

## Risk Factors Comparison 2025-03-31 to 2024-04-16 Form: 10-K

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An investment in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this annual report, including “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes before making a decision to invest in our common stock. Our business, operating results, financial condition, or prospects could be materially and adversely affected by any of these risks and uncertainties. If any of these risks actually occurs, the trading price of our common stock could decline and you might lose all or part of your investment. Our business, operating results, financial performance, or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. Risks Related to Our Business We have sustained losses since our organization, our financial statements have a going concern footnote and we cannot assure you that we can or will operate profitably. **Although we reported We sustained a net income loss of approximately \$ 35.0 million for the year ended December 31, 2023-2024, and our financial statements we had a net loss of approximately \$ 6.9 million for the year ended December 31, 2022-2024, and our financial statements for have a going concern footnote. The loss in the year ended December 31, 2023-2024 have reflects a going concern footnote (i) a one-time non-cash stock compensation expense of \$ 18. The losses in 5 million (ii) a non-cash \$ 7.5 million goodwill impairment representing an impairment charge of the year ended December 31 entire balance of our goodwill associated with our China segment, 2022 resulted primarily (iii) a \$ 1.7 million non-cash income tax expense arising from an increase in the valuation allowance against deferred tax assets, and (iv) an operating losses-- loss in the United States segment, and of \$ 24.3 million which includes the \$ 18.5 million stock compensation expense. The stock loss for the year ended December 31, 2022 reflects the write- compensation expense resulted from the treatment off- of compensation of approximately \$ 3.4 million equity- based incentives which became non- forfeitable upon the completion of capitalized merger costs and loans made by us in connection with our proposed merger with Alberton Acquisition Corporation public offering. See Item 7. Management’s Discussion and Analysis of Financial Conditions and Results of Operations – Elimination of Forfeiture Provisions of Options upon Initial Public Offering. We also incurred losses in prior years, and we cannot assure you that our net income of \$ 435,000 for 2023 is not an aberration, resulting from increased revenue in anticipation of the effectiveness of NEM 3.0, and that we will not incur future losses. We cannot assure you that we can or will operate profitably. We did not generate any revenue from our China segment for 2024, 2023 and 2022, and we have not generated any revenue from our China segment during 2024-2025 through the date of this annual report, and we cannot assure you that we will generate any revenue from our China segment in the future. Substantially all the revenues from the or that we will not discontinue our China segment for the years ended December 31, 2021 were generated from projects with SPIC. Although we are engaged in negotiations with SPIC for agreements, we cannot assure you that we will be successful in these efforts or that any contract we may enter into will be profitable. Revenues from the United States operations increased to approximately \$ 54. Our failure 1 million for the year ended December 31, 2023 from \$ 44.7 million for the year ended December 31, 2022. We will need to generate increase our revenue and reduce our costs of our operations in both the United States and China in order for us to operate profitably on an ongoing basis. We cannot assure you that we will be able to operate profitably or achieve positive cash flows from operations in the future, and operate profitably the failure to do so may impair our ability to continue in business. Although we generated positive 30 Our revenue declined significantly from 2023 to 2024, our cash flow from operations went from \$ 4.0 million in 2023 to negative \$ 9.4 million in 2024, and we cannot operate profitably unless we increase our revenue and reduce our expenses. Revenues, all of which was generated from our United States segment, decreased to approximately \$ 23.0 million for the year ended December 31, 2024 from \$ 54.1 million for the year ended December 31, 2023, and our we had negative cash flow from operations changed in prior years, and, if we don’t generate positive cash flow from operations for \$ 4.1 million in the year ended December 31, 2024-2023, we may need to negative use a portion of the proceeds of our initial public offering to meet our liquidity needs. Although we had positive cash flow from operations of approximately \$ 3.9. 6.4 million for in the year ended December 31, 2023-2024, we incurred negative. We will need to increase our revenue and reduce our costs in order for us to operate profitably and to generate positive cash flow flows from operations on of approximately \$ 2.0 million for the year ended December 31, 2022 and an ongoing basis negative cash flow from operations in prior years. We expect negative cash flow from operations in the future, and we cannot assure you that we can or will generate a positive cash flow from operations. During 2024 If we cannot generate positive cash flow from operations, we may need to use used a portion of the proceeds of our initial public offering to meet pay our debt obligations and to fund liquidity needs. Because almost all of our revenue in China since we commenced operations in China was derived. We cannot assure you that we will be able to operate profitably or achieve positive cash flows from operations in the future, and the failure two- to do so may impair customers, one of which is a related party which has not been a customer since the first half of 2019 and the other is SPIC, a state-owned enterprise, our inability -- ability to develop new continue in business in China could impair our ability to continue our China operations. We have Since the second half of 2019, our business in China consisted of EPC services pursuant to agreements with SPIC, which is a working capital deficit large state-owned enterprise under the administration of \$ 13 the Chinese government that holds a range of energy assets. 7 million at Substantially all of our China revenues for the years ended December 31, 2021-2024 and require funding for our operations. At December 31, 2020-2024, we had a working capital deficiency of \$ 13.7 million, cash and cash equivalents of \$ 0.8 million (down from \$ 2.5 million at December 31, 2023), accounts receivable of \$ 4.2 million**

and short-term investments of \$ 6.3 million. We used \$ 9.4 million in operations during 2024. Although we raised net proceeds of \$ 18.6 million in our initial public offering in March 2024, most of the proceeds (other than short-term investments of \$ 6.3 million) were used to pay debt obligations and for our operations. We will require additional funds for our operations. Because of our losses and the price of our common stock, we may have difficulty raising funds for our operations on acceptable terms, if at all. Further, our financial condition may affect our ability to market our solar systems to commercial enterprises and we anticipate that we may require additional funds to financing these operations if we generated- generate the business. The terms of any financing may result in significant dilution to our stockholders. We cannot assure you that we will be able to raise the necessary funds and any such failure may affect our ability to continue in business. At December 31, 2024, we had an outstanding receivable from four projects for SPIC. The revenue from our contracts with SPIC includes, for 2021, revenue from the EPC services performed on one of the four projects begun in 2020 and completed in 2021 for approximately \$ 7.8 million which relates to projects completed prior to 2022. Although we believe the receivable will be collected, or 21% of total revenues, and we anticipated collection during 2024, we can give no assurance as to when for- or 2020, revenue whether we will collect the full amount. We invested \$ 7.7 million from the EPC services performed- proceeds of our initial public offering in promissory notes issued by private companies in Hong Kong and China, and such notes were extended at the request of the maker and are outstanding on the date four projects of approximately \$ 96.1 million, or 73% of total revenue. Prior to the second half of 2019, most of our revenue from our China segment was generated from subsidiaries or affiliates of Changzhou Almaden Co., Ltd., which is a related party that we refer to in this annual report as AMD. Revenue from AMD accounted for 96%. Although we are seeking to market sales of larger systems to commercial users both in California and in the other states; we cannot assure you that we will be successful revenue of our China and 11% of our consolidated revenue for the year ended December 31, 2019. We did not generate any revenue from AMD and its subsidiaries and affiliates subsequent to 2019. We did not generate any revenue from our China segment during the 2022, 2023 or 2024 through the date of this annual report. Although we are seeking engaged in negotiations with SPIC with respect to potential contracts, as market sales of larger systems to commercial customers. As of the date of this annual report, we do not have any agreements or projects with commercial users SPIC or any other party for such systems, which would be significantly larger than our typical residential system. Although our China segment has constructed large commercial systems, and we have can give no not assurance that constructed such systems in the United States. Although we will have term sheet or letters of intent with respect to four such systems, none of such term sheets or letters of intent constitutes an agreement and is subject to negotiations for us to construct such a system and does not constitute a commitment for the purchaser to enter into additional agreements with SPIC or other parties or that any- an contract we enter into will be profitable. Our inability to increase our customer base may impair our ability to grow and operate profitably following completion of the offering. Further, our current dependence on a state-owned enterprise for our business could materially impair our ability to operate profitably in China, and the willingness of non-related parties to enter into agreement with us and the terms of such agreements may be impacted by the trade relationship between the United States and China. In dealing order to successfully market and construct larger systems for commercial customers: · We will need to enter into an EPC agreement with SPIC, we may be subject to government policies relating to such factors as the terms on customer or the financing source pursuant to which we sell will construct the project ; · and SPIC's procurement policies. As a state-owned enterprise, SPIC may favor Chinese companies over subsidiaries of a United States company. We would need cannot assure you that we will be able to obtain all continue to sell solar farm projects to SPIC or that it will be able to generate an acceptable gross margin on this work. If we are unable to generate revenue from SPIC on reasonable terms and if we fail to generate business in China from non-affiliated parties it may be necessary licenses for us to perform these services in discontinue our Chinese operations. 29 Pandemics and epidemics, natural disasters, war, terrorist activities, political unrest, and other -- the state in outbreaks could disrupt our delivery and operations, which we propose to operate and engage qualified subcontractors to the extent necessary; · The customer could would materially and adversely affect our business,..... Middle East and other geopolitical uncertainty could have to provide the a similar adverse effect on our business, financial financing condition, and results of operations. Any one or more of these events may impede our operation and delivery efforts and adversely affect our sales results, or even for a prolonged period of time, which could materially and adversely affect our business, financial condition, and results of operations. Our business may be affected by the program; · COVID-19 pandemic and the steps taken by the government in China to address the pandemic. The United States customer would need to Center- enter into a power purchase agreement either with us for- or Disease Control announced with the financing source; · We would need to price our work in a manner that would enable us to generate a profit the COVID-19 public health emergency ended in May 2023, with the result that the COVID restrictions in the United States are no longer in effect and restrictions positive cash flow from the project; and · We may have been terminated worldwide. We believe our United States operations are not, and have not since mid-2022 been, materially affected by COVID. However, the effects of China's zero tolerance policy with respect to manage COVID-19, which is no longer in effect, has impaired our ability to negotiate both new contracts with and payment schedules with SPIC, a state-owned entity which has been the project after completing only customer for our China segment since 2020, with the construction result that we have no pending agreement with SPIC and we are continuing to negotiate payment of outstanding receivables from SPIC. We 31 We have relied on loans through the United States government's EB- 5 program, which loans need to be refinanced when they become due, and we cannot assure you that the limited partners will accept our proposed terms of the refinancing or, if we cannot refinance these loans that we will have may need to use a substantial portion of the funds proceeds of our initial public offering to pay the loans or be able to raise such funds on reasonable, if any, terms. Two of our subsidiaries borrowed a total of \$ 55.5 million from Clean Energy Funding ("CEF") and Clean Energy Funding II ("CEF II"), who are related parties. CEF and CEF II are limited partnerships of which the general partner is a limited liability company owned and managed by two of our directors, one of whom is the

