An **[REDACTED]** *in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the market price of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**. *These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section titled "Forward-Looking Statements" of this document.*

RISKS RELATING TO OUR INTELLIGENT ELECTRICAL PRODUCT BUSINESS

Any defects in, or failure of, our intelligent electrical products could result in product liability claims, warranty costs, recalls and reputational damage, and could materially and adversely affect our business.

Our intelligent electrical products include, among others, terminal electrical products, power distribution electrical products, control electrical products, instruments and meters, and building electrical products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from our intelligent electrical products was RMB20,138.5 million, RMB20,921.8 million, RMB21,918.7 million, RMB11,725.0 million and RMB12,146.8 million, respectively, representing 35.2%, 32.4%, 37.0%, 39.6% and 31.9% of our total revenue in the same periods, respectively. Our products may not always perform as expected and may contain latent defects due to, among others, manufacturing flaws, design defects, component failures, process deviations, or inadequate disclosure of product-related risks or information. If the use of our products results in unsafe conditions, property damage or personal injury, we could be subject to product liability claims, warranty claims, after-sales liabilities and regulatory actions. We could be named as a defendant in such claims and any insurance that we carry may not be sufficient or may not apply to all situations. In addition, our customers and other parties could bring claims against us to hold us accountable for their losses. If our products fail to perform as expected, or if such failure results in a product recall, replacement campaign or other corrective action, our reputation may be damaged, which could make it more difficult for us to sell our products to existing and prospective customers, and could materially and adversely affect our business, results of operations, financial condition and prospects.

If we fail to maintain an effective quality management system across our manufacturing and delivery processes, our business, reputation, financial condition and results of operations may be adversely affected.

Product quality and reliability are critical to our competitiveness and brand reputation. Although we have established a quality management framework and maintain certain management system certifications, including ISO 9001:2015 quality management system certification, ISO 10012:2003 measurement management system certification, QC 080000:2017 hazardous substance process management system certification and ISO 22163:2023 railway applications quality management system certification, such systems may not always identify latent defects or prevent quality incidents. Our laboratory center has also obtained various certifications and recognitions from authoritative institutions, supporting our product qualification and international market access. The effectiveness of our quality management system nevertheless depends on a number of factors, including the design of the system, the machinery and tools used, the quality of our personnel and training programs, our ability to ensure adherence to internal procedures and working standards across manufacturing sites, and our ability to monitor and manage quality risks in outsourced or third-party-performed processes.

In particular, quality risks may increase when production volumes fluctuate, when product specifications change, when new products are introduced, when new equipment or processes are implemented, or when additional materials or components are sourced to meet demand. Bottlenecks, accelerated wear and tear on equipment, process changes and supplier variability may increase the risk of defects or non-compliance with standards. Any significant failure in, or deterioration of the efficacy of, our quality management system could result in customer claims, product returns, recalls, increased warranty provisions, loss of certifications or qualifications, regulatory penalties, reputational damage and loss of customer confidence, any of which could materially and adversely affect our business, financial condition and results of operations.

We are subject to evolving technical standards and certification requirements, and any failure to obtain, maintain or renew required certifications or to meet such standards could restrict our sales and increase our costs.

Our products are required to comply with applicable national, industry and customer-specific technical standards, safety requirements and, in certain cases, certification regimes and inspection requirements. These standards and requirements may evolve over time and may become more stringent. If new standards, certification requirements or compliance obligations are implemented, or if existing standards are interpreted or enforced more strictly, we may be required to incur significant time and expense to redesign products, change materials and components, adjust manufacturing processes, enhance testing and validation, and complete additional certification, registration or renewal procedures. There can be no assurance that we will be able to obtain, maintain or renew all required certifications or approvals in a timely manner, or at all, or that such certifications will not be suspended, cancelled or revoked as a result of quality incidents or failure to satisfy follow-up inspection requirements. Any inability to meet applicable standards or certification requirements, or any significant delay in compliance, could restrict our ability to sell products in certain markets or to certain customer groups, trigger contractual liabilities, and materially and adversely affect our business, results of operations, financial condition and prospects.

Our sales of intelligent electrical products rely on a broad distribution network and selected key account customers, and failure to maintain an effective distributorship system, or failure to maintain stable relationships with key account customers, could materially and adversely affect our business.

We primarily reach downstream customers in our intelligent electrical product business through a broad distribution network. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had 516, 566, 557 and 543 distributors for our intelligent electrical product business, respectively. Certain distributors may engage sub-distributors in the ordinary course of business, and we generally do not enter into direct agreements with or directly manage or control sub-distributors; however, under our distributorship arrangements, our distributors are generally responsible for supervising the conduct of their directly transacting sub-distributors and ensuring compliance with our channel management requirements. Although we may have certain visibility over sub-distributor activities through our distributor ordering and transaction system, TaiLeGou (泰樂購), and through our sales team's routine market visits, our ability to direct and monitor the day-to-day conduct and performance of distributors and sub-distributors remains limited. Our distributorship arrangements are generally non-exclusive, distributors typically determine resale prices and manage their own inventory, and we may grant credit limits to certain distributors. We may also provide sales rebates and incentives and, in limited circumstances, special pricing support, each of which may give rise to operational complexity, credit exposure and dispute risks. We generally do not impose minimum purchase requirements on our distributors.

If we fail to maintain a stable and effective distributorship system, due to factors such as unsatisfactory distributor performance, inadequate customer services, weakened relationships, distributor consolidation, competitive pressure, or changes in the external environment, our sales coverage, customer satisfaction, after-sales response capability and brand perception could be adversely affected. Misconduct, non-compliance or improper marketing practices by distributors or sub-distributors could also expose us to reputational harm, regulatory scrutiny, contractual disputes and potential liabilities. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and prospects.

In addition, a portion of our intelligent electrical product sales is made through direct sales to selected key account customers, including certain leading customers in the power and telecommunications industries and other sizeable manufacturing and infrastructure customers. We may not be able to maintain stable relationships with such key accounts or to secure repeat orders on acceptable terms.

We are susceptible to supply shortages, longer lead times and increased costs of raw materials and components, any of which could disrupt our manufacturing and compress our margins.

Our manufacturing operations depend on obtaining adequate supplies of quality raw materials and components on a timely basis. Key inputs for our intelligent electrical products include, among others, copper, silver, steel and plastics, and we may also require certain electronic parts, functional modules and other components depending on product category. The supply and price of these materials and components are influenced by market supply and demand, commodity price fluctuations, logistics conditions, inflation, and changes in government policies and regulatory requirements. Any unexpected shortage, delay in delivery or price fluctuations of raw materials, parts and components may interrupt supply and disrupt our manufacturing schedule. In such circumstances, we may need to source from alternative suppliers on less favorable terms, which could affect product quality and stability as well as our profitability. To the extent we are dependent on a limited number of suppliers for certain materials or components, or where certain components are customized for specific products, our ability to procure alternatives may be constrained.

Our ability to pass on increases in input costs to customers may be limited by competitive pressure, contractual pricing arrangements and market dynamics. If we become subject to significant increases in the cost of raw materials or components that cannot be passed through in a timely manner, our gross margins and profitability may be adversely affected. In addition, disruptions in logistics services (including those provided by third-party logistics service providers) may result in delayed deliveries, inventory imbalances, increased freight costs and contractual disputes, any of which could materially and adversely affect our business, results of operations and financial condition.

If we fail to keep up with the evolution of technologies or adapt our products to emerging industry standards, or if our research and development investments prove unsuccessful or ineffective, our competitive position and business performance may be materially and adversely affected.

Our intelligent electrical products increasingly incorporate digital sensing and measurement, embedded protection and control functions and communication capabilities, enabling monitoring, diagnosis and system-level integration. Our competitive position therefore depends on our ability to keep pace with technology developments, evolving customer requirements and changes in applicable standards. We have established a robust, interdisciplinary technology foundation for our intelligent electrical products, including advanced protection and arc-extinguishing technologies, high-precision electromechanical actuation and automation control technologies, embedded sensing, metering and edge intelligence technologies, and system-level integration and digital connectivity technologies. We have invested, and expect to continue to invest, in research and development, testing and validation capabilities and cooperation with academic and industry partners. However, research and development activities are inherently uncertain. There can be no assurance that our research and development projects will yield the expected outcome or be completed within the anticipated time frame and budget. If we fail to commercialize our research and development efforts, we may incur significant sunk costs. Even where newly developed products are launched, there can be no assurance that they will be accepted by customers or achieve anticipated sales and profit targets. If we fail to keep up with technology change or to adapt our products to emerging standards, our products may become less competitive or obsolete, which could lead to loss of market share, pricing pressure and reduced profitability, and could materially and adversely affect our business, financial condition and results of operations.

