
RISK FACTORS

An [REDACTED] in our H Shares involves a high degree of risk. You should consider carefully all the information set out in this document and, in particular, should evaluate the following risks associated with the [REDACTED] in our H Shares. You should pay particular attention to the fact that we conduct our operations in China, as well as in certain other jurisdictions, the legal and regulatory environment of which in some respects may differ from that in Hong Kong and other jurisdictions. Any of the risks and uncertainties described below could have a material adverse effect on our business, results of operations, financial condition or on the [REDACTED] of our H Shares, and could cause you to lose all or part of your [REDACTED]. The order in which the following risks are presented does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on our business, financial condition, results of operations, prospects or on the [REDACTED] of our H Shares.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our future growth is dependent on the demand for ESS solutions and products.

Our future growth depends on the continued acceptance and adoption of our ESS solutions, products and supporting services by our customers. The market for ESS solutions is rapidly evolving and characterized by advancing technologies, competitive pricing, evolving industry standards, changing user demands and behaviors, governmental initiatives and concern related to environmental issues. There is no guarantee of continued growth for future demand. Factors that may influence demand for our energy storage products and services include: (i) public perception about the features, quality, safety, performance and cost of ESS solutions, especially if adverse events or accidents occur that are linked to the quality or safety of ESS solutions; (ii) government regulations and policies related to new energy industries generally; (iii) trends in the widespread adoption and effectiveness of energy storage solutions; (iv) development of battery cell technologies; (v) end users’ environmental consciousness; and (vi) other macroeconomic factors.

We cannot predict how the demand for ESS solutions will develop in the future. Certain ESS companies operating in China and overseas markets have suffered declining performance or financial difficulties as a result of the market slowdown. If the ESS markets in the regions where we operate evolve at a slower pace than anticipated, the demand for ESS solutions, including ours, will be affected. If any aforementioned factors, either individually or collectively, lead to a decrease in demand for our ESS solutions and products or hinder the overall progress of the ESS industry, we may fail to attract new customers, which would adversely affect our business, prospects, results of operations and financial condition.

We operate in a highly competitive market and we may not be able to effectively compete with existing and new competitors.

The global ESS solutions market in which we operate is highly competitive. According to the Frost & Sullivan, the top 10 players in the PRC ESS solutions market accounted for more than 60.0% of the total ESS shipment volume in 2025. See “Industry Overview” for details.

We currently face, and will continue to face, significant competition from other providers of similar or competing services and solutions. Some of our current and potential competitors may have a longer operating history, stronger brand recognition, more established relationships with customers, greater financial and other resources, more diversified offerings, stronger R&D capabilities, better access to materials, and greater economies of scale than we do. As a result, they may be able to respond more quickly to changing customer demands and evolving technologies or devote greater resources to development, promotion and sales of their products to customers.

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We may be unable to compete successfully against these competitors or new market entrants, which may adversely affect our business and financial performance.

We are also subject to competition globally as we provide our solutions and products to overseas customers. In certain target markets, local companies may have stronger relationships with local governments, more experience in serving local markets and may be able to take advantage of financial incentives and favorable regulatory policies. We cannot assure you that we will be able to effectively compete in overseas markets where we currently operate or plan to operate in the future.

We have limited operating history and our historical results may not be indicative of our future growth rate or financial results.

We commenced business operations in 2019. We have relatively limited historical data for evaluating and making judgments on the demand for our solutions and products, our ability to develop, manufacture and deliver products, or our profitability in the future. We achieved rapid growth during the Track Record Period, and generated revenue of RMB434.6 million, RMB1,144.1 million, RMB1,867.6 million, RMB8.5 million and RMB279.9 million in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively. We cannot guarantee that we will be able to sustain continued growth for various reasons, including intensified competition in the PRC and overseas ESS markets, and potential unforeseen changes in laws and regulations in the regions where we operate. Our financial and operating results may vary from time to time due to factors beyond our control. We cannot assure you that our future revenue will increase or we will be profitable. Accordingly, investors should not rely on our historical results as an indication of our future financial or operating performance.

Our project deployments are non-recurrent in nature, and failure to secure new customers or projects could have a material adverse impact on our financial performance.

During the Track Record Period, we generated revenue primarily from provision of large-scale and C&I ESS solutions and sales of ESS products. Revenue from our deployment of our large-scale and C&I ESS solutions in each project and our sales of ESS products is recognized upon customer acceptance.

Our future growth and success depend on our ability to continue to secure new customers or projects. We expect to receive a substantial majority of our revenue from the deployment of large-scale and C&I ESS solutions in projects, which are non-recurrent in nature. Our customers are under no obligation to award new projects to us. As a result, we must continuously seek to enter into new contracts. We cannot assure you that we will be able to secure new contracts with customers of similar quality or size in the future. The number and scale of projects and the amount of revenue we are able to derive from such projects may vary significantly. As such, any significant decrease in the number, quality or size of contracts with our customers may materially and adversely affect our financial condition and operating results. Given the non-recurrent nature of our deployments of ESS solutions or products on project-by-project basis, in the event that we fail to secure new contracts in the future, our business, financial condition and results of operations could be materially and adversely affected.

Any adjustment in our product and solution mix could result in fluctuations in our profitability.

Our results of operations are affected by changes in our product and solution mix. During the Track Record Period, we derived revenue mainly from our sales of ESS products and deployment of large-scale and C&I ESS solutions. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, our revenue generated from sales of ESS products was RMB376.1 million, RMB661.5 million, RMB172.7 million, RMB8.2 million and RMB36.3 million, respectively, our revenue generated from large-scale ESS solutions was RMB7.2 million, RMB477.2 million, RMB1,669.3 million, nil and

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RMB213.9 million, respectively, and our revenue generated from C&I ESS solutions was RMB51.3 million, RMB5.5 million, nil, nil and nil, respectively. In 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, the gross profit/loss margin of our sales of ESS products was 21.3%, 16.4%, 7.1%, -0.6% and -6.5%, respectively, the gross profit margin of our large-scale ESS solutions was 11.5%, 19.7%, 16.0%, nil and 24.6%, respectively, and the gross profit margin of our C&I ESS solutions was 25.0%, 28.8%, nil, nil and nil, respectively. Beginning in 2024, we strategically shifted our focus to further develop our large-scale ESS solutions to address customers’ needs for holistic energy storage solutions. Consequently, our revenue from large-scale ESS solutions represented 1.6%, 41.7%, 89.4%, nil and 76.4% of our total revenue in 2023, 2024, 2025 and the four months ended April 30, 2025 and 2026, respectively.

Any adjustment in our product and solution mix could result in substantial fluctuations in our profitability. We cannot guarantee that we will continue to sustain our revenue and profitability levels in the future. Any failure in the adjustments of our product and solution mix may have an adverse and material effect on our revenue, financial condition or results of operations.

We may be unable to successfully continue expanding our overseas business.

We began generating revenue from the overseas markets in 2025 and intend to further expand our business there through promoting advanced technologies and cost-effective ESS in mature electricity markets such as Europe and the United States, and enhancing customized off-grid and microgrid ESS solutions in emerging markets such as the Middle East, Latin America and Africa.

