to cover our exposure to the foregoing risks. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, financial condition and results of operations may be materially and adversely affected.

Interruption in or failure of IT, control and communication systems that we manage or that are managed by third parties could materially and adversely affect us.

We rely on our IT systems to manage and operate our businesses, and record and process transactions. Our systems and network operations are vulnerable to disruptions arising from human error, power failure, computer viruses, spam attacks, unauthorized access and other privacy or data security incidents. Disruptions to, or instability of, our systems and network that hinder our customers from reaching our products or prevent us from maintaining our technical secrets could harm our business and reputation.

There can be no assurance that we would not in the future be subject to such disruptions or instabilities that may result in material damage or remediation costs.

Our operations and production depend on a stable, timely and adequate supply of utilities and various services, including OEM, from third-party providers at commercially reasonable prices.

Our business operations and manufacturing activities require a stable and uninterrupted supply of utilities, as well as various third-party services, such as OEM and logistics. We rely on third-party providers to deliver these utilities and services in a timely manner and at commercially reasonable prices. Any disruption or shortage in the supply of utilities, whether due to natural disasters, technical failures, regulatory restrictions or other unforeseen events, could adversely affect our manufacturing output, increase our production costs, or result in operational delays.

We have cooperated with selected OEM service providers to supplement our in-house production capacity and to enhance flexibility in response to changing market demand. In particular, key components and materials are designated by us, while OEM service providers are responsible for assembly and related production processes. The engagement of OEM service providers allows us to optimize capital expenditure, manage production efficiency across product lines with differing equipment requirements, and dynamically adjust capacity among our production plants. However, these service providers may fail to adequately or timely deliver services, experience operational difficulties, capacity limitations, or do not comply with applicable laws and regulations. In particular, inability to secure stable OEM suppliers or renew existing agreements on favorable terms may require us to seek alternative arrangement.

During the Track Record Period, we did not experience any material delay in delivery, order cancelation or quality-related issues. However, there can be no assurance that third-party providers will continue to perform their obligations to our satisfaction or that we will be able to maintain such cooperation on favorable terms in the future. Any prolonged disruption, shortage, or significant cost increase in the supply of utilities or critical third-party services could materially and adversely affect our business, financial condition, and results of operations.

Our employees are subject to various risks caused by the use of manufacturing equipment and machinery, exposing us to risks in relation to work safety and occurrence of accidents.

In the course of operations and production, we implement and require our employees to comply with safety measures and procedures as stipulated in our internal policies. However, there is no assurance that our safety measures and procedures are strictly followed by our employees. As our manufacturing process is sophisticated and inevitably requires the operation of tools, equipment and machinery, accidents resulting in employee injuries may occur. Such accidents may result in disruption of our operation and subject us to liabilities, which could adversely affect our business, results of operation and financial condition.

Our operations may be subject to transfer pricing adjustments by competent authorities.

We have certain intra-group transactions among our subsidiaries that we believe are conducted on an arms' length basis, and expect to continue such transactions in the foreseeable future. These transactions may be subject to audit or challenge by the relevant tax authorities, and relevant laws and regulations may be modified. As such, we could face adverse tax consequences if the relevant tax authorities determine that some of our intra-group transactions do not represent arm's-length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operation may therefore be materially and adversely affected.

We may not be able to maintain our corporate culture, which has been important to our success.

Our success to date has been attributable, in part, to our ability to foster a corporate culture that integrates research and development with manufacturing capabilities, encourages expertise in high-performance power supply/conversion products, and promotes team commitment to developing new products.

As we continue to expand our business operations, grow our workforce, and pursue new strategic initiatives, we may face challenges in preserving and promoting the core values and practices that have driven our historical success. Rapid growth, changes in management or organizational structure, entrance into new markets, or geographic expansion may strain our ability to effectively transmit our mission and values to new employees, or to maintain consistent adherence to our cultural principles throughout the organization.

Any failure to maintain our corporate culture could adversely impact employee morale, reduce our ability to attract and retain talented personnel, and diminish our focus on innovation, safety, environmental responsibility, and operational excellence. As a result, our long-term business prospects, brand reputation, and competitive position could be materially and adversely affected.