Our information technology systems and the smart functionalities embedded in our products may be subject to failures, security breaches or cyberattacks, which could disrupt operations, lead to liabilities and harm our reputation.

We rely on information technology systems and networks to support business operations, including communications, data processing, inventory management and supply chain coordination. In addition, our intelligent electrical products and solutions may incorporate digital, smart or data-enabled functionalities. Our products increasingly incorporate digital sensing and measurement, embedded protection and control functions and communication capabilities, and certain of our green energy solution services rely on our self-developed remote monitoring platform and related digitalized tools.

Our systems and integrated software may be vulnerable to security breaches, computer viruses, hacking, unauthorized access attempts, phishing, user errors, system failures, power outages, telecommunications failures and catastrophic events. Any such incident could compromise system integrity, disrupt operations, cause loss of data, and require significant remediation costs and management attention. In the ordinary course of our business, including in connection with products, services or platforms incorporating digital, smart or data-enabled functionalities and our sales, distribution and after-sales service arrangements, we may collect, store and process certain user, customer, distributor and other business counterparty information, including limited business contact, delivery and service-related information, and a breach could result in contractual liabilities, regulatory scrutiny, competitive harm and reputational damage. Further, reports (whether accurate or not) of vulnerabilities in smart or connected functionalities of our products and systems could negatively affect customer confidence and demand. Any failure to prevent, detect or respond to cybersecurity incidents in a timely manner could materially and adversely affect our business, financial condition and results of operations.

We may not be able to adequately protect or enforce our intellectual property rights, or prevent unauthorized parties from copying or reverse engineering our products, and we may also face claims of infringement by third parties.

Our success depends in part on our ability to protect our technology, product designs, brands and proprietary processes through patents, trademarks, know-how and trade secrets, software and technical documentation and contractual arrangements. We may not be able to prevent third parties from infringing upon our intellectual property rights or from copying or reverse engineering our products. The confidentiality procedures and contractual restrictions we adopt may not be sufficient or effective.

Protecting against unauthorized use of intellectual property is expensive and difficult, particularly across multiple jurisdictions. Litigation, arbitration or administrative proceedings may be necessary to enforce or defend our rights or to determine the validity and scope of our proprietary rights. Such proceedings can be costly and time-consuming, divert management resources and may result in injunctive relief, damages, licensing fees, redesign requirements or reputational harm. In addition, we may be subject to claims that our products, technologies or processes infringe third-party intellectual property rights. The defense and prosecution of such claims involve complex factual and legal issues, and an adverse determination could subject us to liability, require us to seek licenses, pay royalties, redesign products or cease sales of certain products, any of which could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR GREEN ENERGY SOLUTION BUSINESS

Changes in new energy policies, grid rules, tariffs or other regulatory requirements could reduce demand for our green energy solutions and adversely affect our business.

Our green energy solutions primarily include PV station solutions, EPC services, operations and maintenance services, and sales of inverters and energy storage systems. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from our green energy solutions was RMB36,604.0 million, RMB42,992.9 million, RMB36,296.1 million, RMB17,491.6 million and RMB25,485.4 million,

respectively, representing 63.9%, 66.6%, 61.3%, 59.0% and 67.0% of our total revenue. Within this segment, PV station solutions contributed RMB24,760.7 million, RMB24,816.5 million, RMB18,309.1 million, RMB9,550.4 million and RMB17,691.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 67.6%, 57.7%, 50.4%, 54.6% and 69.4% of green energy solutions revenue, while EPC services generated RMB2,537.6 million, RMB6,021.0 million, RMB1,722.2 million, RMB153.8 million and RMB219.3 million and operations and maintenance services generated RMB6,022.8 million, RMB7,880.6 million, RMB11,057.6 million, RMB5,577.5 million and RMB5,261.0 million over the same period. The demand, pricing and investment economics of photovoltaic and energy storage projects are influenced by regulatory frameworks and government policies, including policies relating to distributed photovoltaic development, grid connection and dispatch, power purchase arrangements, tariff mechanisms, subsidies or incentives, and technical and safety standards. In connection with our PV station solutions (including residential PV stations developed and transferred to third-party investors), we are responsible for securing grid connection agreements with local grid companies for systems to be connected to the grid and generate electricity. If grid connection policies, technical requirements or dispatch arrangements change adversely, or if implementation and enforcement vary across regions, the realized or expected electricity generation and project returns could be adversely affected. Such adverse changes could reduce third-party investors' appetite to acquire PV station assets, constrain pricing and transaction volume, and increase our compliance costs. Any reduction, discontinuation or unfavorable alteration of policies, incentives or regulatory arrangements applicable to the new energy industry could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our PV station solutions require significant initial capital outlays and depend on timely monetization and transfer of PV station assets; failure to execute this model could materially and adversely affect our liquidity and results of operations.

Sales of residential PV stations to third-party investors accounted for substantially all of our PV station solutions business during the Track Record Period. Under our develop-to-hold-to-transfer model, we act as a platform to develop and construct residential PV stations, and subsequently transfer portfolios of PV station assets (or, in certain cases, equity interests in project companies) to third-party investors, including large state-owned energy companies and financial institutions. Depending on customer preference and transaction arrangements, we delivered residential PV stations through both order-based asset delivery and inventory-based delivery.

This model is inherently capital intensive. It requires substantial upfront expenditures for equipment and construction prior to monetization. Depending on the transaction structure, we may first develop and construct a portfolio of residential PV stations in advance and transfer either the relevant PV station assets or, where the power stations are developed and held through our project companies, the equity interests in the relevant project company after the customer completes due diligence, valuation and audit procedures. Even under the order-based asset delivery model, we remain responsible for development, construction, grid-connection and delivery in accordance with the agreed timetable before full monetization occurs. Accordingly, we may need to rely on internal resources and external financing, including bank borrowings and other credit facilities, to fund development and construction activities, and there can be no assurance that such financing will be available on commercially reasonable terms, or at all.

Our ability to monetize PV station assets is subject to factors beyond our control, including third-party investors' internal due diligence, valuation and audit procedures, the availability and cost of capital, regulatory changes, market competition, and investor risk appetite. Our third-party investor customers primarily include large state-owned energy companies and financial institutions, and their internal approval processes and transaction preferences can materially affect the timing and terms of asset transfers. If we

fail to transfer PV station portfolios in a timely manner, or if transaction consideration is delayed, defaulted on, disputed or reduced, we may experience liquidity pressure, increased financing costs, inventory and impairment risks in relation to unsold PV stations, and reduced profitability. Any of these factors could materially and adversely affect our business, financial condition and results of operations.

We rely on service suppliers and other third parties for rooftop sourcing and the construction and installation of residential PV systems, and their non-performance or misconduct could materially and adversely affect our business.

In the development and construction phase of our residential PV station solutions, we enter into service agreements with service suppliers who are responsible for rooftop sourcing and the construction and installation of residential photovoltaic systems, while we supply the necessary photovoltaic materials and coordinate the overall platform execution. As a result, our ability to deliver PV station assets on time and in accordance with required technical, safety and quality standards depends on the performance, compliance and operational capability of our service suppliers and other third parties engaged in development and installation. There can be no assurance that our service suppliers will always perform satisfactorily, comply with applicable laws and regulations and our standards, or maintain sufficient resources and qualified personnel. If service suppliers fail to deliver installations on schedule, perform defective work, fail to comply with technical standards or safety requirements, engage in improper contracting practices with homeowners, or otherwise breach their obligations, we may be required to bear additional costs for rectification, replacement, rework or dispute resolution. We may also be exposed to claims from homeowners, investors, project owners, regulators or other third parties, and our reputation and ability to win new business may be harmed. In addition, service supplier turnover, consolidation, competitive pressure, and changes in market conditions may impair our ability to secure sufficient rooftop resources and maintain installation capacity, which could materially and adversely affect our business, results of operations and prospects.

We rely on grid companies to provide grid connection, electricity transmission and dispatch services for PV stations, and any curtailment, grid constraints or payment delays could adversely affect our operations-and-maintenance-related revenue and cash flows.

Under our cooperative co-build arrangements, we invest in and hold residential PV stations and assume full lifecycle management responsibilities. After an individual homeowner enters into a cooperation agreement with us and provides rooftop resources, we provide the turnkey PV station materials and organize the survey, design, installation and grid-connection of the PV station. Upon completion and grid connection, the grid company purchases the on-grid electricity generated by the PV station, and we share the operating proceeds with the homeowner, typically through revenue sharing arrangements or, in certain cases, by paying rooftop rent. Accordingly, our cash flows under this model, together with the electricity revenue generated by completed but unsold residential PV stations prior to transfer, depend on the ability and willingness of grid companies to connect, purchase, transmit and dispatch electricity, and to settle payments in accordance with applicable tariffs and settlement practices.