chief executive officer, and a former executive officer / director, **and which is managed by our chief executive officer and a former executive officer who is a major stockholder.** The funding was made pursuant to the United States government's EB- 5 program, and the lenders made loans from the proceeds of capital contributions of the limited partners who made their investment as part of the EB- 5 program. Under this program, which is administered by the United States Customs and Immigration Service, entrepreneurs (and their spouses and unmarried children under 21) are eligible to apply for a green card (permanent residence) if they make the necessary investment in a commercial enterprise in the United States and plan to create or preserve ten permanent full- time jobs for qualified United States workers. We are a commercial enterprise that creates permanent full- time jobs in the United States. The loans are secured and are payable 48 months from the date of the advance and ~~are may be~~ extended by the lender as may be necessary to meet applicable USCIS immigrant investor visa requirements, which is the date when the final step of the EB- 5 visa process is completed and the immigrant investors, who are the limited partners of the lender, can become lawful permanent residents of the United States. The initial four- year term of all of the loans has expired and the loans are on extension until the limited partners have met the USCIS requirements. As the loans matured, we offered the limited partners, in lieu of the payment by the limited partnership of their capital contributions, a convertible note in the principal amount equal to their capital contributions to the partnerships, with a term of five years, with 20 % of the principal amount being due on each of the first, second, third, fourth and fifth anniversaries of the date of issuance. The notes are secured by the same assets that secured the notes issued to the lenders. As of March ~~31-15~~, **2024-2025**, notes to CEF and CEF II in the aggregate principal amount of \$ ~~15-11~~. 0 million were outstanding, and convertible notes in the principal amount of \$ ~~36-41~~. 5 million had been issued to former limited partners of CEF, of which principal payments of \$ ~~19-22~~. ~~75-0~~ million had been made on the anniversary of the respective dates of issuance, convertible notes in the principal amount of \$ ~~2-3~~. ~~5-0~~ million had been early redeemed for \$ ~~2.1~~ ~~-77~~ million, and the outstanding principal amount of \$ ~~14-16~~. ~~25-5~~ million was outstanding. **The convertible notes that were issued prior to our initial public offering have a conversion price of \$ 3. 20, which is 80 % of the public offering price. Convertible notes issued after our initial public offering are issued with a conversion price equal to 80 % of the market price at the time the notes are issued. This conversion price ranges from \$ 0. 66 to \$ 9. 07, with an average conversion price of \$ 2. 06.** With respect to the outstanding notes to CEF and CEF II, limited partners who made investments of \$ 2. ~~5-0~~ million can currently demand repayment from the lender of their investment in the partnership which made the loans to us, which can trigger a payment obligation on our subsidiary's part. Because the date on which the remaining limited partners can demand repayment of their capital account is dependent upon the approval of their petition for permanent residency, we cannot predict when or whether such petition will be approved. We cannot assure you that we will have or be able to obtain the funds to pay the EB- 5 loans when they mature, and our inability to pay or refinance these loans could have a material adverse effect upon our business. To the extent that we are unable to refinance these obligations, we will use our available funds, ~~including the net proceeds from our initial public offering~~ for such purpose or it may be necessary to modify the terms of the convertible notes. If the limited partners who have the right to demand repayment of their capital accounts exercise their right, which can trigger the maturing of loans in the total principal amount of \$ 2. ~~5-0~~ million, the funds available from our initial public offering may not be sufficient to provide us with funds to pay such loans, and we can give have no assurance that we will be able to obtain funding from other sources or reasonable terms, if at all. We intend to offer the limited partners who funded the loans from CEF and CEF II convertible notes similar to the convertible notes we previously issued. We cannot assure you that the remaining limited partners or any significant number of the remaining limited partners will accept the note in lieu of cash repayment of their capital account or that we would not have to revise the terms of the notes in order to obtain the agreement of such limited partners to a refinancing. To the extent that we use the proceeds of our initial public offering to pay the loans, we will have less ~~proceeds funds available~~ for the development and expansion of our business. Because we cannot predict when additional loans will become due or whether the limited partners will accept our proposed refinancing, it is possible that we may have to raise additional funds to pay these loans. Further, to the extent that other limited partners perceive that the terms on which we settle litigation are more favorable than the terms of the convertible note we propose to offer, they may not be willing to accept the convertible notes. The loans that can become due based on the approvals of petitions for permanent resident status which have been obtained, together with other loans which may become due may substantially exceed our available funds. As a result, if the limited partners do not accept a convertible note, we would need to obtain funding from other sources. We cannot assure you that other sources of financing will be available to us on reasonable, if any, terms. Further, to the extent that the limited partners accept our proposed refinancing, the subsequent sale of their common stock issued upon conversion of their convertible notes could have a material negative effect upon the market price of our common stock. Further, the market for and the market price of our common stock at the time we seek to obtain the agreement of the remaining limited partners to accept our convertible notes in lieu of cash payments of their capital accounts may affect the willingness of the limited partners to accept our convertible debt and the terms that they would accept. Further, if the limited partners accept convertible notes, the sale of the underlying shares or the market's perception of the effect of the sale of such shares may have a material adverse effect upon the price of our common stock. ~~30We-32We~~ **will require significant funds in addition to the proceeds from our recent initial public offering if we are to restart our financing of solar energy systems in the United States and for any contracts which our China segment may enter into.** The solar energy systems market is cash intensive, particularly with respect to the financing of purchases by our United States customers and the construction of solar farm projects in China. Since early 2020, because we did not have the capital to support such operations, we suspended making loans to our solar customers. ~~We will require substantial additional funding to restart our financing activities, and we will not be able to restart our financing activities for solar installations in the United States until and unless we receive additional financing.~~ Although our contracts with our customers generally provide for progress payments, because of the amount and timing of the receipt of progress payments, we require project financing for our solar projects in China. Because our revenue and cash flow from our China segment can vary significantly from quarter to quarter, we may need significant funds in addition to our initial