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

We are exposed to anti-competitive, harassing, or other detrimental conduct by our shareholders, affiliates, Directors, management, other employees, suppliers, customers and other third parties, which could subject us to the loss of market share, customers and revenues. There can be no assurance that our controls and policies will prevent anti-competitive, harassing, or other detrimental conduct by such persons or that similar incidents will not occur in the future. As such, any failure to detect and prevent anti-competitive, harassing, or other detrimental conduct by our shareholders, affiliates, Directors, management, other employees, suppliers, customers and other third parties could materially and adversely affect our business, financial condition and results of operations.

Failure to maintain optimal inventory levels could increase our inventory holding costs and cause us to lose sales.

To operate our business effectively and meet our consumers' demands and expectations, we maintain a certain level of inventory to meet customer needs and ensure timely delivery of our products. As of December 31, 2023, 2024, 2025 and as of March 31, 2026, we had inventories of

RMB45.5 million, RMB103.5 million, RMB166.4 million and RMB162.2 million, respectively. In 2023, 2024, 2025 and the three months ended March 31, 2026, our inventory turnover days were 87.7 days, 62.7 days, 61.0 days and 84.1 days, respectively. We determine our level of inventory based on historical sales data, customer order volumes, demand forecasts and supply chain capacity fluctuations. However, such an assessment is inherently uncertain. Inventory levels in excess of demand, or substantial decrease in the expected market price of our products, may result in inventory write-downs or write-offs, and we may sell the excess inventory at discounted prices, which would have an adverse effect on our profitability. Furthermore, if we underestimate the demand for our products, we may not be able to have a sufficient number of products to meet such unanticipated demand, which could result in delays in the delivery of our products and negatively affect our reputation.

Any of the above may materially and adversely affect our business, results of operations and financial condition.

We may not be able to timely fulfill our obligations in respect of contract liabilities to our customers or at all.

Our contract liabilities comprise advances received from our customers. We sometimes require our customers to pay the consideration for their purchases from us upon or prior to the delivery of the products. As of December 31, 2023 and 2024, 2025 and as of March 31, 2026, we had contract liabilities of RMB13.0 million, RMB7.9 million, RMB8.6 million and RMB8.9 million, respectively. Our recognition of contract liabilities as revenue is subject to future performance of contract obligations and may not be representative of revenue for future periods. If disruption to any of our suppliers occurs, we may fail to fulfill our contract obligations or meet market demand for our products, and our business, results of operations, liquidity and financial condition could be adversely affected.

Fair value change of financial assets at fair value through profit or loss may affect our results of operations.

Our financial assets at fair value through profit or loss primarily consist of unlisted financial products. As of December 31, 2023, 2024, 2025 and as of March 31, 2026, we had financial assets at fair value through profit or loss of RMB42.6 million, RMB10.7 million, RMB35.8 million and RMB6.6 million, respectively. See Note 22 to "*Appendix I — Accountants' Report*" and Note 14 to "*Appendix IA — Financial Information for the Three Months Ended 31 March 2026*". The methodology that we use to assess these financial assets involves a significant degree of management judgment and is inherently uncertain. We cannot assure you that market conditions and regulatory environment will create fair value gains on those financial assets or that we will not incur any fair value losses on those financial assets in the future. If we incur such fair value losses, our results of operations and financial condition may be adversely affected.

We require a significant amount of cash to fund our operations and future business developments. If we cannot obtain additional funding on terms satisfactory to us when we need it, our growth prospects and future profitability may be materially and adversely affected.

Capital requirements are difficult to plan in the highly dynamic and rapidly changing industry that we are in. From time to time, we will continue to need significant capital to fund our operations and manage our capacity in accordance with market demand. Our continued ability to obtain sufficient external financing is subject to a variety of uncertainties, including our future financial condition, results of operations and cash flow, general market conditions for financing activities, financial, political and other conditions in the PRC and elsewhere. Sufficient external financing may not be available to us on a timely basis, on reasonable market terms, or at all. As a result, we may be forced to curtail our expansion and modifications plans or delay the development of new products until we obtain such financing.