Our overseas expansion will subject us to the dynamic and complex challenges of conducting business in an environment involving multiple languages, cultures, legal systems and commercial infrastructures. Our operations and expansion in these markets are impacted by various risks, including: (i) our limited experience in international business operations; (ii) increased and sometimes conflicting regulatory compliance requirements; (iii) inability to cope with laws and business practices that favor local businesses in certain regions; (iv) inability to recruit and retain talented and capable management and employees for global operation; (v) difficulties in effectively managing challenges arising from distance, language and cultural differences; (vi) inability to localize and customize our business activities; (vii) currency exchange rate fluctuations; (viii) inability to build and maintain strong relationships with local partners; and (ix) political, economic and social instability.

If we fail to develop and maintain effective and sufficient management and resources for our international growth, we may experience difficulties in managing our expansion. Any failure to successfully navigate these risks could materially and adversely affect our business, financial condition and results of operations.

Our future growth is dependent on our ability to successfully develop and launch new products and solutions and implement our business plans.

We may encounter difficulties in developing and producing our new or upgraded products and solutions, and effectively securing new sales contracts or purchase orders. This could occur as a result of a lack of demand, budget overruns, shortages of raw materials and labor, increases in expansion costs or other factors beyond our control. Any delay or interruption in the schedule for our launch of new solutions may impact our ability to meet increased customer demand, potentially resulting in a loss of existing and potential new customers.

In addition, we plan to explore strategic partnerships with market players and financial institutions for energy storage asset capitalization opportunities. We have no experience in operating this business and such endeavor may expose us to risks, including the diversion of management attention and

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resources from our existing operations. Accordingly, we cannot assure you that we will be able to implement our strategies effectively and operate such new business successfully, and failure to do so may materially and adversely affect our business, results of operation and financial condition.

We may not be able to effectively manage or increase our production capacity as planned.

We produce our ESS products and components, such as battery packs and racks, mainly at our three factories in Zhenjiang, Yao'an and Dali. In 2023, 2024 and 2025, our total production capacity for our ESS products was 4.1 GWh, 6.2 GWh and 6.8 GWh, respectively. We expect to continue to increase our production capacity to meet customers' demands. See “Business — Manufacturing — Our Factories and Production Capacity” and “Future Plans and Use of [REDACTED]” for details.

We cannot assure you that our expansion plans will be successfully implemented in a timely manner or commercially successful. Any delay or failure to obtain relevant approvals, permits and licenses or complete inspections for our expansion projects may materially delay or even result in cancellation of such plans. Our production capacity expansion plan is also subject to interruptions caused by adverse weather conditions, natural disasters, accidents, unforeseen circumstances and other factors beyond our control. If we fail to achieve production capacity expansion as planned, our reputation, results of operations, business prospects and financial condition may be adversely affected. Furthermore, implementation of our expansion plans require extensive management, operational and financial resources. If our management is unable to manage both our expansion plans and existing business operations, or if we fail to attract and retain qualified personnel for implementing our expansion plans, we may be unable to manage our growth and execute our expansion strategy successfully.

These expansion projects will require substantial capital expenditure, including fixed costs and operating expenses. We may not be able to accurately forecast project costs, manage budgets, or secure adequate financing on favorable terms, or at all. Any cost overruns or funding shortfalls could strain our liquidity and financial position. Moreover, if our expansion involves the manufacturing and commercialization of new products, we cannot assure you that our new production lines will operate efficiently or such new products will achieve commercial success. Given these risks, any significant delay, cost overrun or failure to realize the anticipated benefits of our expansion could materially and adversely affect our business, financial condition, results of operations and future prospects.

We rely on our major customers and suppliers. The loss of any of those customers or suppliers could adversely affect our business.

We have historically relied on our major customers for a substantial portion of our revenue. We had 42, 38, 39 and 14 customers in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively. In 2023, 2024, 2025 and the four months ended April 30, 2026, sales to our five largest customers accounted for 53.7%, 81.6%, 80.2% and 94.3%, respectively, of our total revenue and sales to our single largest customer accounted for 11.8%, 40.7%, 44.5% and 43.6%, respectively, of our total revenue of the respective year. With respect to our major suppliers, in 2023, 2024, 2025 and the four months ended April 30, 2026, purchases from our five largest suppliers accounted for 61.8%, 70.9%, 67.3% and 77.0%, respectively, of our total purchase and purchases from our single largest supplier accounted for 42.8%, 56.6%, 27.0% and 43.3%, respectively, of our total purchase. See “Business — Customers” and “Business — Supply Chain Management and Suppliers — Major Suppliers” for details.

Our ability to maintain close relationships with our major customers and suppliers is essential to our strategy and to the stability of our business. We cannot guarantee that our major customers and suppliers will continue to work with us or will not reduce their business with us. Moreover, we cannot guarantee that our major customers and suppliers will not change their business, will continue to maintain their market position, or will not experience operational or financial difficulties. Any material

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adverse change to the operation or financial condition of our major customers and suppliers may have a significant adverse impact on us. If we cannot find new customers and suppliers on comparable commercial terms within a reasonable period of time, or at all, our business, financial condition, results of operations and profitability may be adversely affected.

Our sales are affected by seasonal fluctuations.

During the Track Record Period, our deployment of large-scale and C&I ESS solutions and sales of ESS products were on a contract basis and we faced seasonal fluctuation in the sales of our ESS solutions and products. The sales of our ESS solutions and products and our profit before tax widely fluctuated during the Track Record Period, which can be attributed to various factors, such as downside demand fluctuations and time of commissioning that can affect the time of revenue recognition. In particular, during the Track Record Period, our ESS deployments were predominantly large-scale orders with deliveries concentrated during specific short periods such as quarter end or year end, or at specific policy deadlines. For instance, particularly in 2025, due to regulatory deadlines introduced under new policies issued by the National Energy Administration (國家能源局) in January and February 2025, which set April 30 and May 31, 2025 as cutoff dates for distinguishing between existing and new photovoltaic projects, leading to a concentrated project installation and grid-connection rush before June 1, 2025.

We cannot assure you that we will be able to deliver our ESS solutions or products timely and effectively pursuant to the sales contract or purchase orders. Accordingly, our results of operations may vary from year to year. If we cannot effectively plan our production and delivery schedules and secure purchase orders when the downstream demand fluctuates, or if we cannot obtain acceptance check from our customers, our business, financial condition and results of operations may be adversely affected.

Pricing pressures from our customers may affect our revenue and margins.

Many of our existing and target customers have considerable bargaining power over their suppliers, including us, and may also seek to pass cost pressure down the supply chain amid intense market competition. The energy storage industry is highly competitive, and increasing competition from both established players and new entrants further intensifies the pricing pressure we face. As a result, we may continue to experience pressure from our customers, including major customers, to lower the prices of our products and solutions. If we are unable to maintain pricing at acceptable levels, our business, results of operations and financial condition may be adversely affected.

We face the risk of reliance on revenue generated from deployments in single large project(s).

During the Track Record Period, a large portion of our revenue was generated from our deployment of large-scale & C&I ESS solutions in single large project(s). In 2023, 2024, 2025 and the four months ended April 30, 2026, we generated revenue from our large-scale & C&I ESS solutions in two, four, eight and five projects, respectively. In the same years, revenue contributed by the top five projects where we deployed our integrated ESS solutions was RMB58.5 million (representing the total two projects in 2023), RMB482.6 million (representing the total four projects in 2024), RMB1,609.8 million (representing the top five projects in 2025) and RMB213.9 million (representing the total five projects in the four months ended April 30, 2026), representing 13.5%, 42.2%, 86.2% and 76.4% of our total revenue for the same periods, respectively. As a result, we face the risks of the successful deployment and delivery of our products and services in such large projects for revenue recognition and any increase in the contract receivables from such large projects may adversely affect our financial condition and results of operations.