PV stations, like most power generation facilities, are unable to store electricity and must transmit electricity once generated. We may be forced to shut down or reduce electricity generation if we are unable to transmit electricity due to grid congestion, curtailment, transmission limitations, unplanned outages, accidents or severe weather conditions. In addition, changes in grid dispatch priority policies, utilization hour protections or other regulatory arrangements could reduce electricity offtake and revenue. If grid companies fail to perform their obligations (including timely settlement), or if there are prolonged delays in settlement (including delays associated with subsidy or tariff adjustment mechanisms, where applicable), our liquidity, profitability and ability to fund operations and growth could be materially and adversely affected.

Tender prices and project schedules under our EPC business may not reflect actual costs and risks, and we may incur cost overruns, delays, liquidated damages or losses on EPC projects.

We provide EPC services for PV station projects to third-party investors and/or project owners, and we may undertake multiple stages of a project including preliminary project assessment and engineering design, equipment selection and procurement, on-site construction and installation management, testing, commissioning and assistance with grid-connection and acceptance procedures, and handover and warranty support. In 2023, 2024, 2025, and the six months ended June 30, 2025 and 2026 EPC services generated RMB2,537.6 million, RMB6,021.0 million, RMB1,722.2 million, RMB153.8 million and RMB219.3 million of revenue, respectively, representing 6.9%, 14.0%, 4.7%, 0.9% and 0.9% of our green energy solutions revenue over the same period. Our EPC contracts are typically delivered on a project-by-project basis, and we coordinate with third-party contractors, suppliers and other partners, as appropriate, to meet project schedules, quality standards and safety requirements.

EPC contracts are often priced based on our estimates of project costs and risks at the time of tender or proposal. Such contracts generally adopt milestone-based payment arrangements and may include retention money (or payments upon expiry of the defect liability period), and depending on the contract structure we may also be required to provide bid bonds, performance bonds and/or advance payment guarantees. If we fail to accurately estimate the overall risks or costs of contracts, or the time needed to complete projects, we may experience cost overruns, schedule delays, additional expenses, lower profitability, or losses, and may encounter events giving rise to contract disputes. Delays may arise from factors beyond our control, including design changes, equipment delivery delays, subcontractor performance, adverse weather, permitting delays, grid-connection acceptance procedures, and customer-side delays. If we fail to meet contractual milestones, we may be required to pay liquidated damages, incur additional costs, or suffer reputational harm that impairs our ability to win future projects. In addition, the lag in collecting retention amounts may adversely affect our cash flows and working capital position. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

We rely on subcontractors and suppliers for EPC project execution, and non-performance, late performance or defective work by subcontractors could expose us to liabilities and losses.

In line with market practice, we may engage subcontractors to perform certain portions of construction and installation works in connection with our EPC projects, while we remain responsible for overall project management, quality control, progress control and coordination. Our subcontractors are generally independent third parties. We generally select subcontractors through tendering and/or competitive selection processes, taking into account, among others, their qualifications and licensing status, track record and past performance, personnel and technical capability, financial strength, safety and compliance record and proposed subcontract fees. Our subcontracting agreements typically reflect and are aligned with the relevant main contract and project specifications. As a result, while subcontracting may support project execution, it also exposes us to risks arising from third-party performance and compliance.

In addition, our EPC business depends on the availability and timely procurement of equipment and materials (including photovoltaic modules, inverters, energy storage systems and balance-of-system items) at acceptable prices and in satisfactory quality. Supply shortages, delivery delays and price volatility could impair our ability to execute projects and compress margins. Any of the foregoing could materially and adversely affect our results of operations, financial condition and prospects.

Our operations and maintenance services depend on PV station performance and our ability to deliver timely and effective operations and maintenance through platforms and agents; failure could reduce revenue and result in disputes and reputational harm.

Our operations and maintenance services revenue is primarily derived from (1) our share of electricity revenue from residential PV stations under our cooperative co-build arrangements and (2) maintenance service fees for customer-owned residential PV stations. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, operations and maintenance services generated RMB6,022.8 million, RMB7,880.6 million, RMB11,057.6 million, RMB5,577.5 million and RMB5,261.0 million, respectively, representing 16.5%, 18.3%, 30.5%, 31.9% and 20.6% of our green energy solutions revenue. For maintenance services, we provide support through a combination of our self-developed remote monitoring platform and an agent network that conducts on-site inspections, fault diagnosis and rectification. There can be no assurance that our remote monitoring platform will always function as intended, that faults will be detected timely, or that agents will respond promptly and perform services in accordance with our standards.

In addition, the electricity revenue component of our operations and maintenance services depends on the actual operating performance of the relevant PV stations, including residential PV stations under our cooperative co-build arrangements and completed but unsold residential PV stations that generate on-grid electricity prior to transfer. Power generation may be affected by solar irradiation, weather conditions, equipment degradation or failure, grid connection, dispatch and curtailment arrangements, tariff settlement and other factors beyond our control. If PV stations under our management generate less electricity than expected, if faults are not identified or rectified in a timely manner, or if our agents fail to provide maintenance services in accordance with our standards, we may experience reduced electricity revenue, lower maintenance service fees, customer claims, contractual disputes and reputational harm, which could materially and adversely affect our business, financial condition and results of operations.

Any defects, safety incidents or warranty issues relating to inverters and energy storage systems could result in significant liabilities, recalls, reputational harm and loss of sales.

We sell photovoltaic inverters and energy storage systems, which are safety-critical products used in power generation and energy management scenarios. These products incorporate complex power electronics, control systems and, in the case of energy storage systems, battery packs and thermal management systems. Even if designed with safety features, such products may on rare occasions experience failures, malfunctions or thermal events that could result in property damage, personal injury, fire or other hazards. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of inverters and energy storage systems was RMB1,252.8 million, RMB1,646.3 million, RMB2,390.1 million, RMB917.4 million and RMB1,013.7 million, respectively. If our inverters or energy storage systems fail to meet performance standards, contain defects, or are alleged to have caused accidents or project losses, we may be subject to warranty claims, product liability claims, recalls or replacement obligations. A product recall or major safety incident, whether voluntary or involuntary, could involve significant expense and adversely affect our brand image, customer relationships and future sales. In addition, compliance with evolving technical standards and safety requirements may require redesign, re-testing and certification efforts, and any failure to satisfy such requirements could restrict sales. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Our PV station solutions and EPC business require site access, acceptance and grid-connection procedures, and any failure to secure or maintain rooftop resources, permits or acceptance could adversely affect our business.

Our residential PV station solutions depend on our ability to secure rooftop resources from homeowners, to complete installation and acceptance procedures, and to obtain grid connection agreements and complete grid-connection and acceptance processes. In our cooperative co-build arrangements, homeowners typically provide rooftop resources while we invest in and hold the relevant PV stations. In our sales of residential PV stations to third-party investors, service suppliers are typically responsible for rooftop sourcing. There can be no assurance that rooftop resources will remain available, that homeowners will continue to cooperate throughout project development and operation periods, or that acceptance and grid-connection procedures will be completed on the timetable we expect. If we are unable to secure or maintain rooftop resources, complete acceptance procedures, or obtain grid connection on a timely basis, we may experience project delays, increased costs, reduced investor demand for asset transfers, contractual disputes and reduced profitability, any of which could materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO OUR GENERAL OPERATIONS AND INDUSTRY

Our results of operations are sensitive to macroeconomic conditions and downstream investment cycles, and any downturn could materially and adversely affect our business.

Demand for our intelligent electrical products and green energy solutions is influenced by economic, political and social conditions and downstream investment cycles. Our green energy solutions generated RMB36,604.0 million, RMB42,992.9 million, RMB36,296.1 million, RMB17,491.6 million and RMB25,485.4 million of revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 63.9%, 66.6%, 61.3%, 59.0% and 67.0% of our total revenue, while our intelligent electrical products generated RMB20,138.5 million, RMB20,921.8 million, RMB21,918.7 million, RMB11,725.0 million and RMB12,146.8 million over the same period, representing 35.2%, 32.4%, 37.0%, 39.6% and 31.9% of our total revenue. Our intelligent electrical products are used across a range of sectors and applications, including power grids, industrial manufacturing, construction engineering, data centers and residential applications. Our green energy solutions are influenced by the pace of new energy investment and the availability and cost of capital for project development and asset acquisitions. Economic downturns, whether actual or perceived, may reduce industrial output, construction activity and infrastructure investment, and may cause customers and investors to postpone, reduce or cancel procurement, project development, asset acquisition or equipment upgrades. Reduced customer confidence, tighter credit and higher capital costs may also lengthen sales cycles and increase receivables risks. Any of these factors could materially and adversely affect our revenue, gross margin, cash flows, financial condition and prospects.