Our plants, equipment and fixed assets may require substantial investment and upgrading due to depreciation or business growth.

Our plants, equipment and other fixed assets are essential to our manufacturing operations and overall business performance. Over time, such fixed assets are subject to depreciation, wear and tear, and potential obsolescence due to technological advancements. In addition, as our business grows, we may need to expand, upgrade or replace existing facilities and equipment to meet increasing production capacity requirements or evolving operational standards.

Such investments may require significant capital expenditure and allocation of management resources. If we are unable to secure adequate funding on commercially reasonable terms or at all, or if we encounter delays or unexpected costs in the upgrading or expansion of our facilities, our ability to maintain efficient operations and meet customer demand could be adversely affected. Furthermore, failure to timely invest in or upgrade fixed assets may result in reduced productivity, lower product quality, or an inability to adopt new technologies.

The preferential tax treatments granted by the PRC government may become unavailable.

While PRC corporate income tax has a standard rate of 25% on a company's taxable income, the Company and one of our subsidiaries were entitled to a preferential income tax rate of 15% during the Track Record Period. We cannot assure you that the PRC policies on preferential tax treatments will not change or that the current preferential tax treatments we enjoy or will be entitled to enjoy will be renewed or not be canceled. If any such change, cancelation or discontinuation of preferential tax treatment occurs, the Company and the relevant PRC subsidiary will be subject to the PRC enterprise income tax at a rate of 25% on taxable income. As a result, the increase in our tax charge could lead to a material and adverse impact on our results of operations and financial condition.

We are subject to credit risk in collecting trade and notes receivables due from customers.

Our trade and notes receivables primarily consisted of trade receivables from third parties and related parties. As of December 31, 2023, 2024, 2025 and as of March 31, 2026, the net carrying amount of our trade and notes receivables was RMB28.1 million, RMB141.1 million, RMB157.4 million and RMB243.1 million, respectively; the impairment of our trade and notes receivables was RMB0.3 million, RMB1.2 million, RMB5.1 million and RMB6.5 million, respectively; and our trade and notes receivables turnover days amounted to 21.9 days, 55.6 days, 52.2 days and 83.8 days, respectively. See "*Financial Information — Selected Balance Sheet Items — Trade and notes receivables*".

There can be no assurance that we will be able to maintain our trade and notes receivables turnover days at a reasonable level. Should the credit worthiness of our customers deteriorate, or should a significant number of our customers fail to settle their trade and notes receivables in full for any reason, we may continue to incur impairment losses in the future.

In addition, there may be a risk of delay in payment by our customers within their respective credit period, which in turn, may also result in an impairment loss provision. If settlements from customers are not made on a timely manner, or at all, our financial condition and results of operations may be materially and adversely affected.

We have awarded and may continue to award equity instruments under equity incentive plans, which may cause shareholding dilution to our Shareholders and result in increased share-based compensation expenses.

We adopted share incentive schemes. See "*Appendix IV — Statutory and General Information — Share Incentive Scheme*". In 2023, 2024, 2025 and three months ended March 31, 2026, we recorded share-based compensation expenses of RMB2.9 million, RMB3.9 million, RMB5.6 million and RMB3.6 million, respectively. To further incentivize our employees, we may adopt other equity incentive plans

and award additional equity incentives in the future. Issuance of Shares with respect to our equity incentive plan may dilute the shareholding of our existing Shareholders and incur substantial share-based compensation expenses that could have a material and adverse impact on our results of operations.

We historically received government grants, and we may not receive such grants or subsidies in the future.

During the Track Record Period, we recorded government grants of RMB5.5 million, RMB3.9 million, RMB9.3 million and RMB0.2 million, respectively. Not all of the government grants are recurring in nature. See "*Financial Information — Other income, expenses, gains and losses, net*". Government grants we received are uncertain and are subject to certain criteria and procedures stipulated by the local government.