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Our entrusted power trading revenue is subject to market volatility and operational risks that are beyond our control.

Since 2025, we have begun to provide entrusted power trading services in projects we participated in as value-added services upon project completion. For entrusted power trading services, we conduct entrusted power trading on behalf of our customers, where they grant us authority to manage the charging and discharging dispatch of their power stations, and we charge a base service fee together with a performance-based incentive fee linked to transaction revenue exceeding a pre-agreed target.

Our performance-based incentive fee for entrusted power trading services is linked in whole or in part to the revenue generated from the relevant power stations. Such revenue may depend on factors beyond our control, including, but not limited to, electricity price volatility and peak-valley spreads, the effectiveness of our EnergyMarket+ profit forecast models under changing market conditions, adjustments to electricity market policies or ancillary service rules, and mandatory grid dispatch requirements that may limit the execution of market-oriented strategies. We may also not be able to obtain performance-based incentive fees if the market conditions or operational factors adversely affect trading results. In addition, equipment failures or data security incidents may temporarily disrupt power trading activities. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We rely on our key machinery for production.

During the Track Record Period, we mainly produced ESS products in our Zhenjiang factory and procured the production machinery from suppliers. Our manufacturing processes are highly dependent on the performance, reliability and availability of our machinery and production lines. Any significant breakdown, malfunction or failure of this equipment due to technical issues, improper maintenance, power outages, natural disasters or other unforeseen events, could lead to partial or complete shutdown of our factories, and substantial time and costs to procure replacement.

Our measures to protect and maintain our machinery and production lines may not be sufficient to prevent potential disruptions. Any prolonged period of downtime could significantly curtail our production capacity, which may render us unable to meet customer orders in a timely manner, result in a loss of revenue, potential contractual penalties, damage to our customer relationships, which will materially and adversely affect our business, financial condition, and results of operations.

Our products and solutions might not meet customers’ expectations and could potentially contain defects.

Our products and solutions may not meet customers’ performance expectations, and we cannot guarantee that any equipment or systems we provide will be free from defects or operate without issues. The stability of our solutions may be influenced by various factors, including operating skills of the operators, duration of usage, length of time for which equipment or systems are used continuously, and conditions under which they operate. If our equipment and systems exhibit an unacceptably high failure rate influenced by factors beyond our control, our customers may be dissatisfied. In case of any defects or deviations from expected performance, or if we are unable to act quickly to satisfy specific expectations or to resolve issues raised from customers regarding our equipment and systems, we may face reputation damage, negative publicity, revenue loss, delays in completion, product recalls, liability claims and significant expenses such as warranty costs, which could materially and adversely affect our business, prospects, results of operations and financial condition.

The design and assembling processes for our solutions may contain latent defects and errors that can lead to subpar performance or cause property damage or personal injuries. Furthermore, the quality of raw materials and equipment sourced from third parties may have defects or quality issues. We have

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limited control over the ongoing consistent performance of machinery components and third-party services. Our ability to assess the long-term performance of our solutions is constrained by a limited historical perspective. There is no assurance that we will be able to identify and rectify defects in a timely manner or at all. In addition, where manual operations are required during design and production processes, there may be human error, negligence by our employees or third parties. Such human errors could result in our equipment and systems failing to perform or operate as expected. We cannot assure you that we will be able to eliminate human error from our operations.

We may not be able to derive our R&D efforts or maintain our technology advantages in the energy storage industry, which may adversely affect our operating results.

We have established a dedicated team of R&D talents focusing on developing our software systems and hardware products and continue to make R&D investments to develop new ESS solutions and relevant technologies, which we believe are crucial to our future development. However, given the inherent uncertainties of R&D activities, we cannot assure you that our efforts will be successful, completed within the expected time frame and budget, or that our newly developed products will gain widespread market acceptance or perform as anticipated to meet our sales and profit targets. If we fail to keep pace with the latest technological advancements or industry trends, we risk losing our competitive edge. If any of these events occurs, our business, results of operations and financial condition could be materially and adversely affected.

We may encounter cost increases or disruptions in the supply of raw materials.

We incur substantial cost of sales primarily related to raw materials we procure from suppliers. In 2023, 2024, 2025 and the four months ended April 30, 2026, we incurred raw material costs of RMB288.6 million, RMB879.8 million, RMB1,498.1 million and RMB168.3 million, respectively. Prices of the raw materials are subject to fluctuation and influenced by factors beyond our control, including market conditions, inflation, supply chain shortages and global demand for them.

We are exposed to multiple risks related to the stable supply, availability and cost of such raw materials, including but not limited to: (i) potential failure of manufacturers to deliver required quantities of raw materials; (ii) disruption in the supply of key raw materials due to manufacturing defects or recalls by manufacturers; and (iii) rising cost or reduced availability of raw materials, in particular, battery cells. Any substantial increase in our raw material costs would raise our operating expenses and we cannot assure you that we will be able to pass all or a portion of such additional costs to our customers which could potentially reduce our profit margins.

Furthermore, any disruption in the supply of raw materials could temporarily halt our projects until we secure alternative suppliers, the process of which can be time-consuming and costly, or lead to loss of customers. There is no assurance that we would successfully secure alternative suppliers in a timely or acceptable manner, or at all. Changes in business conditions, force majeure events, or other unforeseen factors beyond our control could also impact our suppliers’ ability to deliver raw materials in a timely manner. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

We recorded net operating cash outflows in the past and there can be no assurance that we will have net cash inflow from operating activities in the future.

We recorded net operating cash outflows of RMB40.9 million in 2024. See “Financial Information — Liquidity and Capital Resources — Cash Flows Analysis” for details. We cannot assure you that we will not record net operating cash outflow again in the future. Net operating cash outflows could impair our ability to make necessary capital expenditures, constrain our operational flexibility, adversely affect our ability to meet our liquidity requirements, and require us to obtain sufficient external financing to

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meet our financial needs and obligations. If we resort to external financing facilities to generate additional cash, we may incur additional financing costs. If we have net operating cash outflows again in the future and if we are unable to obtain adequate funding from external sources on satisfactory terms or at all, our business, financial conditions and results of operations may be materially and adversely affected.

We face risks of evolving energy industry policies in the markets in which we operate.

The ESS solutions industry has benefited from various favorable policies and initiatives in the PRC and overseas markets where we provide or will provide our ESS solutions. Such policies and incentives in China and overseas that support energy storage and development of green energy technologies, which often necessitate supporting ESS infrastructure, may be reduced, modified or eliminated at any time. Any reduction or removal of such support could negatively impact the growth of the ESS solutions market and reduce the demand for our products and services. If this occurs, our business, results of operations, financial condition and prospects could be materially and adversely affected.

We face risks in manufacturing, deployment and delivery of our ESS solutions and products.