The industries in which we operate are competitive and subject to pricing pressure; failure to compete effectively could materially and adversely affect our market position and profitability.

We operate in markets where competition can be intense, including competition on product performance, safety and reliability, technical capabilities, product portfolio breadth, delivery responsiveness, after-sales services, and pricing and payment terms. In our intelligent electrical product business, terminal electrical products and power distribution electrical products together contributed 59.4%, 60.1%, 60.0%, 61.2% and 60.3% of intelligent electrical product revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, and competition in these categories may materially affect our overall segment performance. In our green energy solution business, PV station solutions remained the largest revenue contributor, generating RMB24,760.7 million, RMB24,816.5 million, RMB18,309.1 million, RMB9,550.4 million and RMB17,691.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, while EPC services generated RMB2,537.6

million, RMB6,021.0 million, RMB1,722.2 million, RMB153.8 million and RMB219.3 million over the same period. Competition may therefore intensify among PV station solution providers, EPC contractors, operations and maintenance providers, and inverter and energy storage manufacturers, which could result in lower margins and higher customer acquisition costs.

Intense competition may require us to make additional investments in research and development, manufacturing capacity, channel support, quality management and marketing, and there can be no assurance that such investments will be successful or that we will maintain our market position. If we fail to compete successfully, our sales volumes, pricing, profitability and results of operations may be materially and adversely affected.

Our historical results may not be indicative of our future performance and our results of operations, and we may not be able to manage future growth effectively.

Our historical financial information is not expected to be indicative of our future financial results. Such financial information is not intended to represent or predict the results of operations of any future periods. Our future growth is, to a certain extent, based upon our forward-looking assessment of market prospects. We cannot guarantee that our assessment will always turn out to be correct or that we can grow our business as planned. Our expansion plans may be affected by a number of factors beyond our control.

Managing our growth will require significant expenditures and allocation of resources. We need to effectively manage our growth and maintain profits as we expect our costs and expenses to continue to increase in the future. We will also need to expand, train, manage and motivate our workforce and manage our relationships with suppliers, customers and other business partners. All these endeavors entail risks and demand considerable management efforts, skills and significant additional expenditures, which could strain our capacity to enhance our operational, auditing, human resources, financial and management controls. If we fail to achieve the necessary level of efficiency in our organization as we grow, our business, financial condition and results of operations may be materially and adversely affected.

We may derive a significant portion of revenue from a limited number of customers and counterparties, and the loss of, or a significant reduction in business from, such customers could materially and adversely affect our results of operations.

A portion of our revenue is derived from a limited number of customers, which may include (1) third-party investors (including state-owned energy companies and financial institutions) for PV station solutions and related services, (2) EPC customers and project owners, (3) distributors in our intelligent electrical product business and, to a limited extent, overseas distributors for our sales of inverters and energy storage systems, and (4) selected key account customers. In particular, sales of residential PV stations to third-party investors accounted for substantially all of our PV station solutions business during the Track Record Period, and our third-party investor customers primarily include large state-owned energy companies and financial institutions. In addition, our intelligent electrical product business relies on a broad distributor network, and direct sales are concentrated among selected key account customers, including leading customers in the power and telecommunications industries and other sizeable manufacturing and infrastructure customers. Our customer concentration exposes us to the risk of substantial losses if major customers significantly reduce purchases, delay or cancel orders, change procurement strategies, experience financial difficulties or disputes, or cease doing business with us. In 2023, 2024, 2025 and the six months ended June 30, 2026, revenue from our five largest customers in each period during the Track Record Period accounted for 36.2%, 39.5%, 40.4% and 32.3% of our total revenue, respectively, and revenue from our single largest customer in each period accounted for 13.7%, 15.3%, 14.4% and 9.1% of our total revenue, respectively.

We generally may not have long-term purchase commitments from customers, and customers may adjust procurement volumes and pricing in response to changes in market conditions, internal approval and budgeting cycles, regulatory developments or competitive dynamics. If we lose one or more major customers or fail to replace lost sales volume on commercially acceptable terms, our revenue, profitability, liquidity and prospects could be materially and adversely affected.

Failure to retain our existing customers or attract new ones could materially and adversely affect our business, financial condition and results of operations.

Our ability to maintain and expand our customer base is critical to our growth. There can be no assurance that existing customers and counterparties will continue to purchase our products or procure our services, or that we will be able to attract new ones on acceptable terms, or at all. Our ability to retain and attract customers depends on factors including: (1) our ability to offer competitive pricing, credit and payment terms, which may be constrained by our working capital and financing capacity; (2) the quality, reliability and safety of our products and solutions, and our ability to avoid defects, failures, recalls or safety incidents; (3) market acceptance of our new products, technologies and solutions and our continued research and development execution; (4) our ability to comply with evolving technical standards, certifications and other regulatory requirements; (5) the effectiveness and conduct of our distribution network in our intelligent electrical product business (including distributors and sub-distributors), and, to a limited extent, overseas distributors for sales of inverters and energy storage systems, as well as our after-sales and customer support; (6) our ability to deliver PV station solutions and EPC projects on schedule and to provide reliable operations and maintenance services; and (7) macroeconomic and industry conditions and consolidation or changes in procurement strategies among customers and market participants. If we fail to retain existing customers or attract new ones, our revenue may decline, margins may be compressed and cash flows may deteriorate, and our reputation and ability to execute our growth strategy may be harmed, any of which could materially and adversely affect our business, financial condition and results of operations.

If we fail to manage our inventory and asset balances effectively, we may incur write-downs, obsolescence losses and liquidity pressure, which could materially and adversely affect our financial condition and results of operations.

We hold inventories of raw materials, work-in-progress and finished goods in our intelligent electrical product business to support service responsiveness and meet customer demand. In our green energy solution business, inventory and asset planning may be linked to specific project schedules and procurement plans. In addition, under our PV station solutions, we may hold completed but unsold PV stations (i.e., "reserves") prior to transfer to third-party investors. We used both order-based and inventory-based delivery models, including asset transfers and, in certain cases, equity transfers of project companies. Demand forecasting is inherently uncertain, and significant deviations between forecast and actual demand may result in excess inventory, slow-moving stock, obsolescence or impairment, particularly for products subject to technological changes, evolving standards or customer-specific specifications. Conversely, if we underestimate demand or experience supply disruptions, we may face inventory shortages that cause delivery delays and loss of sales. Any material inventory write-downs, asset impairments, excess carrying costs or cash being tied up in inventory or unsold assets could materially and adversely affect our business, financial condition, results of operations and cash flows.

We are exposed to credit risks and settlement delays in collecting amounts due from customers and counterparties, which could materially and adversely affect our liquidity and results of operations.

Our trade receivables and other receivables arise from sales of products and services in the ordinary course of business. In our intelligent electrical product business, we may grant credit limits to certain distributors and customers. In our EPC business, payment arrangements are typically milestone-based and

may include retention amounts payable after completion acceptance or expiry of defect liability periods, and depending on contract structure we may also be required to provide bid bonds, performance bonds and/or advance payment guarantees. In our green energy solution business, settlement and payment cycles may also be influenced by customer-side due diligence, audit procedures, financing arrangements and, in certain circumstances, electricity settlement practices. There can be no assurance that customers will make payments in full and on time. Defaults, delays in payment, disputes over performance, and deterioration in customer credit condition could result in increased receivables, impairment losses, constrained working capital and increased financing needs. If we are unable to collect significant amounts due to us on a timely basis or at all, our financial condition, liquidity, cash flows and results of operations could be materially and adversely affected. In addition, we had outstanding financial guarantee contracts, which primarily arose because, prior to the Track Record Period, certain customers financed their purchases of residential photovoltaic equipment sold by us through bank loans, and we provided guarantees in respect of such loans. If the underlying obligors default, we may be required to perform under such guarantees, and we recognize expected credit losses on financial guarantee contracts. Any increase in expected credit losses or payments under such guarantees could materially and adversely affect our financial condition, liquidity and results of operations.

Our impairment losses (including reversals of impairment losses) on financial assets and other items may be significant and may materially and adversely affect our results of operations.