If we are unable to receive the government grants in the future at the same level as we had during the Track Record Period, our financial condition and results of operations for the period may be adversely affected.

We face risks in relation to the inability to obtain and maintain the approvals, licenses and permits required for our operations.

We are required to maintain various approvals, licenses and permits to operate our business, and they are granted upon satisfactory compliance with, among other things, the applicable laws and regulations. Also, they may be valid only for a fixed period and subject to renewal and accreditation. See "*Business — Licenses, Permits and Approvals*".

We may experience difficulties, delays, or failures in obtaining the necessary approvals, licenses and permits for our businesses.

Complying with government regulations may also require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses and divert substantial management time and resources to resolving any deficiencies. We may also experience negative publicity arising from such deficiencies, which could have a material and adverse impact on our business, results of operations and financial condition.

We may from time to time become a party to litigation, arbitration, other legal and contractual disputes, claims and administrative proceedings.

We may from time to time be subject to various litigation, arbitration, legal or contractual disputes, claims, or administrative proceedings in the ordinary course of our business, including various disputes with or claims from our suppliers, customers, business partners and other third parties. Ongoing or threatened litigation, arbitration, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. Furthermore, any litigation, arbitration, legal or contractual disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and have a material and adverse impact on our business, results of operations and financial condition.

Fluctuations in exchange rates may adversely affect our results of operations.

The value of RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government's policies and depends on domestic and international economic and political developments as well as supply and demand in the local market.

During the Track Record Period, we received a part of payments in foreign currencies, and we expect this to continue for the foreseeable future. As a result, any fluctuations in exchange rates between such foreign currencies and RMB may result in exchange gains or losses and may adversely affect our operating results. In 2023 and 2024, we recorded net foreign exchange gains of RMB0.2 million, RMB0.5 million. In 2025 and the three months ended March 31, 2026, we recorded net foreign exchange losses of RMB5.0 million and RMB8.1 million, respectively. Furthermore, the **[REDACTED]** from the **[REDACTED]** will be received in Hong Kong dollars, and we expect a substantial portion of which to be spent in RMB. As a result, any appreciation of the RMB against the Hong Kong dollar may result in the decrease in the value of our **[REDACTED]** from the **[REDACTED]**. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, results of operations and financial condition.

Regulatory requirements regarding data protection and information security are constantly evolving, the changes of which or any data protection and information security incidents may have a material and adverse effect on our business and results of operations.

We are subject to laws and regulations relating to the processing, transmission, security and transfer of personal information and other data in various jurisdictions that we operate in. Any improper handling of personal information or any other information security incidents, such as unauthorized access to our database by hackers, could result in reputation damage and/or civil or regulatory liabilities that may have significant legal, financial and operational consequences.

During the Track Record Period and as of the Latest Practicable Date, we had complied with applicable laws and regulations relating to data security and privacy protection in material aspects. Regulatory requirements regarding data security and data protection are constantly evolving, of which the interpretation and application are also evolving and subject to change that may affect us. If we are unable to comply with the then applicable laws and regulations, or to address any data privacy and protection concerns, such actual or alleged failures could damage our reputation, results of operations and business prospects and/or could lead to civil or regulatory liabilities.

We are subject to risks in relation to leased properties.

We lease several premises in Chinese mainland. Under the PRC laws and regulations, lease agreements in general are required to be registered with the local land and real estate administration bureau. The lease agreements for 16 of our leased properties in China as of the Latest Practicable Date have not been registered with the relevant PRC government authorities. We may be subject to fines if we fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As of the Latest Practicable Date, we had not registered 16 lease agreements for our major leased properties. If we receive notice from the relevant PRC government authorities requiring us to complete the registration within the prescribed time frame and if we fail to do so, the maximum aggregate amount of potential administrative penalties we would be subject to for the lease agreements is RMB160,000.