Our business is subject to inherent risks in manufacturing, deployment and delivery of our ESS solutions and products which may be beyond our control, including but not limited to: (i) delays in delivery of our ESS solutions and products to our customers; (ii) shortage of skilled workforce and competent management to carry out the installation on time and in compliance with our instructions; (iii) unforeseen engineering, design or environmental problems and unanticipated cost increases; and (iv) work strikes and labor disputes. Any material disruptions to our operations or failure to timely complete our work may affect our ability to negotiate new contracts with potential customers. In case of delay, our customers may be entitled to receive liquidated damages pursuant to the contract or terminate the contract. Any such event could materially and adversely affect our business, financial condition and results of operations.

We rely on third party business partners in conducting our business.

We rely on third parties in certain key aspects of our business, including, among other things, the provision of equipment, materials and services essential for our solutions from suppliers, and cooperation with other parties involved in the projects where we deploy our solutions. We face various risks, including potential delivery failures or insufficient provision of equipment and materials, and untimely performance of other parties involved in the projects or our customers. Failure to secure the necessary equipment, materials or services from suppliers and other business partners or as we request or expect would result in a loss of service capability or a loss of potential customers, thus materially and adversely affecting our business, prospects, results of operations and financial condition.

We may face financial and reputational risks due to recalls and product liability claims.

Our energy storage solutions and products are inherently complex and may be subject to failure, accidents or other malfunctions. During the Track Record Period, we have not experienced any product returns or exchanges. There can be no assurance that we will not be involved in any material product quality accident, product recalls or other similar events in the future. Our ESS products are becoming increasingly sophisticated and complicated as technologies advance, and we may face the risk of product recalls and product liability claims and associated adverse publicity in the development, manufacturing and sales of our products.

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We value delivering quality products to our customers. However, our efforts to maintain product quality may not always succeed. Any product recalls or product liability claims seeking significant monetary damages could negatively affect our brand image and reputation and have a material adverse effect on our business and financial condition.

Our provisions for warranties may be insufficient to cover future warranty claims.

For our ESS solutions and products, we usually provide our customers with a warranty of generally five years. See “Business — Customer Service” for details. We provide a provision for these potential warranty expenses based on an analysis of our Group’s recent claims, past warranty data and the weight of all possible results. As of December 31, 2023, 2024 and 2025 and April 30, 2026, we made provisions for product warranties of RMB0.7 million, RMB1.6 million, RMB4.0 million and RMB5.0 million, respectively. We cannot assure you that such provisions will be sufficient to cover future claims. We could, in the future, become subject to significant and unexpected warranty claims, resulting in significant expenses, which would materially and adversely affect our business, financial condition and results of operations.

We may be subject to liabilities and disruption in operations in connection with accidents that occur during manufacturing at our factories or construction at the project sites.

During the Track Record Period, we manufactured and integrated our ESS products for sales to customers and deployment of large-scale and C&I ESS solutions in projects, where we provided assistance to the installation and testing on site. In the course of our operations and production, we implement and require our employees to comply with safety measures and procedures as stipulated in our internal policies. During the Track Record Period and up to the Latest Practicable Date, there were no material accidents and personal injuries in our operations. However, there is no assurance that our safety measures and procedures are strictly followed by our employees. As our manufacturing process is complicated and inevitably involves operation of tools, equipment and machinery, accidents resulting in employee injuries or even deaths. Such accidents may result in disruption of our operation and subject us to liabilities, and we may not have adequate or sufficient insurance to cover such liabilities, which could adversely affect our business, results of operations and financial condition.

We are exposed to credit risk from our customers, and any failure to collect our trade and bill receivables and contract assets timely may adversely affect our business and financial condition.

Our trade and bills receivables and contract assets consist primarily of sales of our products or services on credit terms. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our trade, bills and other receivables and contract assets net of impairment loss allowance amounted to RMB226.0 million, RMB832.9 million, RMB1,292.4 million and RMB1,360.8 million, respectively. In 2023, 2024, 2025 and the four months ended April 30, 2026, our impairment loss recognized on trade, bill and other receivables and contract assets amounted to RMB1.8 million, RMB4.0 million, RMB13.0 million and RMB8.6 million, respectively. We cannot assure you that our customers will fulfill their obligations to us in the future. In addition, there may be a risk of delay in payment by our customers, which may also result in an impairment loss provision. Various factors beyond our control, such as economic downturns and customer insolvency, may hinder or prevent us from collecting our receivables in a timely manner or at all. There is no assurance that we can fully recover our trade and bill receivables from the customers or that they will settle such receivables in a timely manner. In case that settlements from customers are not made in a timely manner, or at all, our financial condition and results of operations may be materially and adversely affected.

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Significant upfront funding may be required for our deployment of integrated ESS solutions.

Our deployment of large-scale and C&I ESS solutions in energy storage projects typically requires substantial upfront funding to procure the components and materials necessary for assembling and integrating our ESS solutions.

The deployment of our ESS solutions generally does not require upfront funding on our part. The contracts we enter into with our customers for provision of large-scale and C&I ESS solutions generally provide for advance payments payable by our customers ranging from 10% to 40%. We typically receive such advance payments prior to commencing external procurement and material preparation at our factories, such that we are generally not required to make payments to our suppliers before receiving funds from our customers. However, there can be no assurance that advance payments will be obtained in time or at all, and any failure to receive such payments in a timely manner may require us to fund the relevant upfront costs with our own resources or seek alternative financing. Our ability to source funding on desirable terms is subject to a number of uncertainties, such as our financial condition, results of operations, cash flows and credit history, and changes in interest with respect to borrowing practices in the regions where we operate.

The principal categories of such upfront funding include (i) raw material costs on key components such as battery cells, liquid cooling plates and PCS; (ii) labor costs, comprising staff remuneration and related expenses across early project development, solution design, technical coordination and equipment manufacturing stages, and the labor costs to conduct policy and market analysis, site selection assessment and financial modeling; (iii) transportation and warehousing costs incurred for ESS equipment, including specialist logistics and freight charges, loading and unloading fees and warehousing costs; and (iv) other ancillary costs, such as project compliance certification fees, site survey expenses, and costs associated with the construction of temporary on-site facilities.

If we become unable to secure such upfront funding, either from advance payments from our customers or by ourselves, our financial condition and results of operations could be adversely affected.

Any material inaccurate cost estimation or cost overruns may adversely affect our operation.

In our provision of large-scale and C&I ESS solutions in a project for our customers, it is difficult to predict costs accurately at the outset of such project, and we may experience cost variances due to factors such as fluctuations in raw material prices and labor costs, unforeseen project conditions and abrupt changes in prevailing market conditions, which may contribute to project cost overruns. Such cost overruns may result in lower profits or even a loss for us. In the event that our actual project costs significantly exceed our estimated costs, our financial conditions and results of operations could be materially and adversely affected.

During the Track Record Period, three of the energy storage projects where we deployed our large-scale ESS solutions were loss-making projects. The losses were primarily attributable to prior procurement of battery cells at relatively high prices, which were later utilized in projects undertaken when market and contract prices had declined, resulting in losses. See “Business — Our ESS Solutions — Our Deployment” for details.

We may be exposed to inventory obsolescence risk.