public offering to finance our China operations during periods when those operations do not have significant or any revenue or cash flow from operations. Although we have obtained project funding for our four past projects with SPIC, the funding is related to the specific project and is not available to us for working capital. The funds available to us from the proceeds of our initial public offering may not be sufficient to enable us to meet our requirements to develop and expand our business in China and pay our current liabilities. Furthermore, if we need to raise additional funds, we cannot assure you as to the availability or terms of any financing. Any equity financing could result in dilution, which may be significant, to our stockholders. Further, to the extent that we have to rely on debt rather than equity, our profit from financing operations will be impacted and changes in interest rates may further reduce our margins on the loans. If we are not able to finance the sale of our systems, whether through loans to customers or leases with customers, our failure to sell our solar energy systems will adversely affect our revenues and the results of our operations. We require funds for our operations regardless of the proceeds from our initial public offering. To the extent that we require financing for our operations, including to finance our EB-5 loans, the failure to obtain necessary financing may impair our ability to continue in operations. Our failure to control our costs could impair our financial results. Our cost of revenues and our operating expenses increased significantly both in U. S. dollars and as a percentage of revenues. Unless we are able to reduce both our cost of revenues and our operating costs, we will not be able to operate profitably. There are many factors beyond our control that may affect our costs, such as the price of components, cost of labor and the availability of warehouse and office space at reasonable rents as well as the effect of competition, and recently, inflation. Unless we are able to control our costs, we will not be able to operate profitably. We cannot assure you that we can or will ever operate profitably. We require significant funds to pay our debt obligations, including obligations to management. Our debt obligations at December 31, 2023-2024 include \$ 17.11. 0 million in loans from related party limited partnerships which were funded by EB-5 investments, and \$ 16.25-55 million on in 4 % convertible notes issued to former limited partners of the limited partnerships. Further, which to the extent that we use funds from the proceeds of our initial public offering to pay our debt obligations, we will not have funds available for other uses, including the development of our China segment or the re-are described - introduction of our financing activities in the United States previous risk factor. In addition to our current debt, at December 31, 2024, we owed accrued compensation our chief executive officers and our former executive vice president and one other former employee a total of \$ 2,1, 275, 000 in connection with our repurchase of their stock, and we owed our former executive vice president approximately \$ 0. 3-4 million pursuant to her severance agreement, all of which were due following completion of the initial public offering. Subsequent to the initial public offering, we paid \$ 600, 000 of the \$ 1, 275, 000 owed in connection with our repurchase of stock to our former executive vice president and one other former employee. We also paid the balance owed to our former executive vice president pursuant to her severance agreement. We agreed to pay our chief executive officer a total for the cancellation of restricted stock issued to him ( \$ 675, 000 ) and for owed to him in connection with our repurchase of his stock deferred salary from 2019 through 2013 and deferred bonus from 2017 and 2018 ( \$ 1. 7 million). Payment of these amounts has been deferred and they are currently to be made in twelve equal monthly installments June 30, commencing on February 27, 2025. Our inability to obtain any financing we require could materially impair our ability to make these payments and to develop our business and to operate profitably. We did not generate any revenue for our Chinese segment since 2021 and we cannot assure you that we will not have to discontinue our Chinese operations. We did not generate any revenue from our China segment during 2022, 2023 and 2024. During the 2024, we recognized an impairment charge of \$ 7. 5 million reflecting the impairment of all of the goodwill associated with our China segment. From the second half of 2019 through 2021, our business in China consisted of EPC services pursuant to agreements with SPIC, which is a large state- owned enterprise under the administration of the Chinese government that holds a range of energy assets. Substantially all of our China revenues for the years ended December 31, 2021 and 2020 were generated from four projects for SPIC. As of the date of this annual report, we do not have any agreements to perform services in China and we are not engaged in active negotiations with respect to agreements for our China segment. At December 31, 2024, we had a receivable from SPIC in the amount of RMB 49. 5 million ( \$ 6. 8 million) which relates to work performed prior to 2022. Because of the pandemic and China's zero COVID policy, we were not able to engage in face-to-face discussions with SPIC concerning either the payment of the receivable or additional projects. We expect to collect the receivable in 2025 (although we had previously anticipated receiving payment in 2024), and we can give no assurance that we will receive full payment of the receivable. At December 31, 2024, we increased our bad debt reserve related to the SPIC receivable as a result of an initial arbitration meetings with SPIC. Further, China is currently experiencing a decline in tax revenue and other sources of funds, which may affect both SPIC's payment of the money it owes us and its willingness or ability to enter into new agreements with us. Although we are looking to generate business in China from SPIC and other potential customers, as of the date of this annual report, there were no negotiations, and we cannot assure you that we can or will generate any revenue in China or that any revenue we generate will be profitable. If we decide to recommence operations in China, we will require substantial funds to develop this business with no assurance of success, either with SPIC or other potential customers. If we are unable to generate profitable business in China, it may be necessary for us to discontinue our China operations. In the event that we discontinue our China segment, our historical financial statements will reflect the operations of our China segment as the results of a discontinued operation. Our failure to control our costs could impair our financial results. Our cost of revenues and our operating expenses increased significantly both in dollars and as a percentage of revenues. Unless we are able to reduce both our cost of revenues and our operating costs, we will not be able to operate profitably. There are many factors beyond our control that may affect our costs, such as the price of components, cost of labor and the availability of warehouse and office space at reasonable rents as well as the effect of competition, and recently, inflation. Further, as a public company we have additional expenses that we did not incur as a private company. Unless we are able to control our costs, we will not be able to operate profitably. We cannot assure you that we can or will ever operate profitably. We

invested \$ 7,000,000 from the proceeds of our initial public offering in an 8 % promissory note issued by Webao Limited, a Hong Kong based social media company. The initial maturity was June 1, 2024 and it was extended twice at the request of the maker and is currently due on June 30, 2025. Our China segment invested RMB 5,000,000, or approximately \$ 688,000, in a 5 % note issued by Qingdao Xiaohuangbei Technology Co., Ltd., a PRC- based company. The initial maturity was June 25, 2024 and it was extended twice at the request of the maker and is currently due on June 30, 2025. These notes are shown on our balance sheet as short- term investments. Maintaining any significant portion of our cash in non- financial institutions, particularly companies based on Hong Kong or China which do not have any of the protections provided United States banks, is subject to adverse conditions in the financial or credit markets, which could impact access to our invested cash and could adversely impact our operating liquidity and financial performance. Although we believe that we will receive the principal and interest on these notes, we cannot assure you as to when or whether we will receive payment. To the extent that we are not able to obtain the proceeds of these loans, which represents a significant percentage of the net proceeds of our initial public offering, in a timely manner, our operations may be impaired.

~~Changes-33~~Changes in utility regulations and pricing could impair the market for our products. The market for alternative energy products is affected by utility regulation and pricing policies. Changes in regulations or pricing could result in a significant reduction in the demand for solar products. Depending on the region, electricity generated by solar energy systems competes most effectively with expensive peak- hour electricity from the electric grid, rather than the less expensive average price of electricity. Modifications to the utility companies' peak hour pricing policies affect the competitive nature of our systems. To the extent that we have to lower prices, the profitability of our systems could be impaired. In addition, any changes to government or internal utility regulations and policies that favor electric utilities rather than renewable energy such as solar could reduce our competitiveness and cause a significant reduction in demand for our products and services. Our business may be affected by increases in the price of solar energy products, including price increases resulting from the United States' trade and tariff policies. The declining cost of solar panels has been a key factor in the pricing of our solar energy systems, which, in turn affects the potential customer' s decision to use solar energy. With any stabilization or increase of solar panel and other component prices, our ability to market our solar energy systems could be impaired, which would affect our revenues and gross profit. The cost of solar panels and raw materials could increase in the future due to tariff penalties or other factors. The U. S. government has imposed tariffs on solar cells, solar panels and aluminum used in solar panels manufactured overseas. These tariffs have increased the price of solar panels containing foreign manufactured solar cells. At present, we purchase solar panels containing solar cells and panels manufactured overseas for our United States installations. While solar panels containing solar cells manufactured inside the United States are not subject to these tariffs, the prices of these solar panels are, and may continue to be, more expensive than panels produced using overseas solar cells, before giving effect to the tariff penalties and the tariff policies may result in an increase in prices of domestic products and, to the extent that domestic products use foreign components or metal, the price of such products is likely to increase. If additional tariffs are imposed or other negotiated outcomes occur, our ability to purchase these products on competitive terms from those countries could be limited. Any of those events could impair our financial results if we incur the cost of trade penalties or purchase solar panels or other system components from alternative, higher- priced sources.