We recognize expected credit losses and impairment provisions on trade receivables, contract assets, other receivables, loan receivables and financial guarantee contracts, in accordance with IFRS Accounting Standards. The measurement of expected credit losses involves significant judgment and forward-looking assumptions, including assessments of probability of default, loss given default and recovery rates. Deterioration in macroeconomic conditions, customer credit profiles, project execution disputes, settlement delays, changes in electricity settlement practices, or other factors could increase expected credit losses and result in additional impairment charges. In addition, changes in models, assumptions or management judgment may cause our impairment allowances to fluctuate from period to period. Any material impairment losses or increases in impairment allowances could materially and adversely affect our profitability, cash flows, liquidity and net assets.

Our business requires significant working capital and financing, and we may not be able to obtain sufficient funding on favorable terms, or at all, which could materially and adversely affect our business and prospects.

Our business, particularly our PV station solutions under the develop-to-hold-to-transfer model and our EPC services, requires significant upfront expenditures for equipment procurement, construction and subcontracting before we receive full consideration. We may therefore need to fund substantial development and construction activities through internal resources and external financing, and we may also require additional financing to support business expansion, research and development investment, production upgrades, inventory build-up, and potential acquisitions or strategic investments. The availability, cost and terms of financing depend on factors beyond our control, including macroeconomic conditions, interest rates, credit availability, market liquidity, regulatory requirements and investor sentiment. If we are unable to obtain sufficient financing on acceptable terms, we may be forced to delay, reduce or abandon development and expansion plans, accept higher financing costs, or dispose of assets on unfavorable terms. In addition, any indebtedness may subject us to restrictive covenants and increased debt service obligations, which could constrain operational flexibility and adversely affect our financial condition and results of operations.

Maintaining our brand reputation is critical to our success, and any damage to our brand image could materially and adversely affect our business, financial condition and results of operations.

Our brand and reputation are important to customer confidence in the quality and reliability of our products and solutions and to the effectiveness of our sales channels. Our brand image may be harmed by factors including: (1) actual or perceived product defects, performance failures or safety incidents, particularly given the importance of product quality and reliability to our competitiveness and brand reputation; (2) inconsistent customer service or improper conduct by distributors, sub-distributors or other third parties using our name or trademarks; (3) project delays, disputes, performance shortfalls or service deficiencies in our green energy solutions; and (4) adverse publicity relating to our Company or the industries in which we operate.

In addition, maintaining and enhancing our brand may require significant expenditures, and there can be no assurance that such expenditures will achieve the intended effect or generate commensurate returns. If our brand image is damaged, we may experience reduced sales, loss of customers and counterparties, weakened channel execution and increased customer acquisition and service costs, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to extensive regulatory requirements and evolving interpretations, and any failure to obtain, maintain or renew required approvals, permits, filings or certifications could materially and adversely affect our business.

We operate in a regulated environment in China, and may also be subject to additional regulatory requirements in other jurisdictions to the extent we expand internationally. Regulatory requirements and guidelines may relate to product quality and safety, manufacturing, environmental protection, workplace safety, construction and EPC activities, grid connection procedures, data security, taxation, and other aspects of our operations. In particular, our operations may require material licenses, permits and approvals such as power business permits for power generation, permits for installation, repair and testing of electric power facilities, safety production permits for construction, construction enterprise qualification certificates and pollutant discharge registrations. Laws and regulations and their interpretation and enforcement may evolve and may be applied inconsistently across regions. We may not always be able to identify new requirements or adapt our operations promptly. Failure to obtain or renew necessary approvals, permits or certifications, or any material non-compliance, could result in fines, penalties, rectification orders, suspension of operations, revocation of licenses, contractual liabilities and reputational harm, any of which could materially and adversely affect our business, financial condition and results of operations.

Our inability to maintain and enhance our manufacturing capabilities, or any disruption to our production, could impair our ability to deliver products and solutions and materially and adversely affect our business, financial condition and results of operations.

We conduct in-house manufacturing primarily for our intelligent electrical products and, within our green energy solution business, for our inverters and energy storage systems, supported by manufacturing facilities and production management systems designed to meet product quality, delivery and cost efficiency requirements. Our principal manufacturing footprint for intelligent electrical products is located in Wenzhou, Zhejiang Province. With respect to our inverters and energy storage systems, our manufacturing footprint comprises production bases in Shanghai and Wenzhou, Zhejiang Province, and an overseas manufacturing facility in Rayong, Thailand.

Any disruption to our production, whether due to equipment failure, power outages, labor shortages, accidents, fire, natural disasters, pandemics, supply disruptions, regulatory actions or other causes, could delay deliveries, increase costs, reduce product quality and impair customer satisfaction. During the Track Record Period, the utilization rate for the production of certain categories of our intelligent electrical products exceeded 100.0%. If we fail to maintain stable manufacturing operations or expand production capacity and flexibility in a timely manner, particularly for products with strong demand or customer-specific requirements, we may not be able to fulfill orders on schedule, which could result in loss of customers, reduced revenue and reputational damage. In addition, any failure to effectively manage production planning, quality control, safety and environmental compliance, or to implement new manufacturing technologies and automation, could materially and adversely affect our business, financial condition and results of operations.

We are subject to risks associated with entering new markets and expanding our product and solution offerings, and our growth initiatives may not achieve expected results.

Our business includes both intelligent electrical products and green energy solutions, and our overseas operations cover multiple regions. As we pursue growth, we may seek to expand into additional geographic markets and broaden our product and solution offerings. Such expansion typically requires significant upfront investment and management attention, including establishing or strengthening sales and service channels, tailoring products and solutions to local requirements, completing product certifications or registrations, and integrating into local supply chains and operational systems.

There can be no assurance that our expansion initiatives will be successful or that such investments will generate the expected returns. Entering new markets may expose us to unfamiliar regulatory, commercial and operational environments, higher compliance and operating costs, and challenges in managing overseas operations, logistics and third-party partners. In addition, expanding or introducing new products or solution offerings involves risks relating to demand uncertainty, product development and certification timelines, resource allocation, supply chain readiness and after-sales support capability. If we allocate significant resources based on our expansion plans but market demand, competitive conditions or government policies change adversely, we may experience lower-than-expected sales, margin pressure, underutilization of resources, inventory or asset write-downs, and liquidity pressure, any of which could materially and adversely affect our business, financial condition and results of operations.

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 by these factors.

Our operations are subject to deterioration in political and economic relations between countries, sanctions and export controls administered by government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labor conditions, increased custom duties, tariffs, taxes and other costs, and political instability. In particular, the U.S. government has imposed economic and trade sanctions directly or indirectly affecting China-based companies. For example, Cuba, Iran, North Korea, the Crimea region, and the so-called Luhansk People's Republic and Donetsk People's Republic regions are subject to broad-based, geographically oriented sanctions imposed by the United States. During the Track Record Period, we did not have any transactions with customers or suppliers located in these comprehensively sanctioned countries or regions. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

In early 2025, the U.S. government initiated a series of escalating tariff and trade measures primarily targeting China. In February and March 2025, the United States imposed a cumulative tariff rate of 20% on imports from China, including the Hong Kong SAR, in response to fentanyl-related concerns, and subsequently reduced the cumulative rate by 10 percentage points in November 2025. In April 2025, the United States introduced "reciprocal tariffs" on imports from major trading partners, including China, with tariff rates on Chinese goods rising to as high as 125%, in addition to existing tariffs, before being reduced to 10% following bilateral negotiations in May 2025. In February 2026, the U.S. government terminated the reciprocal tariffs and fentanyl-related tariffs, while implementing a baseline tariff of 10%. It remains uncertain how China-U.S. trade relations and the global trade environment will evolve.

In recent years, the United States has increased export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), which includes a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). The export, re-export and/or in-country transfer of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, product offerings and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our reputation and business.

In addition, on October 28, 2024, the U.S. Department of the Treasury issued the "Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern" (the "**Final Rule**"), which became effective on January 2, 2025, to implement a new outbound investment security program restricting certain investments by U.S. persons and U.S.-controlled entities pursuant to Executive Order 14105, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern." The Outbound Investment Security Program applies to investments by U.S. persons involving "covered foreign persons," meaning persons associated with a "country of concern" and engaged in one or more "covered activities" in three sectors relating to national security technologies and products, namely: (1) semiconductors and microelectronics, (2) quantum information technologies, and (3) artificial intelligence. Such investments are referred to as "covered transactions."