As of December 31, 2023, 2024 and 2025 and April 30, 2026, we had RMB228.5 million, RMB339.2 million, RMB379.7 million and RMB606.5 million of inventories, respectively. Our average inventory turnover days was 179 days, 110 days, 84 days and 291 days in 2023, 2024, 2025 and the first four months ended April 30, 2026, respectively. We are exposed to the risk of inventory obsolescence due to rapid technological advancement, evolving customer preferences and intense

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market competition in the energy storage industry. We may be required to record inventory write-downs or provisions if our products become obsolete or exceed anticipated demand. Any significant write-down of our inventory could materially and adversely affect our profitability and financial condition. There is no assurance that we can accurately forecast demand or that our inventory management policies will be effective in mitigating obsolescence risk.

We may be unable to protect our intellectual properties, and may be subject to infringement claims from third parties.

Intellectual property, or IP, rights are important to our business. We safeguard our IP based on a combination of patents, copyrights, trademarks and other IP rights alongside confidentiality agreements with our employees and business partners. It is costly, time-consuming and difficult to maintain effective protection of patents, trademarks, copyrights and domain names. We cannot assure you that our IP rights will not be challenged, invalidated, circumvented or rendered unenforceable, or that meaningful protection or adequate remedies will be available to us. If we are unable to adequately protect our IP, we may lose these rights, our brand image may be harmed, and our competitive position and business may suffer.

Additionally, third parties may assert exclusive patent, copyright and other IP rights against us. We may also be subject to infringement or misappropriation claims by third parties in other aspects of our day-to-day operations. Any litigation arising from these claims could result in substantial costs to us and divert our resources. If we cannot protect ourselves against infringement on our IP rights, or defend the IP rights in these disputes, our business, financial condition and results of operations may be adversely affected.

Changes in regulatory requirements regarding data protection and information security or any data protection and security incidents may affect our business and results of operations.

We are subject to laws and regulations relating to the processing, transmission, security and transfer data in regions we operate in. Any improper handling of such data or any other data security threats or 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. In addition, regulatory requirements regarding data security and protection are constantly evolving, of which the interpretation and application are also evolving and subject to change that may affect us. If we cannot comply with the 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. See “Regulatory Overview — Regulations on Cybersecurity” for details.

Success of our business depends on our ability to attract and retain skilled employees and personnel.

Our success depends on the capability, expertise and continued services of our key personnel, including among others, key executives and R&D personnel. We rely on their expertise and experience in developing business strategies, R&D, business operation and maintaining relationships with key customers and suppliers. If we lose the services of any of our key personnel, we may not be able to find a suitable replacement with comparable knowledge and experience, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our success also depends on our ability to attract and retain talented personnel by offering sufficient training, attractive remuneration packages and other benefits. We cannot assure you that we will have the resources to fully achieve our staffing needs or that our costs and expenses will not increase significantly as a result of increased talent acquisition and retention cost. If we fail to attract

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and retain competent personnel and or there is any material increase in staffing costs to retain such personnel, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may be involved in legal proceedings and commercial or contractual disputes.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of our business in the future, which may expose us to additional risks and losses. In addition, we may have to pay legal costs associated with such disputes, including fees relating to appraisal, auction, execution and legal advisory services. Litigation and other disputes may lead to enquiries, investigations and proceedings by regulatory authorities and other governmental agencies and may result in damage to our reputation, additional operating costs and diversion of resources and management’s attention from our core business. Any of these events may materially and adversely affect our reputation, business, financial condition and results of operations.

We may not have adequate insurance coverage for losses and liabilities.

We maintain insurance policies required under the applicable laws and regulations, based on the assessment of our operational needs. During the Track Record Period, we maintained insurance coverage for our products, which may not be adequate. We face various operational risks in connection with our business, including among others, (i) operating limitations imposed by environmental or other regulatory requirements; (ii) social, political and labor unrest; (iii) environmental or industrial accidents; and (iv) natural disasters or other catastrophic events such as the outbreak of fires or explosions. These risks can result in, among others, damage to, and destruction of properties, personal injury or loss of life, environmental damage, monetary losses and legal liability. The occurrence of any of these events may result in the interruption of our operations and subject us to significant losses or liabilities. In the event that we incur substantial losses or liabilities and our insurance is unavailable or inadequate to cover such losses or liabilities, our business, financial condition and results of operations could be materially and adversely affected.

We may incur increased costs relating to ESG considerations, which may materially and adversely affect our financial performance.

We monitor a wide range of indicators such as energy consumption and water consumption to manage our environmental and climate-related risks arising from our operations. In 2023, 2024 and 2025, we recorded energy consumption of 494.99 MWh, 2,196.01 MWh and 9,687.46 MWh, respectively, which was primarily attributable to the commencement of operation of our computing server cluster in Jinchang in 2025, which required continuous power supply. In 2023, 2024 and 2025, we recorded water consumption of 5,189.56 tons, 7,286.50 tons and 19,182.00 tons, respectively, which was mainly due to expanded production scale of our computing server cluster used for primarily cooling the servers and daily operational needs. See “Business — Environmental, Social and Governance” for details.

Any increase in our energy consumption and water consumption may entail incurring additional costs which could impact our financial performance. In addition, the increasing ESG-related regulatory requirements may lead to rising compliance costs and cost of sales may rise. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in rising compliance costs, which may materially and adversely affect our results of operations and financial conditions.

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Non-compliance with anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws could adversely affect our operation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws and regulations, non-compliance with which could subject us to whistleblower complaints, adverse media coverage, investigations, and severe administrative, civil and criminal sanctions, collateral consequences, remedial measures and legal expenses. We have formulated internal policies and implemented measures with regards to the prevention and control, monitoring and response procedure as well as the establishment of risk prevention mechanism. However, our policies and procedures may not be sufficient. Any non-compliance with anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions laws may adversely affect our reputation, business, results of operations and financial condition.

Any occurrence of a natural disaster, widespread health epidemic or other outbreaks beyond our control could adversely affect our business.

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The outbreak of any severe epidemic disease, such as avian flu, H1N1 flu, SARS or, most recently, COVID-19, may impact our business operations, which could negatively affect our supply chain management, and our business, results of operations, financial condition and prospects.

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

We are subject to certain laws and regulations in the PRC and overseas jurisdictions in which we operate.

Our business operations are subject to the evolving laws and regulations in the PRC and overseas jurisdictions we operate in. Any changes to such laws and regulations or their interpretation or enforcement may expose us to risks of non-compliance and may require us to conform our operations for compliance. We cannot predict the nature of such future laws, regulations, interpretations or applications, nor can we predict their impact on our business.

In particular, PRC laws and regulations concerning energy storage solutions are developing and evolving, and new laws and regulations may be promulgated in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws or regulations relating to these relevant industries. If we fail to comply with any applicable laws and regulations on a timely basis, we may be subject to fines, injunctions, suspension of operations, penalties and other sanctions, which could materially and adversely affect our business, financial condition and results of operations.

Changes in the political and economic policies of the geographic markets we operate in may affect our business and render us unable to sustain our growth and expansion strategies.

We are headquartered in Shenzhen, and as of April 30, 2026, all of our manufacturing operations were conducted in, and a substantial majority of our revenue was generated from our operations in China. As of the Latest Practicable Date, we also maintained a network of overseas subsidiaries, and secured sales contracts or purchase orders from customers located in geographic markets across the Chinese Mainland, Hong Kong, the United States, Japan, Poland, Chile, Kenya and Burkina Faso. Accordingly, our business, financial condition and results of operations may be influenced by political, economic and social conditions in these markets. In some of these overseas markets, governments

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continue to play a significant role in regulating industry development by imposing industrial policies and exercising significant control over the economic growth and public order through price controls, currency devaluations, capital controls and limits on imports.