~~Changes-34~~Changes in net metering regulations in California is likely to result in a reduced level of benefits, which is impairing the market for residential solar products. Net metering is a billing mechanism that credits solar energy system owners for the electricity that they add to the electricity grid. If the owner of a solar system generates more electricity than it consumes, the excess electricity is sold back to the grid. California' s first net metering policy set a “ ” cap ” for the three investor- owned utility companies in the state: Pacific Gas & Electric (PG & E), San Diego Gas & Electric (SDG & E), and Southern California Edison (SCE). All three have reached their cap where total solar installations in each utility' s territory were capped at five percent of total peak electricity demand. The California Public Utilities Commission (CPUC) created the current program known as “ ” Net Metering 2. 0 ” (NEM 2. 0) that extends California net metering. NEM 2. 0 is slightly different from the first net metering policy. Under NEM 2. 0, customers will still receive the retail credit for electricity produced but will be required to pay more in Non- Bypassable Charges. NEM 2. 0 also requires new solar customers to pay a one- time Interconnection Application Fee, the amount of which is dependent upon the utility company. For systems under 1MW this fee is \$ 132 for San Diego Gas & Electric, \$ 145 for Pacific Gas & Electric, and \$ 75 for Southern California Edison. NEM 2. 0 customers are also required to use Time of Use (ToU) rates. The California Public Utilities Commission (CPUC) has adopted NEM 3. 0 which establishes the successor to NEM 2. 0 in California. NEM 3. 0 features a 75 % reduction in export rates (the value of excess electricity pushed onto the grid by solar systems), thereby reducing the overall savings and increasing the payback period of home solar installations. The changes under NEM 3. 0 are likely to result in reduced benefits for most residential solar users and could alter the return on investment for solar customers. ~~31To~~To the extent that utility companies are not required to purchase excess electricity from owners of solar systems or are permitted to lower the amounts paid, the market for solar systems may be impaired. Because net metering can enable the solar system owner to further reduce the cost of electricity by selling excess electricity to the utility company, any elimination or reduction of this benefit would reduce the cost savings from solar energy. The recent changes in California' s net metering payments are reducing the market for residential solar installations to the extent that the installation of the homeowner' s decision to install a solar system is based on the benefits of the net metering structure, which has been modified to reduce the benefits to the home owner. In January 2024, we laid off a portion of our employees associated with the design and installation of residential solar systems in response to a slowdown in demand after NEM 3. 0 took effect in April 2023. The layoff represented approximately 25 % of our residential solar system design and installation team. Approximately half of the employees who were laid off had been hired in late 2022 to help install our growing backlog of residential solar systems under contract in anticipation of NEM 3. 0, and the contracts representing that backlog were

completed during 2023. We may need to revise our pricing metrics to reflect the change resulting from NEM 3.0 in order for the purchase of a solar system to be economically attractive to the customer, which may result in lower prices and reduced margins. Although our business plan contemplates that the near-term impact of NEM 3.0 on residential solar contracts will be offset by commercial solar contracts for which we use third-party subcontractors to complete the installations, we cannot assure you that our overall business will not be impacted by the effects of NEM 3.0 or that we will be able to develop our commercial solar business. Our significant decrease in both revenue and gross margin in the nine months ended September 30, 2024 from the comparable period of 2023 reflect both a surge in revenue in 2023 in anticipation of the effectiveness of NEM 3.0 in April 2023 and a sharp decline in revenue resulting from the effectiveness of NEM 3.0.

We cannot assure you that net metering will not be eliminated or the benefits significantly reduced for future solar systems, which may dampen the market for solar energy or that our sales, particularly for residential units, will not be impaired. Our business may be affected by increases in the price of solar energy products, including price increases resulting from the United States' trade and tariff policies. The declining cost of solar panels has been a key factor in the pricing of our solar energy systems, which, in turn affects the potential customer's decision to use solar energy. With any stabilization or increase of solar panel and other component prices, our ability to market our solar energy systems could be impaired, which would affect our revenues and gross profit. The cost of solar panels and raw materials could increase in the future due to tariff penalties or other factors. The U. S. government has imposed tariffs on solar cells, solar panels and aluminum used in solar panels manufactured overseas. These tariffs have increased the price of solar panels containing foreign manufactured solar cells. At present, we purchase solar panels containing solar cells and panels manufactured overseas for our United States installations. While solar panels containing solar cells manufactured inside the United States are not subject to these tariffs, the prices of these solar panels are, and may continue to be, more expensive than panels produced using overseas solar cells, before giving effect to the tariff penalties and the tariff policies may result in an increase in prices of domestic products. If additional tariffs are imposed or other negotiated outcomes occur, our ability to purchase these products on competitive terms from those countries could be limited. Any of those events could impair our financial results if we incur the cost of trade penalties or purchase solar panels or other system components from alternative, higher-priced sources. We may be subject to cybersecurity risks. We face significant and persistent cybersecurity risks due to the need to protect both our business generally and any transaction which we are considering or with respect to which we are in negotiation, as well as the need to protect the confidentiality of information concerning our personnel and others with whom we conduct business. We face threats from bad actors who seek to disrupt our business as well as others who are engaging in malicious activities for profit, to make a political point or for no particular reason other than creating disruption. Disclosure of certain information as a result of a cybersecurity breach may result in a breach of privacy laws. The substantial level of harm that could occur to us and those with whom we conduct business were we to suffer impacts of a material cybersecurity incident requires us to maintain robust governance and oversight of these risks and to implement mechanisms, controls, technologies, and processes designed to help us assess, identify, and manage these risks.

While we have not, as of the date of this annual report, experienced a cybersecurity threat or incident, we cannot assure you that we will not experience such an incident in the future. Any cybersecurity incidents, whether or not successful, could result in our incurring additional costs related to, for example, rebuilding our internal systems, implementing additional threat protection measures, responding to regulatory inquiries or actions, paying damages or making payments to obtain access to our computer systems, or taking other remedial steps with respect to third parties. We cannot assure you that the steps we are taking will not be successful in preventing a cybersecurity breach, that we will not suffer cybersecurity breaches or that we will not incur significant expenses in seeking to deal with the consequences of any attempted or successful cybersecurity breaches or that, if we suffer a material cybersecurity breach that we will be able to continue in business following such breach. We may be subject to liability if private information that we receive is not secure or if we violate privacy laws and regulations. We are or may become subject to a variety of laws and regulations in the United States and abroad regarding privacy, data security, cybersecurity and data protection. These laws and regulations are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly with respect to foreign laws. In particular, there are numerous United States federal, state, and local laws and regulations and foreign laws and regulations regarding privacy and the collection, sharing, use, processing, disclosure, and protection of personal information and other user data. Such laws and regulations often vary in scope, may be subject to differing interpretations, and may be inconsistent among different jurisdictions. In June 2018, California adopted the California Consumer Privacy Act ("CCPA"), which became effective in 2020. Under the law, any California consumer has a right to demand to see all the information a company has saved on the consumer, as well as a full list of all the third parties that data is shared with. The consumer also has the right to request that a company delete the information it has on the consumer. The CCPA broadly defines "protected data." The CCPA also has specific requirements for companies subject to the law. The CCPA provides for a private right of action for unauthorized access, theft or disclosure of personal information in certain situations, with possible damage awards of \$ 100 to \$ 750 per consumer per incident, or actual damages, whichever is greater. The CCPA also permits class action lawsuits. In November 2016, the Standing Committee of China's National People's Congress passed China's first Cybersecurity Law ("CSL"), which became effective in June 2017. The CSL is the first Chinese law that systematically lays out the regulatory requirements on cybersecurity and data protection, subjecting many previously under-regulated or unregulated activities in cyberspace to government scrutiny. The legal consequences of violation of the CSL include penalties of warning, confiscation of illegal income, suspension of related business, winding up for rectification, shutting down the websites, and revocation of business license or relevant permits. The costs of compliance with, and other burdens imposed by, CSL may limit the use and adoption of our products and services and could have an adverse impact on our business. The European Union Parliament approved a new data protection regulation, known as the General Data Protection Regulation ("GDPR"), which came into effect in May 2018. The GDPR includes operational requirements for companies that receive or process personal data