We do not believe that we are a "covered foreign person" under the Final Rule, as we do not engage in any "covered activity" as defined therein. However, there can be no assurance that the U.S. Department of the Treasury will take the same view. If we were deemed to be a "covered foreign person," and U.S. persons were to engage in a "covered transaction" involving the acquisition of our equity interests, such U.S. persons could be prohibited from making such acquisition before our equity interests are publicly traded, or could be required to submit a notification pursuant to the Final Rule. If our ability to raise capital from U.S. persons is significantly and adversely affected, our business, financial condition and prospects could be adversely affected.

Failure to comply with environmental, health and safety requirements, or the occurrence of workplace or project-site accidents, could result in liabilities, operational disruption and reputational harm.

Our manufacturing and project delivery activities are subject to environmental, health and safety laws and regulations, including requirements relating to safe production conditions, occupational health protection, pollution discharge, waste management and site safety management. Manufacturing processes may produce pollutants such as wastewater, waste gas and solid waste, and project sites may involve construction and installation hazards. There can be no assurance that accidents, injuries, fires, explosions, equipment failures or other incidents will not occur in the future. Any such incident could lead to production interruption, project delays, claims for damages, regulatory investigations, administrative penalties, civil or criminal liabilities and reputational harm. Stricter environmental or safety standards may also increase compliance costs and require changes to production processes or project execution methods, which could materially and adversely affect our business, financial condition and results of operations.

Our information technology systems and internal controls may be insufficient to prevent operational disruption, fraud or reporting issues, which could materially and adversely affect our business and reputation.

We rely on IT systems and networks for operational management, financial reporting, procurement, inventory management, and coordination with suppliers, customers and service partners. IT systems may fail due to power outages, hardware failures, software defects, cyberattacks, telecommunications failures, human errors or catastrophic events. Any significant disruption could impair our ability to manage operations, fulfill orders, deliver projects, or maintain accurate records, and could result in reputational harm and liabilities. In addition, we may not be able to detect and prevent fraud, misconduct or control circumvention by employees, suppliers, customers, agents or other third parties. Internal controls, even if designed and implemented, may not identify all instances of misconduct or non-compliance in a timely manner or at all. Any material control failure, fraud, or reporting issue could lead to financial losses, regulatory scrutiny, litigation, and reputational damage, any of which could materially and adversely affect our business, financial condition and results of operations.

Our business depends on the continued service of our management and skilled personnel, and our inability to recruit and retain talent could materially and adversely affect our business.

Our operations require experienced management and skilled personnel across manufacturing, engineering, research and development, project management, quality control, IT and compliance functions. Our need to respond to evolving standards and customer requirements increases our dependence on qualified technical personnel. Competition for skilled talent may be intense, and we may be required to offer higher compensation and benefits to attract and retain personnel. If we lose the services of key management or technical personnel, or if we are unable to recruit and retain sufficient qualified personnel in a timely manner at acceptable costs or at all, we may experience delays in product development, difficulties in maintaining quality and operational efficiency, impaired customer service and weakened execution of growth strategies, any of which could materially and adversely affect our business, financial condition and results of operations.

We may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.

Companies operating in China are required to participate in various employee benefit plans, including social insurance fund and housing provident fund and contribute to the amounts equal to certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business. On July 31, 2025, the Supreme People's Court of the PRC issued the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), or the Interpretation II, which takes effect from September 1, 2025. Pursuant to the Interpretation II, it is a statutory obligation on both the employers and employees to participate in the social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Further, the Interpretation II specifies that if the employee terminates the labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People's Court of the PRC shall uphold the claim. During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident fund with respect to certain of our employees, as required by the relevant PRC laws and regulations. This arose for various reasons, and we believe the primary reason was that certain employees were unwilling to make contributions based on the full applicable contribution base. As a result, we may be required to make additional contributions of social insurance fund and/or housing provident fund and late payments and fines under PRC laws and regulations.

As advised by our PRC Legal Advisor, if the competent PRC government authority determines that the social insurance contributions we made for our employees violate the requirements under the relevant PRC laws and regulations, we may be required to pay all outstanding social insurance contributions within a stipulated period, with late fees at a daily rate of 0.05% of the outstanding amount, accruing from the date when the social insurance contributions were due. As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the shortfall. Our PRC Legal Advisor is of the opinion that, taking into account the applicable laws and regulations, recent policies regarding the recovery of social insurance arrears, the government-issued credit reports for our Company and Major Subsidiaries, the results of telephone enquiries with the relevant authorities, as well as confirmations and undertakings from our Company and relevant parties, provided that there are no material changes in the current policies, regulations and local government enforcement and supervision requirements related to social insurance and housing provident fund, and no relevant disputes, our Company and Major Subsidiaries face a remote risk of being subject to centralized collection of underpaid contributions or significant administrative penalties for the above issues by the authorities overseeing social insurance and housing provident fund. In particular, the State Taxation Administration issued the Notice on Implementing Certain Measures for Further Supporting and Serving the Development of the Private Economy (國家税務總局關於實施進一步支持和服務民營經濟發展若干措施的通知(税總發[2018]174號)) on November 16, 2018, and the General Office of the State Council issued the Notice on Issuing the Comprehensive Plan for Reducing Social Insurance Contribution Rates (關於印發降低社會保險費率綜合方案的通知(國辦發[2019]13號)) on April 1, 2019. These policies, among others, require the competent authorities, during the reform of the social insurance contribution collection system, to maintain stable collection arrangements and not to independently organize centralized collection of historical social insurance contribution arrears. In the unlikely event that we are required to settle the shortfall of social insurance contribution, if this payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount on us. However, we believe that the competent authority will not impose such fine on us as we undertake to make full contributions or to pay the shortfall within a prescribed time period if and when requested by the competent government authorities. In addition, pursuant to relevant PRC laws and regulations, in case of a failure to pay the full amount of housing provident fund, the competent PRC government authority may require us to pay the outstanding amount within a stipulated period. If the payment is not made within such stipulated period, an application may be made to the PRC courts for compulsory enforcement. We cannot assure you that we will not be subject to any order to rectify the non-compliance in the future, nor can we assure you that there are no, or will not be any, employee complaints regarding payment of the outstanding amount of the social insurance and housing provident fund contributions against us, or that we will not receive any claims in respect of the outstanding amount of the social insurance and housing provident fund contributions under national laws and regulations. In addition, we may incur additional expenses to comply with such laws and regulations promulgated by the PRC government or relevant local authorities.

We lease various buildings as premises primarily for our offices and warehouses. Any non-renewal of leases, substantial increase in rent, or any third party or government challenge to our leasehold interest may affect our business and financial performance.

As we lease various buildings as premises primarily for our offices and warehouses, before the expiry of each of our leases, we have to negotiate the terms of renewal with respective lessors. There is no assurance that our existing leases would be renewed on similar or favorable terms or at all, in particular with respect to the amount of rent and the term of the lease. Any substantial increase in the rent of our leased buildings may increase our rental and related expenses, which could affect our profitability. There is also no assurance that our existing leases will not be terminated early by the lessors before the expiry of the relevant term. If we are required to relocate our leased buildings, there is no assurance that we will be able to identify comparable locations in a timely manner or at all or that we will secure a lease on comparable terms.

As of June 30, 2026, our Company and Major Subsidiaries leased 13 operating buildings in China with individual gross floor areas exceeding 5,000 sq.m., with an aggregate gross floor area of approximately 112,189 sq.m. These leased buildings were used primarily as offices and warehouses. As of the Latest Practicable Date, certain leases had not been registered with the relevant authorities in China. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply.

Additionally, if disputes or government actions due to title challenges arise to the above-described buildings, we may encounter difficulties in continuing to lease such buildings and may be required to relocate. If any of our leases are terminated or voided as a result of challenges from third parties or government agencies, we would need to seek alternative premises and incur relocation costs. We cannot assure you that we will be able to relocate such operations to suitable alternative premises, and any such relocation may result in disruption to our business operations and result in loss of earnings. We also cannot assure you that we will be able to effectively mitigate the possible adverse effects that may be caused by such disruption, including loss and costs. Any of such disruption, loss or costs could materially and adversely affect our business, results of operations and financial condition.

We may be involved in legal proceedings, contractual disputes and adverse publicity, which could materially and adversely affect our business, results of operations and reputation.

We may be involved in legal proceedings and commercial or contractual disputes in the ordinary course of business, including disputes relating to product quality, warranty, project performance, payment and settlement, subcontractor and supplier arrangements, intellectual property, employment matters and regulatory compliance. Such proceedings can be expensive, time-consuming and disruptive, and may divert management's attention and resources. In addition, negative publicity concerning our Company, our directors, officers, employees, business partners or the broader industry, regardless of its accuracy, can tarnish our reputation, undermine customer and **[REDACTED]** confidence, reduce sales and increase regulatory scrutiny. Any material adverse outcome of litigation, disputes or reputational events could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business may be adversely affected by force majeure events, including natural disasters, outbreaks of contagious diseases and other extraordinary events.