In addition, for certain leased premises used for staff accommodation and offices, the lessors with whom we entered into lease agreements did not provide the valid property ownership certificates of the leased premises. Consequently, we cannot ensure such lessors are the lawful owners of, or have been duly authorized to lease, the relevant properties. As a result, there is a risk that third parties may assert rights over such properties. Therefore, we may need to find alternative locations with similar functionalities as the original locations and at commercially reasonable terms in a timely manner, and failure to do so may incur extra costs for us.

Government policies, regulatory changes and market volatility in high-performance computing may affect our application-specific computing server power supply business.

We are a leading provider of high-performance application-specific computing server power supplies, delivering both server-grade units and integrated rack-scale power systems to customers in China and abroad. Application-specific computing server power supplies are typically used in energy-intensive computing applications, which are subject to evolving regulatory frameworks on energy use, emissions, and high-performance computing standards. Changes in these regulations, shifts in enforcement practices, or adverse developments in relevant markets could reduce demand for our products.

Furthermore, the market for such power supplies is sensitive to fluctuations in downstream investments, and broader technological trends. Any tightening of regulatory requirements, heightened scrutiny of energy consumption, or significant market volatility could materially and negatively impact our business, results of operations and financial condition.

Our sales may be influenced by seasonality.

Our results of operations are affected by seasonal fluctuations in the demand for consumer electronics, which in turn influence our customers' demands for our ESS Power Supply products. We usually experience higher sales volume in the third quarter of the year due to increased shopping activities during the holiday season and year-end shopping events. This is primarily because our customers, who manufacture portable and residential energy storage products, typically place their largest stocking orders for our ESS Power Supply products in the third quarter to build inventory in anticipation of peak consumer demand driven by the year-end holiday shopping season such as Thanksgiving, Black Friday and Christmas, where demand for portable energy storage products tends to be especially strong due to increased travel, entertainment and gifting demands. Accordingly, various aspects of our operations, including sales, working capital and operating cash flows, are exposed to the risks associated with seasonal fluctuations in the demand for our products, and our quarterly or half year results may not reflect our full year results.

Any non-compliance with PRC social insurance and housing provident fund contribution requirements may result in penalties.

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

During the Track Record Period, we and certain of our subsidiaries did not make adequate contributions for certain employees. For details, see *"Business — Employees"*. There is no assurance that our historical and current practices with respect to the contribution of social insurance fund will always satisfy the government authorities in Chinese mainland. In the event of any such non-compliance, we may be required to pay any shortfall in the contribution of social insurance fund within a prescribed period and to pay penalties if we fail to do so. In addition to the above, if we fail to comply with any other relevant labor laws and regulations in Chinese mainland, we may be exposed to penalties or be required to compensate employees. During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaint from our employees.

RISKS RELATING TO THE JURISDICTION IN WHICH WE OPERATE

Changes in economic, political or social conditions or government policies in the markets in which we operate could have a material adverse effect on our business and results of operations.

We operate our business in Chinese mainland and overseas. Accordingly, our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in these markets. Geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, inflation and the availability and cost of capital and credit have been and will continue to affect the markets where we operate. In some of these markets, governments continue to play a significant role in regulating industry development by imposing industrial policies. Additionally, we are a company incorporated under the PRC laws, and a majority of our assets are located in Chinese mainland. Therefore, our financial condition, results of operations and prospects are subject to economic, political, and legal developments in China. Any changes in the global or local economy in the markets in which we operate may materially and adversely affect our business, results of operations and financial condition.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated under the PRC laws and a majority of our assets are located in Chinese mainland. In addition, most of our Directors and senior management reside in Chinese mainland. As a result, it may be complex for investors to effect service of process outside of Chinese mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside Chinese mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in Chinese mainland only if the jurisdiction has a treaty with Chinese mainland or if the jurisdiction has been otherwise deemed by the courts of Chinese mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, Chinese mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in Chinese mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible. On January 14, 2019, the Supreme People's Court and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**"), which became effective on January 29, 2024. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in Chinese mainland and those in Hong Kong.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (關於依法從嚴打擊證券違法活動的意見). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See "*Regulatory Overview — Laws and Regulations on Overseas Issuance of Securities and Listing By Domestic Enterprises*".