Economic growth in our geographic markets has been uneven, across regions and sectors. Any actual or perceived economic downturn, slower growth or economic uncertainty in these or other markets in which we operate could materially and adversely affect our business, financial condition and results of operations. These markets have experienced, and may continue to experience, political instability, including strikes, protests and civil unrest, which may increase costs and legal and business risks, disrupt operations or hinder expansion of our user base.

We may be subject to the risks associated with international trade policies, geopolitics and trade protection measures, including imposition of trade restrictions and sanctions, and our reputation, business, results of operations and financial condition could be adversely affected.

We generated all of our revenue from the domestic market in 2023 and 2024, and we began to expand business in overseas markets since 2024 and generated revenue from such markets for the first time in 2025. In 2025, we generated RMB8.8 million of revenue from the United States and Spain. In the four months ended April 30, 2026, we generated RMB124.9 million from Hungary and Poland. As of Latest Practicable Date, we had served more than 100 customers, delivering ESS solutions and products with a total capacity of more than 13 GWh. As of the same date, we had entered into sales contracts or purchase orders from customers in the Chinese Mainland, Hong Kong, the United States, Japan, Poland, Chile, Kenya and Burkina Faso.

The ESS products used in our integrated solutions sold overseas are primarily manufactured by us in the PRC and exported to the international markets, including the United States. This exposes us to various international trade risks, particularly as trade tensions between the PRC and other countries have intensified in recent years.

While the U.S. government has significantly increased tariffs on all trading partners since 2018, and more rapidly since 2025, the United States has generally targeted China with the highest tariffs. This has included imposing tariffs under Section 301 of the Trade Act of 1974 (“Section 301”), at rates currently up to 25% on most Chinese-origin goods (with certain products singled out for higher rates), and tariffs under the International Emergency Economic Powers Act of 1977 (“IEEPA”) that briefly resulted in cumulative tariff rates as high as 145% on most Chinese products. U.S. legal challenges, and ongoing bilateral negotiations between China and the United States, have resulted in the repeal of IEEPA tariffs. However, the U.S. government imposed additional temporary tariffs of 10% under Section 122 of the Trade Act of 1974, which have now expired, new permanent tariffs of up to 12.5% under Section 301, and promised additional tariffs, including additional Section 301 tariffs, on multiple countries, including China. New U.S. tariffs on China could also result in Chinese retaliatory trade measures, including tariffs on U.S. products and restrictions on Chinese exports to the United States.

As a result, the trajectory of Sino-U.S. policy remains highly uncertain. Any further escalation in tariffs, retaliatory countermeasures, or changes to trade agreements between the U.S. and China could materially impact our business. As of the Latest Practicable Date, the impact of increased U.S. tariffs and Chinese countermeasures on our business operations has been limited, and we have not experienced material disruptions to our revenue, customer demand, or supply chain as a result of currently applied tariff rates. However, ongoing uncertainty surrounding future U.S. trade policy toward China, including potential new tariffs, tariff escalations, or restrictions on Chinese-origin goods, could adversely affect our operations and financial performance.

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As we expand our operations internationally, changes to trade or investment policies, treaties or tariffs in any country where our products and solutions are sold could materially and adversely affect our international operations, financial condition and results of operations. If any of these countries impose trade sanctions, import restrictions or additional customs duties on our products, our business and operations may be materially and adversely affected.

In addition, our operations could be affected by potential deterioration in political and economic relations among countries resulting in new sanctions, export controls or other regulatory restrictions. As a PRC-based manufacturer of energy storage systems exporting to multiple jurisdictions globally, we face risks related to such as the U.S. export control regulations, including the Export Administration Regulations (“EAR”), and equivalent regimes in other countries. Changes to controlled technology classifications, end-use restrictions, or entity-list designations could restrict our ability to source components, access key technologies, or serve certain customers and markets.

We also operate and sell into jurisdictions subject to evolving sanctions regimes administered by the United States, the European Union and other authorities. Any expansion of sanctions targeting Chinese companies, sectors, or supply chains, or the designation of any of our business partners, customers, or suppliers on restricted-party list, could impact market access. In response to foreign sanctions and trade restrictions, the PRC government has enacted its own countermeasures, including anti-sanctions legislation and unreliable entity lists. Compliance with conflicting requirements across jurisdictions may increase our legal and operational costs, restrict our commercial flexibility, and create uncertainty in our international business relationships.

Our PRC-based manufacturing and cross-border supply chains for ESS products could also potentially expose us to risks arising from trade restrictions, logistics disruptions and regulatory changes in the countries through which our goods transit. Tariffs or trade restrictions imposed on raw materials, components, or intermediate goods sourced from or through China could increase our input costs and constrain supply. Additionally, changes in customs enforcement, rules of origin requirements or trade facilitation agreements in any of our operating markets could delay shipments, increase compliance costs, or require restructuring of our supply chain. If any of the foregoing occurs, our business, financial condition, results of operations or prospects could be materially and adversely affected.

Our transfer pricing arrangements may be subject to review by relevant tax authorities in the countries and regions in which we operate.

During the Track Record Period, our Group’s intra-group transactions, which involved subsidiaries in the Chinese Mainland and overseas, primarily consisted of buy-sell arrangements for tangible goods.

Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to review or challenge by the relevant tax authorities. We follow the fundamental principle that our intra-group transactions must be conducted on an arm’s length basis. However, we cannot assure that our intra-group transactions will not be scrutinized by the competent authorities going forward, or that the applicable regulations or guidelines will stay the same. If our transfer pricing arrangements are subsequently deemed not to align with arm’s length principles by the relevant authorities, we may need to revisit the transfer prices, re-allocate revenues or adjust our taxable income. Any such re-allocation or adjustment could lead to increased tax obligations for us and could negatively impact our business, operating results and financial position. Furthermore, we may encounter unfavorable tax outcomes, including the settlement of unpaid taxes, accrued interest or fines.

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Fluctuations in exchange rate may adversely affect our results of operation.

Our revenue and expenses are substantially denominated in RMB. However, as we also operated in overseas markets, we are exposed to risks associated with foreign currency exchange fluctuations.

Significant fluctuations in exchange rates between the RMB and other currencies may result in changes in operating income, impact gross profit levels, and lead to exchange gains or losses between the recognition of sales and the receipt of foreign currency. Appreciation of the RMB against foreign currencies may increase the prices of our ESS solutions and products in overseas markets, reducing competitiveness and potentially leading to decreased sales. Depreciation of the RMB may increase the costs of raw materials, parts and components sourced from overseas suppliers, adversely affecting our profit margins and financial results.

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

Our failure to fully comply with PRC labor-related laws may expose us to potential penalties and potential employee claims.

We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in the PRC. According to the Regulation on the Administration of Housing Provident Funds (《住房公積金管理條例》), a PRC enterprise is required to set up housing provident fund accounts and pay the housing provident fund in time and in full for its employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a PRC enterprise is required to complete social insurance registration for its employees and to pay the social insurance contributions in time and in full.