of residents of the European Economic Area. The GDPR imposes significant penalties for non-compliance. Although we do not conduct any business in the European Economic Area, in the event that residents of the European Economic Area access our website and input protected information, we may become subject to provisions of the GDPR. We are also subject to laws restricting disclosure of information relating to our employees. We strive to comply with all applicable laws, policies, legal obligations, and industry codes of conduct relating to privacy, data security, cybersecurity and data protection. However, given that the scope, interpretation, and application of these laws and regulations are often uncertain and may be conflicting, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure or perceived failure by us or our third-party service providers to comply with our privacy or security policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other user data, may result in governmental enforcement actions, litigation, or negative publicity, and could have an adverse effect on our business and operating results. Although we maintain cybersecurity insurance, we cannot assure you that this insurance will cover or satisfy any claim made against us or adequately cover any defense costs we may incur. **In addition, we are required to report security breaches and describe steps we are taking to address potential cybersecurity threats materially and adversely affect our business, financial condition, and results of operations.** Global pandemics, epidemics in China or elsewhere in the world, or fear of spread of contagious diseases, such as Ebola virus disease (EVD), coronavirus disease 2019 (COVID-19), Middle East respiratory syndrome (MERS), severe acute respiratory syndrome (SARS), H1N1 flu, H7N9 flu, avian flu and monkeypox, as well as hurricanes, earthquakes, tsunamis, or other natural disasters ~~and political unrest and the relationship between the United States and China~~ could disrupt our business operations, reduce or restrict our operations and services, incur significant costs to protect our employees and facilities, or result in regional or global economic distress, which may materially and adversely affect our business, financial condition, and results of operations. Actual or threatened war, terrorist activities, political unrest, civil strife, including the **Russian invasion of Ukraine and the** war between Israel and Hamas or any other hostilities in the Middle East and other geopolitical **uncertainty could**. Our business would be impaired if we lose our licenses, if more stringent government regulations are enacted or if we fail to comply with the growing number of regulations pertaining to solar energy and consumer financing industries. Our business is subject to numerous federal and state laws and regulations. The installation of solar energy systems performed by us is subject to oversight and regulation under local ordinances, building, zoning and fire codes, environmental protection regulation, utility interconnection requirements, and other rules and regulations. If we engage in financing transactions through SolarMax Financial, we will be subject to numerous consumer credit and financing regulations. The consumer protection laws, among other things: · require us to obtain and maintain licenses and qualifications; · limit certain interest rates, fees and other charges it is allowed to charge; · limit or prescribe certain terms of the loans to our customers; and · require specific disclosures and the use of special contract forms. **Non-compliance with certain consumer disclosure requirements related to home solicitation sales and home improvement contract sales affords residential customers with a right to rescind such contracts in some jurisdictions, including California. The number of laws affecting both aspects of our business continues to grow**. Our Chinese subsidiary ZHPV holds a construction enterprise qualification certificate for Level III of general contractor for power engineering constructor issued on December 18, 2022, which permits ZHPV to conduct business as a contractor in power engineering construction. The qualification expires on **June 30, 2024**. **In the event that we conduct business in China, it is likely that our certificate would have to be renewed**. The failure of ZHPV to hold this certificate would impair our ability both to negotiate contracts and to perform our obligations under any contracts we may have with customers. ~~The number of laws affecting both aspects of our business continues to grow~~. We can give no assurances that we will properly and timely comply with all laws and regulations that may affect us. If we fail to comply with these laws and regulations, we may be subject to civil and criminal penalties. **A** ~~In addition, non-compliance with certain consumer disclosure requirements related to home solicitation sales and home improvement contract sales affords residential customers with a right to rescind such contracts in some jurisdictions, including California.~~ **33** A material decrease in the retail price of electricity from the local utility company or from other sources would affect our ability to generate revenues. We believe that a customer's decision to buy a solar energy system from it is primarily driven by a desire to pay less for electricity. Decreases in the retail prices of electricity from utility companies or other renewable energy sources, which is not likely in the foreseeable future as a result of climbing energy prices, would impair our ability to offer competitive pricing which would, in turn, affect our ability both to generate revenue and to maintain gross margins. The price of electricity from utility companies could decrease as a result of such factors as a reduction in the price of oil or natural gas as a result of new drilling techniques or a relaxation of associated regulatory standards; the development of energy conservation technologies and public initiatives to reduce electricity consumption; the construction of a significant number of new power generation plants, including nuclear, natural gas or renewable energy technologies. **Changes in regulations relating to fossil fuel can impact the market for renewable energy, including solar. The market for renewable energy in general and solar energy in particular is affected by regulations relating to the use of fossil fuel and the encouragement of renewable energy. To the extent that changes in regulations have the effect of reducing the cost of gas, oil and coal or encouraging the use of such fuels, the market for solar systems may be impaired. A material decline in the price of electricity charged by the local utility company to commercial users may impair our ability to attract commercial customers. Often** **37** **Often** large commercial customers pay less for energy from utility companies than residential customers. To the extent that utility companies offer commercial customers a lower rate for electricity, they may be less willing to switch to solar energy. Under such conditions, we may be unable to offer solar energy systems in commercial markets that produce electricity at rates that are competitive with the price of retail electricity they are able to obtain from the local utility company. In such event, we would be at a competitive disadvantage compared to the local utility company and may be unable to attract ~~new~~ commercial customers, which would impact our revenues. **Changes in regulations relating to fossil fuel can impact the market for renewable energy, including solar. The market for renewable energy in general and solar**

**energy in particular is affected by regulations relating to the use of fossil fuel and the encouragement of renewable energy. To the extent that changes in regulations have the effect of reducing the cost of gas, oil and coal or encouraging the use of such fuels, the market for solar systems may be impaired.** Solar energy and other forms of renewable energy compete with other forms of energy and the attractiveness of solar energy reflects the cost of electricity from the local grid. Solar energy competes with other all other forms of energy, including, particularly local utility companies, whose pricing structure effectively determines the market for solar energy. If consumers, whether residential or commercial, believe that they are paying and will continue to pay too much for electricity from a local utility company, they may consider other alternatives, including alternative providers of electricity from local utility companies as well as forms of renewable energy. If they are in a location where, because of the climate and geography, solar energy is a possibility, they may consider solar energy as an alternative, provided they are satisfied that they will receive a net savings in their cost of electricity and their system will provide them with a constant source of energy. Further, although some customers may purchase a solar energy system because of environmental considerations, we believe that the cost of electricity is the crucial factor that influences the decision of a user, particularly a commercial user, to elect to use solar energy. Within the solar energy market, we face intense and increasing competition in the market of solar energy system providers, which exposes us to the risk of reduction of our market penetration and **of our gross of our profit margins- margin**. The solar energy system installation market is highly and increasingly competitive. The number of new solar energy installation businesses that have entered the industry in California has almost doubled since 2008 when we commenced business. We compete with major companies in the solar business, particularly in California, as well as a large number of small companies. The solar energy industry may continue to expand and possibly consolidate. We may continue to encounter increasing competition from larger companies that have greater resources than we and which would enjoy more economies of scale and greater name recognition than we have. Further, increasing competition may also lead to an excessive supply of solar energy installation services on the market which could continue to affect both our ability to generate revenue as well as our gross margin. To the extent that our ability to provide financing to our customers is an important element in selling our systems, we will compete with both other solar companies that provide financing and with banks, leasing companies and other businesses that seek to offer financing alternatives to purchasers of solar systems. Since early 2020, because we did not have the capital to support such operations, we suspended making loans to our solar customers.

34The **The** results of our operations may vary significantly from quarter to quarter. In our experience in the United States, consumers generally, and residential customers in particular, express interest in a solar energy system during March and April, when they are preparing their tax returns, and in July and August, when they experience high electricity charges from the local utility company. Since the selling cycle is typically three to four months, we generally install systems two to three months after the contract date, and we recognize revenue using a cost- based input method that recognizes revenue as work is performed. If we cannot complete a sale to a customer when the customer expresses interest in a solar system, that potential customer may seek alternative sources. Factors which may cause our quarterly results to fluctuate include: · local weather and climate conditions and long- term projected climate developments, including the effects of wildfires, unusually heavy rain and floods in California and climate change generally, which may affect both our ability to enter into contracts for the installation of solar systems and our ability to complete the construction and installation in a timely manner **and may result in financial obligation to customers pursuant to production guarantees**; · expiration, initiation or reduction of tax and other rebates and utility incentives; **38** · our revenue recognition policies, whereby significant work can be performed before we recognize revenue; · our ability to complete installations in a timely manner; · our ability to process applications for third- party financing; · our ability to expand our operations and the timing of any expansion; · changes in competitors' pricing and financing policies and other changes in the competitive environment in the solar energy industry; · pricing policies of local electricity providers; · gas and oil prices; and · changes in customer demands for solar energy systems. **The If we commence operations in China, the** results of our China operations may also vary significantly from quarter to quarter since revenue from our China operations **is would be** dependent upon both the timing of contracts and the timing of our work and the completion of our obligations on projects for which we have contracts **and our ability to price our work to generate a profit on the project**. Changes in revenue and the results of operations from our China segment from quarter to quarter may have a negative effect on our net income and the market for and price of our common stock **and may also affect our cash requirements to the extent that there is a delay in receipt of payment following the completion of the work for which payment is required**. The last year in which we generated revenue from our China segment was 2021, and all of our revenue in that year was generated in the second quarter. We had no revenue from the China segment for 2022, 2023 and 2024 ~~through the date of this annual report~~, and we have no contracts in place for us to perform any services in China. Because we are dependent on our chief executive officer ~~and the head of our China operations~~, the loss of ~~their his~~ services and our failure to hire additional qualified key personnel could harm our business. Our business is largely dependent upon the continued efforts of one of our founders and our chief executive officer, David Hsu. ~~Our operations in China are dependent upon Mr. Hsu and Bin Lu, who is the head of our China operations.~~ Although we have an employment agreement with Mr. Hsu, ~~this~~ and SolarMax Technology (Shanghai) Co., Ltd. has an employment agreement **does** with Mr. Lu, these agreements do not guarantee that Mr. Hsu or Mr. Lu will continue to work for us. The loss of Mr. Hsu could affect our ability to operate profitably in both the United States and China **and, depending upon the nature of the termination of their relationship, could result in substantial severance payments which we may have difficulty in funding.** **If we recommence operations** The loss of Mr. Lu could have a material adverse effect upon our ability to develop and operate our business in China; however, **if we will need to engage experience executive and operational personnel, and we would be competing with other companies, including Chinese companies, for such personnel. If** we are unable to develop significant **engaged qualified personnel in a timely manner we may not be able to conduct** business in China, ~~we may be unable to retain Mr. Lu. Further, because because~~ our senior management is based in the United States, **if we recommence operations in China**, our failure to develop senior management personnel in China may strain our management