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

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

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

We are subject to the currency exchange regulatory system.

The conversion of RMB 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 regulatory 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, there is no assurance 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 pay dividends to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

RISKS RELATING TO THE [REDACTED]

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

Immediately upon the completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised), our Controlling Shareholders will control approximately **[REDACTED]**% of the voting power at our general meetings. Our Controlling Shareholders will, through their voting power at the

Shareholders' meetings and their delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management.

Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the approval of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our H Shares.

There has been no prior public market for our H Shares, and an active trading market 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 public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares is expected to be fixed by agreement between the Overall Coordinator (for itself and on behalf of the **[REDACTED]**) and us and may not be an indication of the market price of our H Shares following the completion of the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our H Shares may be materially and adversely affected.

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

The **[REDACTED]** of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese mainland that have listed their securities in Hong Kong may affect the volatility in the **[REDACTED]** of and **[REDACTED]** for our H Shares. A number of companies based in Chinese mainland have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. The share price of some of these companies has experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment toward companies based in Chinese mainland listed in Hong Kong and consequently may impact the **[REDACTED]** performance of our Shares. These factors may significantly affect the **[REDACTED]** and volatility of our Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our Shares in the public market could negatively affect the price of our Shares and our ability to raise additional capital in the future.

The **[REDACTED]** of our H Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our H Shares in the **[REDACTED]**, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. Equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the Shares.

You will incur immediate and significant dilution and may face further dilution if we issue additional Shares in the future.

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset

value. To expand our business, we may consider **[REDACTED]** and issuing additional Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net **[REDACTED]** from the **[REDACTED]** in ways you may not agree with or that do not yield a favorable return to our Shareholders. We plan to use the net **[REDACTED]** from the **[REDACTED]** for, among other things, enhance our R&D capabilities, upgrade intelligent manufacturing facilities, strengthen our sales and marketing capabilities, and conduct strategic upstream and peer acquisitions. See "*Future Plans and Use of* **[REDACTED]**". However, our management will have discretion as to the actual application of our net **[REDACTED]**. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net **[REDACTED]** from this **[REDACTED]**.

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

We have not declared dividends in the past, and there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations. The calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS Accounting Standards. As a result, we may not be able to pay a dividend in a given year even if we were profitable as determined under IFRS Accounting Standards. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the PRC laws and regulations and require approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

The dividends payable to investors and gains on the sale of our H Shares by our investors are subject to PRC tax.

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) with respect to PRC source income or gains at a rate of 20% unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. We are required to withhold related tax from dividend payments. Pursuant to applicable regulations, domestic non-foreign-invested enterprises issuing shares in Hong Kong may generally, when distributing dividends, withhold individual income tax at the rate of 10%. However, withholding tax on distributions paid by us to non-PRC individuals may be imposed at other rates pursuant to applicable tax treaties (and up to 20% if no tax treaty is applicable) if the identity of the individual holder of H shares and the tax rate applicable thereto are known to us. There is uncertainty as to whether gains realized upon disposition of H shares by non-PRC individuals are subject to PRC individual income tax.

Non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in the PRC companies pursuant to the EIT Law and

other applicable PRC tax regulations and statutory documents, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty 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 the PRC tax authorities' verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H shares through the sale or transfer by other means of H shares.

There remains significant uncertainty as to the interpretation and application of the relevant PRC tax laws by the PRC tax authorities, including whether and how individual income tax or EIT on gains derived by holders of our H Shares from their disposition of our H Shares may be collected. If any such tax is collected, the value of our H Shares may be materially and adversely affected.

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

Certain facts, forecast and other statistics in this Document are derived from various government and official resources. 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 and 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. Nevertheless, information from official government sources has not been independently verified. You should therefore not place undue reliance on such information. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

You should read the entire Document carefully and only rely on the information included in this Document to make your investment 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 our investors not to rely on any information contained in press articles or other media regarding us, our Shares and the **[REDACTED]**. Prior to the publication of this Document, there may be press and media coverage regarding the **[REDACTED]** and us. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it and our investors should not rely on such information.