Our operations and supply chains may be vulnerable to disruptions caused by force majeure events, including typhoons, floods, earthquakes, fires, extreme weather conditions, public health emergencies, civil unrest, wars, strikes and other events beyond our control. Wars, armed conflicts or military escalations, whether occurring in regions where we operate, where our suppliers or customers are located, or along key logistics routes, could also disrupt production activities by affecting workforce availability, energy supply, transportation networks, import and export arrangements, and the availability or timely delivery of raw materials, components and equipment. Any such disruption could impair our ability to maintain normal manufacturing operations, fulfill customer orders or deliver projects on schedule. Such events could disrupt manufacturing, logistics, construction and installation activities, impair workforce availability, delay deliveries and project schedules, increase costs and reduce customer demand. Any prolonged or significant disruption could materially and adversely affect our business, financial condition and results of operations, and losses may not be fully covered by insurance.

Our future strategic acquisitions or investments, if any, may not be successful, and we may not realize the anticipated strategic benefits and financial returns from such transactions.

We may engage from time to time in acquisitions and other strategic investments in order to expand our production capacity, diversify our product portfolio, gain access to new markets and stable sources of raw materials or acquire new technologies. However, there can be no assurance that our efforts, or any future acquisitions or investments, will be successful or that we will achieve the anticipated strategic benefits and financial returns from such transactions.

There are various risks associated with our acquisitions and investments, which include the following: (1) challenges related to integration of acquired company's or investee's operations into our business; (2) substantial delays or reduction in anticipated synergies; (3) events beyond our control, including changes in regulations, technology and economic conditions, which could adversely affect our ability to realize benefits and returns from such transactions; (4) potential increase in indebtedness that could constrain our operations; (5) exposure to unknown or contingent liabilities that could require significant expenditures and capital injections; (6) failure to train, motivate, integrate and retain employees of acquired company or investee; (7) diversion of management time and attention from our existing operations to address the transactions and related challenges or those associated with integration processes; and (8) unanticipated write-offs or charges and impairment of goodwill. If we fail to address any of the foregoing risks, our business, financial condition and results of operations may be materially and adversely affected.

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

The PRC EIT Law imposes an EIT rate of 25% on business enterprises. Certain of our subsidiaries are entitled to preferential tax treatment. To the extent there are any changes in the laws and regulations governing preferential tax treatment, or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC authorities may amend or restate regulations on income, value-added and other taxes. Non-compliance with China tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to China tax laws and regulations and tax penalties or fines could affect our business, financial condition and results of operations.

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

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

Our transfer pricing arrangement may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

Under the applicable laws and regulations in the jurisdictions in which we operate, arrangements and transactions among related parties may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, our global operations covered multiple countries and regions. We could face material and adverse tax consequences if the relevant tax authorities determine that certain of our intra-group transactions do not represent arm's length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among others, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

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

During the Track Record Period, certain of our customers settled amounts due to us through third-party payors pursuant to third-party payment arrangements, or the Third-party Payment Arrangements. In 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate amounts settled through the Third-party Payment Arrangements were RMB344.7 million, RMB280.7 million, RMB302.7 million and RMB124.4 million, respectively, representing 0.6%, 0.4%, 0.5% and 0.3% of our total revenue for the same periods, respectively. See "Business–Third-party Payment Arrangements."

The Third-party Payment Arrangements exposed us to various risks, including, among others, (1) potential money laundering and other compliance risks, as we had limited direct visibility over the background of the parties involved and the source of funds remitted by the relevant third-party payors, and (2) the risk of claims by third-party payors or their liquidators seeking return of funds, as such third-party payors were not themselves contractually indebted to us. If any funds received by us through such arrangements were subsequently determined to constitute proceeds of unlawful activities, we could be subject to governmental inquiries, enforcement actions, prosecution or other liabilities on the basis that we had assisted or facilitated the underlying illegal activities. In addition, if any third-party payor or its liquidator were to bring claims or proceedings against us in connection with such payments, we could be required to devote significant financial and management resources to defending such claims and proceedings, or to return payments previously received for products and/or services already rendered. We may also be subject to fines, penalties or other sanctions arising from the Third-party Payment Arrangements. Even if any such claims or proceedings were ultimately resolved in our favor, our reputation, our relationships with existing customers and our ability to attract new customers could be adversely affected.

We may infringe intellectual property rights of third parties, which can lead to time-consuming and costly intellectual property infringement claims.

We may, from time to time, be subject to legal proceedings and claims relating to the intellectual property rights of third parties. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our products, solutions, services or other aspects of our business without our knowledge. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in China or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management's attention and other resources from our business and operations to defend these claims, regardless of their merits.

Additionally, the application and interpretation of the PRC laws relating to intellectual properties, and the procedures and the standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights in China are still evolving, and there can be no assurance that the PRC courts or regulatory authorities would agree with our analysis. If we were found to have violated the intellectual property rights of any third party, we may be subject to liability for our infringing activities or may be prohibited from using such intellectual properties, and we may incur licensing fees or be forced to develop alternatives of our own. In such events, our business, financial condition and results of operations may be materially and adversely affected.

We may not be able to protect our intellectual property rights, and our ability to compete could be harmed if our intellectual property rights are infringed by third parties.

There can be no assurance that we can prevent third parties from infringing upon our intellectual property rights. Unauthorized use of our intellectual properties, unfair competition, defamation or other violations of our rights by our employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our intellectual property rights, which may be time-consuming and expensive to resolve and could divert our management's attention regardless of the outcome, and adversely affect our business, financial condition and results of operations.

It can be difficult to register, maintain and enforce intellectual property rights in the jurisdictions where we operate. Laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently. Preventing any unauthorized use of our intellectual properties is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. Any failure in protecting or enforcing our intellectual property rights may have a material and adverse effect on our business, financial condition and results of operations.

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

We are a company incorporated under the laws of the PRC and the majority of our assets and subsidiaries are located in China. The majority of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in China of judgments of a court in any of these jurisdictions outside China may be difficult. As a result, it may be difficult and time-consuming to effect service of process upon our Directors and senior management outside China. In addition, **[REDACTED]** may also experience difficulties in seeking recognition and enforcing foreign judgments in China if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the **[REDACTED]** of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

The insurance coverage we have may not adequately protect us against all operating risks.

We believe we maintain insurance policies in line with industry standards. Nevertheless, the insurance coverage for our products, solutions and business operations is limited. Our existing insurance portfolio generally includes export credit insurance to protect against collection risks in respect of export

proceeds, overseas business travel insurance for employees travelling overseas on business, cargo/transit insurance for the transportation of products and equipment, employer's liability insurance, property insurance covering our warehouses and stored goods, product liability insurance and, where appropriate, project-related insurance for our green energy solution business. Any uninsured occurrence of business disruption, litigation or natural disaster or significant damages to our uninsured equipment or facilities could have a material adverse effect on our business, financial condition and results of operations. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our infrastructure, production facilities or business operations, or any material litigation, our business, financial condition and results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there can be no assurance that we will be able to successfully claim losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may be subject to the approval or other requirements of the China Securities Regulatory Commission or other PRC governmental authorities in connection with future securities activities.

On July 6, 2021, the General Office of the CPC Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Combatting Illegal Securities Activities (關於依法從嚴打擊證券違法活動的意見), or the July 6 Opinion, which called for the enhanced administration and supervision of overseas-listed China-based companies, proposed to revise the relevant regulation governing the overseas issuance and listing of shares by such companies and clarified the responsibilities of competent domestic industry regulators and government authorities. The July 6 Opinion aims to achieve this by establishing a regulatory system and revising the existing rules for overseas listings of Chinese entities and affiliates including potential extraterritorial application of Chinese securities laws.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法), or the Overseas Listing Trial Measures, and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities. Pursuant to the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted. In addition, according to the Overseas Listing Trial Measures, any future share issuance or listing after this **[REDACTED]** will also be subject to filing procedures with the CSRC and we are also required to report certain material matters to CSRC after this **[REDACTED]**. Any failure to complete such filing or reporting procedures would subject us to administrative penalties by CSRC which could harm our reputation and may adversely affect our results of operations and financial condition.