resources and make it difficult for our corporate management to monitor both the China operations and United States operations efficiently. Our failure to have qualified executive personnel in China who can operate in accordance with and implement our business plan and who understand and can comply with applicable United States and Chinese laws and regulations may impair our ability to generate revenue and operating income from the China segment, which could impair our overall operations and financial condition **and could prevent our ability to conduct business in China.** ~~35~~**In** order to develop our business, we need to identify, hire and retain qualified sales, installation and other personnel ~~in both the United States and China.~~ To develop our business, we need to hire, train, deploy, manage and retain a substantial number of skilled employees, including sales, installation and other employees and marketing and, if we engage in financing activities, lending personnel for these activities. Identifying, recruiting and training qualified personnel requires significant time, expense and attention. If we are unable to hire, develop and retain qualified personnel or if our personnel are unable to achieve the desired level of productivity for a reasonable period of time, we may have difficulty in developing our business. Competition for qualified personnel in the solar industry is increasing, particularly for skilled installers and other personnel involved in the installation of solar energy systems. We also compete with the homebuilding and construction industries for skilled labor. As these industries recover and seek to hire additional workers, our cost of labor may increase. The unionization of our United States labor force could also increase our labor costs. Shortages of skilled labor could significantly delay a project or otherwise increase costs. Because our profit on a particular installation is based in part on assumptions as to the cost of such project, cost overruns, delays or other execution issues may cause us to not achieve our expected margins or cover our costs for that project. In addition, we compete for a limited pool of technical and engineering resources in ~~both~~ the United States and **, if we seek to conduct business in China, in** China that requires us to pay wages that are competitive with relatively high regional standards for employees in these fields. We not only compete for highly qualified personnel, but we also face other companies seeking to hire our personnel, particularly our highly skilled personnel. If we cannot meet our hiring, retention and efficiency goals, we may be unable to complete the customers' projects on time, in an acceptable manner, if at all. Any significant failures in this regard would materially impair our growth, reputation, business and financial results. If we are required to pay higher compensation than we anticipate, the increased cost may adversely impact our financial results and our ability to develop our business. ~~39~~**Although** our employees in the United States are co- employed by a professional employer organization, we may be liable for the failure of the organization to comply with our obligations under applicable law. We contract with a professional employer organization, or PEO, that administers our human resources, payroll and employee benefits functions for our United States employees. Although we recruit and select our personnel, our United States employees are co- employed by the PEO and us. Pursuant to the agreement with the PEO, our United States personnel are compensated through the PEO, receive their W- 2s from the PEO and are governed by the personnel policies of the PEO. This relationship permits management to focus on our operations rather than human resource administration, but this relationship also exposes us to some risks. Among other risks, if the PEO fails to adequately withhold or pay employer taxes or to comply with other laws, such as the Fair Labor Standards Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act or state and federal anti- discrimination laws, health and safety laws, sexual harassment laws and laws protecting the security of employee information, all of which are outside of our control, we would be liable for such violations, and the indemnification provisions of our agreement with the PEO, if applicable, may not be sufficient to insulate us from those liabilities. Court and administrative proceedings related to these matters could distract management from our business and cause us to incur significant expense. If we were held liable for violations by the PEO of applicable laws, such liability may adversely affect our business and the results of our operations and our cash flow. Since we act as a general contractor in the United States, we face typical risks of a construction company. We act as the licensed contractor for our United States customers and are subject to risks associated with construction, cost overruns, delays, regulatory compliance and other contingencies, any of which could have a material adverse effect on our business and results of operations. For our residential projects, it is the general contractor, construction manager and installer. For our commercial projects, we are the general contractor and construction manager, and we typically rely on licensed subcontractors to support some of our solar panel installations. In either case we are responsible for the completion of the project and must take steps to make sure that we and our subcontractors comply with all applicable laws and regulations. We may be liable to customers for any damage we cause to their home or facility, or belongings or property during the installation of our systems. In addition, shortages of skilled labor for our commercial projects could significantly delay a project or otherwise increase costs. Because our profit on a particular installation is based in part on assumptions we make as to the cost of such project, cost overruns, delays or other execution issues may impair our ability to generate the gross margins that we are seeking. In addition, the installation of solar energy systems and the evaluation and modification of buildings as part of our energy efficiency business is subject to oversight and regulation in accordance with national, state and local laws and ordinances relating to building codes, safety, environmental protection, utility interconnection and metering, and related matters. It is difficult and costly to track the requirements of every individual authority with jurisdiction over our installations and to design solar energy systems to comply with these varying standards. Any new government regulations or utility policies pertaining to our systems may result in significant additional expenses to us and our customers and, as a result, could cause a significant reduction in demand for our systems. ~~36~~**If we engage in financing activities, our failure to adequately assess credit risks for financing the sale of our systems in the United States could impair our ability to operate profitably. We provided financing to our customers through SolarMax Financial until early 2020, when we ceased such operations because we did not have sufficient capital to fund these operations. The principal amount of our loan portfolio was \$ 6. 8 million at December 31, 2023 and \$ 10. 6 million at December 31, 2022. All of our financing revenue relates to loans made prior to early 2020. We do not have significant experience with loans to customers to evaluate the effectiveness of our credit criteria. If we try to meet financing terms of competitors, we may have to reduce our financing criteria, which could increase the possibility of default by the customers. Residential customers could be more adversely impacted during economic slowdowns or recessions, which could affect their ability or willingness to pay. Our failure to collect**