During the Track Record Period, we did not make full social insurance and housing provident fund contributions for our employees as required by relevant laws and regulations. Pursuant to the relevant PRC laws, if we fail to pay the full amount social insurance as required, we may be ordered by the relevant RRC authorities to pay the outstanding social insurance contributions within a prescribed time limit and may be subject to an overdue charge of 0.05% of the delayed payment per day. If such payment is not made within the stipulated period, the competent authority may further impose a fine from one to three times the amount of any overdue payment. Pursuant to the relevant PRC laws, if we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. The shortfall of our social insurance and housing provident fund contributions amounted to approximately RMB2.4 million, RMB4.3 million, RMB6.4 million and RMB2.8 million in 2023, 2024, 2025 and the four months ended April 30, 2026, respectively.

As of the Latest Practicable Date, we had not received any notice or been subject to any administrative penalties or other disciplinary actions from the relevant governmental authorities in relation to the above-mentioned arrangements as to our social insurance and housing provident funds contribution. However, we cannot assure you that the relevant authorities will not require us to pay the shortfall amount and impose late fees, fines, pecuniary penalties or other administrative actions on us.

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If the relevant PRC authorities determine that we shall make supplemental social insurance and housing fund contributions or that we are subject to fines, penalties, and compulsory execution in relation to our failure to make full social insurance and housing fund contributions for our employees, our business, financial condition and results of operations may be adversely affected.

In addition to the above, if we fail to comply with any other relevant labor laws and regulations in the PRC, we may be exposed to penalties or be required to compensate employees.

Defects in our leased properties could have a material adverse effect on our business.

As of the Latest Practicable Date, we had two lease agreements for properties in China with a total GFA of 28,041.96 sq.m. that had not been registered or filed with the relevant PRC government authorities. These leases were used for production and warehousing purposes. We requested the cooperation of our landlords to register the executed lease agreements. The registration process requires landlords to submit their personal documents, such as identity proof and property ownership certificates, to the relevant authorities. Therefore, the registration is subject to cooperation of landlords of which we have limited control. Failure to register the leases does not in itself invalidate the leases. However, the lessors and the lessees may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant authorities. Our PRC Legal Advisors are of the view that according to the PRC law, validity of lease contracts shall not be affected by its non-registration or filing; however, the relevant authorities may require us to complete the lease registrations within a specified time frame and may impose a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements for any delay in compliance. The aggregate amount of maximum penalty we may be subject to is estimated to be approximately RMB20,000. We cannot assure you that the lessors will cooperate and complete the registration in a timely manner or at all once we are required to do so, or that the relevant authorities will not impose any penalties on us for failure to register these lease agreements. If any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. We may also be exposed to risks of unexpected early lease termination at the request of the lessors or other reasons out of our control, and the relevant factories need to be temporarily closed if we are not able to identify suitable premises on acceptable terms to relocate in a timely manner.

Consequently, if any of the foregoing events occurs, our business, financial condition and results of operations may be materially and adversely affected.

We may be subject to the approval 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 in the future will not impose additional requirements or restrictions on us or our financing activities. If any approval from or filing with the CSRC or other regulatory authorities or other procedures are required in the future, 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 regulatory authorities for failure to seek CSRC approval or other authorization, or perform filing procedures, for this [REDACTED] or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC and our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [REDACTED] from the [REDACTED] into the PRC or take other actions to restrict our financing activities, which could adversely effect our business.

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It may be difficult to effect service of process upon us, our Directors or our executive officers that reside in China or to enforce against them or us in China any judgments obtained from non-PRC courts.

The legal framework to which our Company is subject is materially different from the Companies Ordinance or corporate law in the United States and other jurisdictions with respect to certain areas, including the protection of minority shareholders. The majority of our Directors and senior management reside in Chinese Mainland. Judgments rendered by Hong Kong courts may be recognized and enforced in Chinese Mainland if the requirements set forth by 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》) are met. Nonetheless, it may be difficult for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals in the event that you believe that your rights have been infringed under the applicable securities laws or otherwise. In addition, it may be difficult for you to bring an original action against us or our resident officers and directors in Chinese Mainland in a court of Chinese Mainland based on the liability provisions of non-Chinese Mainland securities laws. Even if you are successful in bringing an action of this kind, the laws of the regions where we operate may render you difficult to enforce a judgment against our assets or the assets of our Directors and officers.

Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong (the “**Takeovers Codes**”) upon the [REDACTED] of our Shares on the Stock Exchange, the holders of the Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Takeovers Codes do not have the force of law in Hong Kong.

We are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We believe that in the past we had acted in compliance with the requirements under the relevant PRC tax laws and regulations in all material aspects. However, we cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation. Furthermore, the PRC government from time to time adjusts or changes its tax laws and regulations. Such adjustments or changes, together with any uncertainty resulting therefrom, could have an adverse effect on our business, financial condition and results of operations.

Holders of H Shares may be subject to PRC taxation.

Under the applicable PRC tax laws, both the dividends we pay to non-PRC resident individual holders of H shares (“non-resident individual holders”), and gains realized through the sale or transfer by other means of H shares by such shareholders, are subject to both (i) PRC individual income tax at a rate of 20%, unless reduced by the applicable tax treaties or arrangements; and (ii) PRC enterprise income tax at a rate of 10%, unless reduced by applicable tax treaties or arrangements. Pursuant to the Arrangements between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) dated August 21, 2006, any non-resident enterprise registered in Hong Kong that holds directly at least 25% of the shares of our Company shall pay Enterprise Income Tax for the dividends declared and paid by us at a tax rate of 5%. Pursuant to the Circular on Questions Concerning Tax on the Profits Earned by Foreign Invested Enterprises, Foreign Enterprises and Individual Foreigners from the Transfer of Shares (Equity Interests) and on Dividend Income (《關於外商投資企業、外國企業和外籍個人取得股票(股權)轉讓收

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益和股息所得稅收問題的通知》) issued by the State Administration of Taxation, non-resident individual holders were temporarily exempted from PRC individual income tax for dividends or bonuses paid by issuers of H shares. Such circular was repealed by the Announcement on the List of Fully or Partially Invalid and Repealed Tax Regulatory Documents (《關於公佈全文失效廢止、部分條款失效廢止的稅收規範性文件目錄的公告》) dated January 4, 2011.

For non-resident individual holders, gains realized through the transfer of properties are normally subject to PRC individual income tax at a rate of 20%. However, according to the Circular of the Ministry of Finance and the State Administration of Taxation on Issues Concerning Individual Income Tax Policies (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》), income received by individual foreigners from dividends and bonuses of a foreign-invested enterprise are exempt from individual income tax for the time being. According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the SAT (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) effective as of March 30, 1998, income from individuals' transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. On February 3, 2013, the State Council approved and promulgated the Notice of Suggestions to Deepen the Reform of System of Income Distribution (《國務院轉批發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and the Ministry of Finance and the State Administration of Taxation should be responsible for making and implementing details of such plan. However, there is no assurance as to whether further implemented laws, regulations, or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the income tax is imposed on gains realized from transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your [REDACTED] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

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We may receive dividends and other distributions on equity paid by our subsidiaries to fund a portion of our cash and financing requirements. Limitations on the ability of our subsidiaries to pay dividends to us could adversely effect on our ability to conduct business.