We cannot guarantee that new rules or regulations promulgated in the future pursuant to the July 6 Opinion and any other related PRC rules and regulations will not impose any additional requirement on us or otherwise tighten the regulations on us. If it is determined that we are subject to any CSRC approval, filing, other governmental authorization or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial conditions. Furthermore, any uncertainty and/or negative publicity regarding such an approval, filing or other requirements may also have a material adverse effect on the price of our H Shares.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to listing and regulatory requirements of Chinese Mainland and Hong Kong.

As we are listed on the Shanghai Stock Exchange and will be **[REDACTED]** on the **[REDACTED]** in Hong Kong, we will be required to comply with the listing rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and resources in continuously complying with all sets of listing rules in the two jurisdictions.

The characteristics of the A share and H share markets may differ.

Our A Shares are listed on the Shanghai Stock Exchange. Following the **[REDACTED]**, our A Shares will continue to be traded on the Shanghai Stock Exchange and our H Shares will be **[REDACTED]** on the Stock Exchange. Under current PRC laws and regulations, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have divergent **[REDACTED]**, liquidity and **[REDACTED]** bases, as well as different levels of retail and institutional **[REDACTED]** participation. As a result, the **[REDACTED]** performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the **[REDACTED]** of our H Shares, and vice versa. Furthermore, due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the **[REDACTED]** decision in our H Shares.

There has been no prior public market for our H Shares, and their liquidity and [REDACTED] may be volatile.

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public **[REDACTED]** for our H Shares with adequate liquidity and **[REDACTED]** will develop and be sustained following the completion of the **[REDACTED]**. In addition, the **[REDACTED]** of our H Shares is expected to be fixed by agreement between the **[REDACTED]** (for themselves and on behalf of the **[REDACTED]**) and us, and may not be an indication of the **[REDACTED]** of our H Shares following the completion of the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the **[REDACTED]** and liquidity of our H Shares may be materially and adversely affected.

The liquidity, [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to [REDACTED].

The **[REDACTED]** at which our H Shares will **[REDACTED]** after the **[REDACTED]** will be determined by the marketplace, which may be affected by various factors beyond our control, including: (1) our financial performance; (2) changes in securities analysts' estimates, if any, of our financial performance; (3) the history of, and the prospects for, ourselves and the industry in which we operate; (4) an assessment on the prospects for, and timing of, our future revenue and cost; (5) research reports that independent research analysts may publish; (6) the present state of our development; (7) the valuation of publicly traded companies that are engaged in business activities; (8) general market sentiment regarding the industry we operate in; (9) changes in laws and regulations of relevant jurisdictions where we operate; (10) our actual or perceived failure to compete effectively in the market; and (11) political, economic, financial and social conditions.

In addition, the Hong Kong Stock Exchange has from time to time experienced significant volatility in trading prices and volumes that have affected the market prices of securities of companies quoted on the Hong Kong 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.

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

The **[REDACTED]** of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the **[REDACTED]**, especially by our Directors, executive officers and Controlling Shareholders, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any existing or future share option incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which **[REDACTED]** in our H Shares commences on the Hong Kong Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of H Shares by such Shareholders and the availability of these H Shares for future sale may have a negative impact on the **[REDACTED]** of our H Shares.

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

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

Our Controlling Shareholders have significant influence on determining the outcome of any corporate transaction or other matter submitted to the shareholders for approval, including but not limited to mergers, privatizations, consolidations and the sale of all, or substantially all, of our assets, election of directors and other significant corporate actions. The interests of our Controlling Shareholders might differ from the interests of our other shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other shareholders, our other shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other shareholders may also materially and adversely affect aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

We have adopted a dividend policy and have declared dividends in the past. However, there is no assurance that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of China, the payment of dividends may be subject to certain limitations. Moreover, the calculation of our profit under the China Accounting Standards for Business Enterprises ("**PRC GAAP**") may differ in certain respects from the calculation under the International Financial Reporting Standards ("**IFRS Accounting Standards**"). As a result, even if we report a profit for the year under IFRS Accounting Standards, we may not have distributable profits as determined by PRC GAAP. Additionally, the declaration, payment and amount of any future dividends are subject to the discretion of our Directors after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at a Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of China. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would affect the remittance of RMB into or out of China.

Holders of our H Shares may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our H Shares.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules and Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知) (Guo Shui Han [2008]No. 897) (國税函[2008]897號), dated November 6, 2008, issued by the STA, subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H Shares through the sale or transfer by other means of H Shares.

Under the Individual Income Tax Law of the PRC (中華人民共和國個人所得税法) and its implementation rules, income and gains from sources within the PRC paid to foreign individual investors who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20%, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993]No. 045 (關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知) (Guo Shui Han [2011]No. 348) (國税函[2011]348號) dated June 28, 2011, issued by the STA, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular of the MOF and the STA Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (財政部、國家税務總局關於個人轉讓股票所得繼續暫免徵收個人所得税的通知) issued by the MOF of the PRC and the STA on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If any PRC income tax is collected from the transfer of our H Shares or on dividends paid to our non-PRC resident **[REDACTED]**, 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.

We may be exposed to risks associated with any potential spin-off.

We evaluate strategic opportunities from time to time to enhance value to our shareholders, including, among others, spinning off subsidiaries, in light of our operations across multiple jurisdictions and markets, as well as our development of new business initiatives. These evaluations are contingent upon factors such as market conditions, financing requirements, subsidiary development and regulatory approvals. While no concrete plans have been formulated, we cannot preclude the possibility of spin-offs within three years of the **[REDACTED]** should such action align with our strategic objectives.

A spin-off may enable our subsidiaries to have additional access to capital markets, thereby potentially securing incremental funding to accelerate their growth. While such transactions are designed to unlock intrinsic value, enhance competitive positioning and optimize operational efficiency, there is no assurance that these objectives will be achieved at all. Although our established market position and robust financial standing serve as mitigating factors, material risks associated with spin-offs may still include unanticipated costs (such as separation-related expenditures or restructuring costs, if any), operational complexities arising from organizational decoupling, potential disruption to our Group's integrated business model and synergies and uncertain performance trajectories of spun-off entities, including their ability to sustain competitive positions. Should spun-off entities encounter operational challenges or financial difficulties, it may have an adverse impact on our Group's strategic objectives and corporate reputation. In the event of any proposed spin-off, we will ensure to provide all relevant disclosure to the Shareholders and obtain all necessary regulatory and Shareholder approvals under applicable rules and regulations. We will also implement appropriate strategies and measures to mitigate risks so as to maintain operational cohesion and preserve strategic continuity across the organization.

Should the [REDACTED] be higher than the net tangible book value per Share, subject to [REDACTED], you may experience an immediate dilution in the book value of the [REDACTED] you purchased in the [REDACTED] and may experience further dilution if we issue additional Shares in the future.

The **[REDACTED]** of the **[REDACTED]** may be higher than the net tangible book value per Share immediately prior to the **[REDACTED]**. As a result, you and other purchasers of the **[REDACTED]** in the **[REDACTED]** may experience an immediate dilution in **[REDACTED]** net tangible asset value. In order to expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares pursuant to share incentive schemes, which would further dilute Shareholders' interests in our Company.

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

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

You should not place any reliance on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in China. As a result, from time to time we publicly release information relating to ourselves on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares is based on the regulatory requirements of the securities authorities and market practices in China which are different from those applicable to our H Shares. Such information does not and will not form a part of this document. As a result, prospective **[REDACTED]** in our H Shares are reminded that, in making their **[REDACTED]** decisions as to whether to purchase our H Shares, they should rely only on the financial, operating and other information included in this document. By applying to purchase our H Shares in the **[REDACTED]**, you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the **[REDACTED]**.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may: (1) further limit our ability or discretion to pay dividends; (2) increase our risks in adverse economic conditions; (3) adversely affect our cash flows; or (4) limit our flexibility in business development and strategic plans.

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

We have derived certain facts and other statistics in this document, particularly those relating to the general economy and the industry in which we operate, from information provided by various public sources, industry associations, independent research institutes and other third-party sources, including the F&S Report that we commissioned. We have not independently verified information and statistics from official government sources. We cannot assure you as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

You should read the entire document carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the [REDACTED].

The **[REDACTED]** is being made solely on the basis of the information and representations contained in this document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this document should not be relied upon in making an **[REDACTED]** decision with respect to the securities being **[REDACTED]**.

Prior to the publication of this document, there has been coverage in the media regarding us and the **[REDACTED]**, which may have contained, among others, certain financial information, projections, valuations and other forward-looking information about us and the **[REDACTED]**. **[REDACTED]** should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the **[REDACTED]** may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets and the demands of advertisers.