any significant portion of our customer loan receivables or the need to place a significant reserve against these receivables could materially impair our financial condition and the results of our operations. We cannot assure you that we will not incur significant losses on our customer loan portfolio. Although we file UCC-1 financing statements in connection with our loans, we may have difficulty in generating any money in the event that we foreclose on a defaulting customer. The foreclosure process could be time-consuming and collection is uncertain, particularly if the customer seeks protection under applicable bankruptcy or insolvency laws. Additionally, any defects in the filing of the financing statements could impair the validity of our security interest. Unless the subsequent owner of the building on which the solar power system is located is willing to assume the obligations with respect to the system on terms acceptable to us, we would incur substantial costs in removing and reselling the system. Further, even if we are able to remove the system, the components may not be saleable at their book value, if at all. Our failure to collect the amount due under the customer loan agreements would materially impair our financial condition and the results of our operations. Compliance with occupational safety and health requirements and best practices can be costly, and noncompliance with such requirements may result in potentially significant monetary penalties, operational delays and adverse publicity. The installation of solar energy systems requires employees to work at heights with complicated and potentially dangerous electrical systems. The evaluation and modification of buildings as part of our energy efficiency business requires our employees to work in locations that may contain potentially dangerous levels of asbestos, lead or mold. There is substantial risk of serious injury or death if proper safety procedures are not followed. Our operations are subject to regulation under the U. S. Occupational Safety and Health Act, or OSHA, and equivalent state laws. Changes to federal or state OSHA requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in increased costs. If we fail to comply with applicable OSHA regulations, even if no work-related serious injury or death occurs, we may be subject to civil or criminal enforcement and be required to pay substantial penalties, incur significant capital expenditures, or suspend or limit operations. Any such accidents, citations, violations, injuries or failure to comply with industry best practices may subject us to adverse publicity, damage our reputation and competitive position and adversely affect our business. ~~The~~ **40** The availability and price of silicon raw materials may affect our gross margins and profitability. Polysilicon is an essential raw material in the production of solar power products. The costs of silicon wafers and other silicon-based raw materials have accounted for a large portion of the costs associated with solar panels. Although the price of silicon had declined in recent years, recent increases in the price of polysilicon in the past have resulted in increases in the price of wafers, leading to increases solar panel costs. Due to the volatile market prices, we cannot assure you that the price of polysilicon will remain at its current levels particularly in view of inflationary pressures, especially if the global solar power market gains its growth momentum. Moreover, in the event of an industry-wide shortage of polysilicon, we may experience late or non-delivery from suppliers and it may be necessary for us to purchase silicon raw materials of lower quality that may result in lower efficiencies and reduce our average selling prices and revenues. Our business is subject to the effects of inflation and has been subject to supply chain issues. **Our** ~~Prior to mid-to-late 2021, our business was not impacted by inflation or supply chain issues. With the recent inflationary pressures, our business is subject to the inflationary pressures that are affecting many domestic and foreign companies. The effects of inflation and supply side issues with respect to polysilicon are described in the preceding risk factor.~~ ~~37~~ ~~The~~ **The** effects of inflation may also affect the marketability of our solar systems to residential users. In our United States segment, our cost of revenue per watt of solar systems, which made up approximately 80 % of our cost of revenues, increased approximately ~~12-20 % in during the first half of 2022-2024~~ **12-20 % in during the first half of 2022-2024** compared to the same period a year ago. ~~Although in the third quarter of 2022, we were have been able to obtain~~ **increase the selling price, our ability to increase is limited by competition, which resulted in our increase in 2024 of only 14 %, a lower increase than the increase in cost of revenue which resulted in lower margin. We will continue to source** panels at a lower cost and our cost of revenue per watt of solar systems was equal to our cost per revenue per watt in the ~~best available prices, third quarter of 2021. There~~ **there** is no assurance we can continue to source panels at more favorable prices. We have increased the price of solar system installations in our United States segment to offset this increase in cost beginning in **2021. Our cost, even of domestic products, may also be affected by tariffs imposed by the United States and counter-tariffs imposed by the other countries** first half of 2022 and continuing through the date of this annual report. The increase in prices due to inflation may also affect the marketability of our solar systems ~~in the United States~~. To the extent that homeowners are incurring high expenses generally, they may have less available cash to invest in a solar system. Although we do not have any data as to the effect of higher utility costs on purchases of solar systems, it has been our experience ~~during 2022 and 2023~~ that, as inflationary pressures are increasing the cost of electricity generally, our domestic business has grown as homeowners are seeking alternatives to what they see as high utility bills. As a result, we have been able to increase our prices which has reduced the effect of increased prices of raw materials. ~~Although we did suffer a decline in gross margin in 2022 as a result of the increase in the cost of raw materials, which was mitigated in the third quarter of 2022 as a result of obtaining favorable pricing on solar panels, the reduction in margin was reduced because we were able to increase prices.~~ ~~In 2023-2024,~~ **2023-2024,** our unit cost of revenue increased by ~~15-20 %~~ **15-20 %**, which was partially offset by an increase in unit price of ~~8-14 %~~ **8-14 %**. However, competitive factors limit the amount we can increase our prices, ~~but~~ **and** our price increases have reduced what would otherwise have been a greater decline in gross margin. We are seeking to reduce the effect of increased prices in raw materials by purchasing in greater quantities. However, to the extent inflation continues or increases, we may not be able to raise prices sufficient to prevent a significant decline in our gross margins and the results of our operations, and if our prices are too high, the residential customer may not see the value of installing our solar system. Estimated compensation costs per employee for sales, marketing and administrative personnel in our United States segment **decreased approximately 27 % for the year ended December 31, 2024 compared to the year ended December 31, 2023, and** increased approximately 16 % ~~for during~~ the year ended December 31, 2023 compared to ~~the year ended December 31, 2022~~ **the year ended December 31, 2022**. **The increase in** ~~and~~ **and** approximately 12 % ~~during the year ended December 31, 2022-2023 compared to~~ **and** decrease in **2021-2024 reflected increased staffing** in response to **an increased demand for solar energy projects in anticipation of the implementation of California's NEM 3.0 and the**

decrease reflected the lay-off of a portion of our employees resulting from a slowdown after we had completed installation of the increased 2023 backlog resulting from NEM 3.0. The increase in 2023 was due to the increased cost of retaining and attracting talent, and such costs may continue to increase as labor costs in California continue to increase as a result of the inflationary pressures. In addition, to the extent that inflationary pressure affects our cost of revenue and general overhead, we may face the choice of raising prices to try and maintain our margins or reduce or maintain our price structure to meet competition which would result in a lower gross margin and a drop in operating income. Our China segment is already feeling the effects of both inflation and supply chain issues. Our China segment had a 0% gross margin for the year ended December 31, 2021 because our cost of revenue for one of our projects with SPIC was significantly adjusted as a result of the unanticipated increase in costs, particularly the panel costs, which resulted in a significant adjustment in cost which essentially reversed the profit that was recognized in 2020 for the project. We were not able to raise our price to cover the additional costs. During the year ended December 31, 2022, our China operations did not generate any revenue as a result of the temporary halt of construction on certain projects, resulting both from the local holidays and our inability to acquire the solar panels for the project at the budgeted price due to the local supply chain issues and the absence of new projects. Since the second quarter of 2020, the prices of the solar panels in China have been increasing due to the tight supply in the local market. We did not generate revenue from our China segment in the year ended December 31, 2023; however, panel prices have moderated and we continue to pursue new solar construction projects in our China segment. We cannot assure you that, if we are able to negotiate contracts with SPIC, that we will be able to accurately price our costs, with the risk that inflationary and supply side issues will not result in our generating a loss on any projects for we contract. Because we derive most of our United States revenue from sales of our solar energy systems in California, we depend on the economic and regulatory climate and weather and other conditions in California. We currently derive most of our United States revenue from solar energy projects in the United States from California. This geographic concentration exposes us more to government regulations, economic conditions, weather conditions, earthquakes, mudslides, fire, including wildfires, power outages, and other natural disasters and effects of climate change, and changes affecting California than if we operated in more states. We cannot predict the effect of the recent forest fires, heavy rains and flooding in California will have on both the market for solar systems in California and on our business in particular and on our ability to solar systems in a timely manner. Any inability to install solar systems in a timely manner, whether because of wildfires, heavy rain or flooding or other causes will also affect the timing of our revenue flow. Furthermore, these conditions may impact our systems' ability to meet the production guarantee, which would result in payment obligations if our systems fail to meet production guarantees. Because we provide a production guarantee for some solar systems in California, we may incur additional costs if the output of our systems does not meet the required minimums. Commencing in 2015, our standard contract for residential systems provides for a production guarantee, which means that we guarantee that the system would generate a specified minimum amount of solar energy during a year. The agreements generally have a term specified in the contract, which is generally ten years. In our standard contract, we specify a minimum annual production and provide that if the power generated by the system is less than 95% of the estimate, we will reimburse the owner for the cost of the shortfall. Because our obligations are not contingent upon external factors, such as sunlight, changes in weather patterns or increases in air pollution, unusual rain, flooding and wildfires and other factors could affect the amount of solar power that is generated and could increase our exposure under the production guarantee. Although our obligations under these agreements have not been significant through December 31, 2023-2024, we cannot assure you that in the future any obligations we have under these agreements will not have a material adverse effect upon our revenue and the results of our operations. Although we believe that the conditions relating to those installations were unique and that we have taken corrective action, we cannot assure you that we will not have unanticipated liability in the future for the failure of systems to comply with applicable production guarantees regardless of the cause of such failure. As of December 31, 2023-2024, we reported in our Form 10-Q for the quarter ended September 30, 2023-2024, that we did not maintain adequate internal controls over financial accounting and reporting as is required for a result public company, and there are limitations on the effectiveness of such controls, and a failure of our control systems to prevent error or fraud may materially harm us and represent a material weakness weaknesses in our internal controls over financial reporting our disclosure controls. At December 31, 2023, we were a privately owned company and not subject to the provisions effective, and any failure of our control system to prevent error or fraud may materially harm us and represents a material weakness in our internal controls over financial reporting. The Sarbanes-Oxley Act, which requires, among the other things establishment and maintenance of internal controls over financial accounting and reporting for a public company. As a result, that at December 31, 2023, we maintain had not established effective internal controls over financial accounting and reporting. Since prior to the completion of our initial public offering and a Nasdaq listing, on February 29, 2024, we have taken steps toward the establishment of internal controls and disclosure controls. However, we may be unable to establish effective internal controls. The failure to establish internal controls would leave us without the ability to properly recognize revenues and procedures account for important transactions accurately, and to reliably assimilate and compile our financial information and significantly impair our ability to prevent error and detect fraud. Moreover, we do not expect that disclosure controls or internal control over financial reporting; even if established, will prevent all error and fraud. We A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints continuing to develop and the benefits of refine our disclosure controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Failure of our control systems to prevent error or fraud could materially adversely impact us. Implementing any appropriate changes to our internal controls may require specific compliance training of our directors and employees, including the employees of our China segment, entail substantial costs in order to modify our existing accounting systems, take a significant period of time to complete