Our Company may receive dividends and other distributions on equity paid by our subsidiaries to fund a portion of its cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our Shareholders, to service any debt we may incur and to pay our operating expenses. We may also increase the number of our subsidiaries in the future. If any of our PRC subsidiaries incurs debt on its own in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Furthermore, relevant PRC laws and regulations permit payments of dividends by the subsidiary only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC laws and regulations, each of our subsidiaries in China is required to set aside at least 10% of its after-tax profits based on PRC accounting standards each year to fund a statutory reserve, until the accumulated amount of such reserve has exceeded 50% of its registered capital. These reserves are not distributable as cash dividends. As a result of these PRC laws and regulations, each of our subsidiaries is restricted in its ability to transfer its net profit to us in the form of dividends. Limitations on the ability of our subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions, pay dividends or otherwise fund and conduct our business.

RISKS RELATING TO THE [REDACTED]

An active [REDACTED] market for our H Shares may not develop and the liquidity, [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile.

Prior to the [REDACTED], there was no [REDACTED] for our H Shares. We cannot assure you that a [REDACTED] for our H Shares with adequate liquidity will develop and be sustained following the completion of [REDACTED]. In addition, the [REDACTED] of our H Shares may not be indicative of the [REDACTED] of our H Shares following the completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our H Shares could be materially and adversely affected.

The [REDACTED] at which our H Shares will trade after the [REDACTED] will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including: (i) our financial results; (ii) changes in securities analysts' estimates, if any, of our financial performance; (iii) the history of, and the prospects for, us and the industry in which we compete; (iv) an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures such as the views of independent research analysts, if any; (v) the present state of our development; (vi) the valuation of publicly traded companies that are engaged in business activities similar to ours; (vii) changes in laws and regulations in the PRC; (viii) our inability to compete effectively in the market; and (ix) political, economic, financial and social developments in China and abroad.

In addition, the Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the [REDACTED] for the securities of companies quoted on the Stock Exchange. As a result, [REDACTED] in our H Shares may experience volatility in the [REDACTED] of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects. Furthermore, if additional funds are raised through our issuance of new equity or equity-linked securities other than on a pro-rata basis to existing Shareholders, the percentage ownership for such Shareholders may be reduced. Such new securities may also confer rights and privileges that take priority over those conferred by the H Shares.

RISK FACTORS

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

Subject to the approval of the State Council securities regulatory authority, all of our Domestic Unlisted Shares may be converted into H Shares, and such converted Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange. Any [REDACTED] or [REDACTED] of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchange. However, the PRC Company Law provides that in relation to the [REDACTED] of a company, the shares of that company which are issued prior to the [REDACTED] shall not be transferred within one year from the date of the [REDACTED]. Therefore, upon obtaining the requisite approval, our Domestic Unlisted Shares may be [REDACTED], after the conversion, in the form of H Shares on the Stock Exchange after one year of the [REDACTED], which could further increase the supply of our H Shares in the market and could negatively impact the [REDACTED] of our H Shares.

Because initial [REDACTED] per H Share is higher than net tangible book value per H Share, purchasers of our H Shares in the [REDACTED] will experience immediate dilution.

The [REDACTED] of our [REDACTED] is higher than the net tangible book value per Share immediately prior to the [REDACTED]. Therefore, purchasers of our [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] adjusted consolidated net tangible asset value of HK\$[REDACTED] per Share (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of our [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]) and existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible asset value per share of their shares. If we issue additional H Shares in the future, purchasers of our [REDACTED] may experience further dilution. Moreover, we may in the future consider seeking a [REDACTED] of our Shares in jurisdictions other than Hong Kong, which would similarly dilute the holdings of our H Share [REDACTED].

Future grants of equity awards will dilute the ownership of existing shareholders.

We expect to grant equity-based awards, such as stock options, to attract and retain employees, directors and senior management. The exercise of options or vesting of these awards will result in the issuance of additional shares. This issuance will dilute the ownership interest of existing shareholders and may cause the [REDACTED] of our shares to decline.

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

The [REDACTED] of our H Shares could decline as a result of future [REDACTED] of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial number of our securities, including any future [REDACTED], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

RISK FACTORS

We cannot assure you that the H Shares will remain [REDACTED] on the Stock Exchange.

Although it is currently intended that the H Shares will remain [REDACTED] on the Stock Exchange, there is no guarantee of the continued [REDACTED] of the H Shares. Among other factors, our Company may not continue to satisfy the [REDACTED] requirements of the Stock Exchange. Holders of H Shares would not be able to [REDACTED] H Shares through [REDACTED] on the Stock Exchange if the H Shares were no longer [REDACTED] on the Stock Exchange.

The interest of our Controlling Shareholders may differ from your interests and they may exercise their vote to the disadvantage of our minority Shareholders.

Immediately after the completion of the [REDACTED] (assuming the [REDACTED] or any option that may be granted under the Pre-[REDACTED] Share Option Incentive Scheme is not exercised), our Controlling Shareholders will own [REDACTED]% of the total issued share capital of our Company. As such, our Controlling Shareholders will have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of Directors and other significant corporate actions. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a [REDACTED] for their H Shares in a sale of our Company or may reduce the [REDACTED] of our H Shares. These actions may be taken even if they are opposed by our other Shareholders, including those who purchased H Shares in the [REDACTED]. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders.

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

While dividends may be paid out of distributable profits under our Articles of Association, no dividends were distributed during the Track Record Period. See “Financial Information — Dividends” for details. Any future dividend declaration and distribution by our Company will be at the discretion of our Directors and depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of dividends will also be subject to our Articles of Association and the PRC laws, including any required approvals from our Shareholders and our Directors. Future determination of dividends will also depend on various factors, including but not limited to our results of operations, cash flows and financial condition, capital adequacy ratio, operation and capital expenditure requirement and other factors that our Board consider relevant. We cannot assure you that the factors we take into consideration will not change in the future.

Waivers [have been granted] from compliance with certain requirements of the Listing Rules by the Stock Exchange. These waivers could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.

We have applied for[, and the Stock Exchange has granted to us], a number of waivers from strict compliance with the Listing Rules. See “Waivers from Strict Compliance with the Listing Rules” for details. There is no assurance that the Stock Exchange will not revoke any of these waivers granted or impose certain conditions on any of these waivers. If any of these waivers were to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations, incur additional compliance costs and face uncertainties arising from issues of multijurisdictional compliance, all of which could adversely affect us and our Shareholders.

RISK FACTORS

We cannot guarantee the accuracy of facts and other statistics with respect to certain information obtained from official government sources.

Certain facts and statistics in this document, including but not limited to information and statistics relating to the global ESS solutions industry, and the global full-lifecycle solution for energy storage assets industry are derived from various official government sources, which our Directors believe to be reliable. We cannot, however, guarantee the quality or reliability of such facts and statistics. We have taken reasonable care to ensure that the facts and statistics presented are accurately extracted and reproduced from such official government sources. However, they have not been independently verified by us, the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy. We therefore make no representation as to the accuracy of such facts and statistics which may not be consistent with other information compiled by other sources and prospective investors should not place undue reliance on any facts and statistics derived from official government sources contained in this document.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us or the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED].

Prior to the publication of this Document, there has been press and media coverage regarding us, our business, our industry and the [REDACTED]. There may be additional press and media coverage regarding us, our business, our industry and the [REDACTED] subsequent to the date of this Document but prior to the completion of the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this Document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media coverage and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this Document, we disclaim responsibility for it, and you should not rely on such information.