and divert management's attention from other business concerns. These changes may not, however, be effective in developing or maintaining internal control over financial reporting, and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. If we are not able to conclude that protect our computer system, including our financial records and client and personnel information, against cybersecurity attacks, including ransomware attacks, we have may not be able to maintain effective disclosure controls or internal controls over financial reporting. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could adversely affect our operating results, or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal controls could also adversely affect the results of operations. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors may to lose confidence in our reported financial and other information. As reported in our Form 10-Q for the nine months ended September 30, 2024, the lack of adequate controls enabling us to identify the change in the status of the permit- to- operate field in the system, which affects recognition of revenue, coupled with lack of any monitoring and review controls to identify changes to the permit- to- operate field resulted in a material audit adjustment during the quarter ended September 30, 2024. The adjustment to revenue in the third quarter was corrected in the financial statements that were included in the Form 10-Q for the nine months ended September 30, 2024. Additionally, a manual detective control related to the contract asset accrual calculation, which would have facilitated a review of the accrual against all previously billed projects to flag for projects previously billed, has not been designed by us. Our failure to have necessary controls may affect the market for our common stock and our ability to raise either equity or debt financing. In order to develop, maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we will need to expend and we are expending significant resources, including accounting- related costs, and provide significant management oversight. Any failure to maintain the adequacy of our internal controls, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and materially and adversely affect our ability to operate our business. In the event that our internal controls are perceived as inadequate or that we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results, and the stock price of the common stock our ordinary shares could decline and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to continue to meet the these requirements of Section 404 of the Sarbanes- Oxley Act, we our common stock may not be able to remain listed- maintain listings on the Nasdaq Stock Market. Our independent registered public accounting firm is not required to attest to the effectiveness of our internal controls over financial reporting and will not be required to attest to such effectiveness as long as we continue to be an emerging growth company or non- accelerated filer. At such time as our independent registered public accounting firm is required to attest to the effectiveness of our internal controls, such firm may issue a report that our internal controls are not effective if it is not satisfied with the level at which our controls are documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business and operating results and our ability to raise financing. 42Our warranty costs may exceed our warranty reserve. We provide warranties to the clients of our EPC services for one year in China and for ten years to the purchasers of our solar systems in the United States. Although we generally pass the warranties from our equipment suppliers to the purchasers of the systems, we provide the warranty with respect to our installation and related services. We maintain a warranty reserve on our financial statements, and our warranty claims may exceed the warranty reserve. Any significant warranty expenses could adversely affect our financial condition and results of operations. Our warranty expenses relating to systems with a production guarantee may be affected by significant changes in weather conditions which substantially reduce sun exposure. Significant warranty problems could impair our reputation which could result in lower revenue and a lower gross margin. Although we believe that the problems associated with the systems installed for the leasing company do not apply to our present solar systems, we cannot assure you that we will not incur unanticipated warranty costs in the future. Because of the rapid development of solar panels and other components for solar systems, we may be subject to inventory obsolescence. The solar industry has seen rapid technological development. We have an inventory of raw materials that include silicon wafers and other consumables and construction materials used in solar system installations. We evaluate our inventory on a quarterly basis for excess and obsolete inventory, based on assumptions as to market demand, market conditions and technological developments. We cannot assure you that we will not incur significant inventory write- offs resulting from obsolete inventory. 39If we seek to expand our business through acquisition, we may not be successful in identifying acquisition targets or integrating their businesses with our existing business. In 2013 and 2015, we acquired three companies, LED in the United States in 2013 and two companies in China. In 2015, we incurred impairment losses in connection with the LED acquisition, resulting in impairment write- offs relating to the goodwill associated with the acquisition, and in 2024, we recognized impairment charge for the entire balance of the goodwill associated with our China segment of \$ 7.5 million, which related to our 2015 acquisition of the two companies in China. There are significant risks associated with any acquisition program, including, but not limited to, the following:

- We may incur significant expenses and devote significant management time to the acquisition, and we may be unable to consummate the acquisition on acceptable terms.
- If we identify an acquisition, we may face competition from other companies in the industry or from financial buyers in seeking to make the acquisition.
- The integration of any acquisition with our existing business may be difficult and, if we are not able to integrate

the business successfully, we may not only be unable to operate the business profitably, but management may be unable to devote the necessary time to the development of our existing business; · The key employees who operated the acquired business successfully prior to the acquisition may not be happy working for us and may resign, thus leaving the business without the necessary continuity of management. · Even if the business is successful, our two senior executive officers may need to devote significant time to the acquired business, which may distract them from their other management activities. · If the business does not operate as we expect, we may incur an impairment charge based on the value of the assets acquired. · We may have difficulty implementing and maintaining the necessary quality control over the acquired business and our products and services. · To the extent that an acquired company operates at a loss prior to our acquisition, we may not be able to develop profitable operations following the acquisition. · Problems and claims relating to the acquired business that were not disclosed at the time of the acquisition may result in increased costs and may impair our ability to operate the acquired company. **43** · The acquired company may have liabilities or obligations and cybersecurity issues or problems which were not disclosed to us, or the acquired assets may not have the value we anticipated. · Any indemnification obligations of the seller under the purchase agreement may be inadequate to compensate us for any loss, damage or expense which we may sustain, including undisclosed claims or liabilities. · To the extent that the acquired company is dependent upon our management to maintain relationships with existing customers, we may have difficulty in retaining the business of these customers if there is a change in management. · Government agencies may seek damages after we make the acquisition for conduct which occurred prior to the acquisition and may not have adequate recourse against the seller. · We may require significant capital both to acquire and to operate the business, and the capital requirements of the business may be greater than we anticipated. Our failure to obtain capital on reasonable terms may impair the value of the acquisition and may impair our continuing operations. · The acquired company may be impacted by unanticipated events, such as a pandemic such as the COVID- 19 or other pandemic, the effect of climate changes, international conflicts or hostilities or social unrest or other factors over which we or the acquired company may have no control. If any of these risks occur, our business, financial condition and prospects may be impaired. **40** ~~Our~~ **If we recommence business in China, our** China segment requires significant funding in connection with project construction. To the extent that our China segment enters into project construction agreements with SPIC or other parties, we will have substantial funding requirements ~~for project construction. In 2020, we obtained construction financing of \$ 23. 0 million for one project for SPIC and in 2019, we obtained construction financings of \$ 31. 0 million for two projects for SPIC. The financings in 2020 and 2019 were the obligations of the project subsidiaries which were owned by us and consolidated by us when the financings were issued but were subsequently deconsolidated when the controlling interest in the project companies were sold to SPIC, and the obligations relating to the funding remained the obligation of the project subsidiary. As a result of transfer of control of the project subsidiary, we deconsolidated the subsidiary upon transfer of control.~~ If we enter into project construction agreements, we will need to obtain project financing **for each project**. Our failure to obtain such financing on reasonable terms will adversely affect both our operations and our ability to enter into project construction agreements. As a result, if we are not able to obtain the necessary project financing, we may need to **raise funds separately** ~~use a portion of our initial public offering for such purchase~~ if we are ~~to continue~~ to engage in project construction in China. We cannot assure you that we will be able to obtain the necessary financing or that we will be able to operate profitably, if at all, in China. We may not be successful in developing our solar farm project business in China. In order to conduct the solar farm project business in China, we will need to: · identify a buyer of the project; · negotiate a purchase and sale contract with a project buyer, which will involve the sale of the project to the buyer and an agreement with the buyer for us to design and perform the EPC work on the project on time and within the budget; · obtain **and maintain** required governmental approval and permits; · complete any applications that may be necessary to enable us or the end user to take advantage of available government benefits; · identify and obtain land use rights for significant contiguous parcels of land in areas where there is sufficient sunlight to justify a solar farm; · resolve any problems with residents and businesses in the area where the solar farm is to be constructed; · negotiate an interconnection agreement with the utility company or government Electricity Bureau; · obtain substantial financing for each project; · receive **payment for our work in a timely manner; · receive** the required interim and final payments under the purchase and sale contract; · complete the engineering for the project; **44** · purchase the photovoltaic panels and other components of the solar farm; · engage qualified contractors and subcontractors to construct the solar farm; · accurately evaluate the cost of all aspects of the projects, including any reserve for unexpected factors; · accurately estimate our potential warranty liability; and · address any changes resulting from weather or climate conditions, earthquakes, unexpected construction difficulties, changes in the buyer' s specifications or other changes beyond our control. **Our ability to address any of the foregoing factors may be affected by our being a United States company.** In the event that we are not able to satisfy any of these conditions, we may not be able to generate revenue **and positive cash flow** from our China operations, and it may be necessary for us to suspend or terminate these operations. Further, the development of solar projects also may be adversely affected by many other factors outside of our control, such as inclement weather, acts of God, and delays in regulatory approvals or in third parties' delivery of equipment or other materials, shortages of skilled labor and the effect of **any pandemics or other disease outbreaks; the trade policies of the United States and** ~~China' s zero-tolerance COVID-19 policy.~~ We cannot assure you that we will be able to engage in the solar farm business **or any other business in China** successfully. Our failure to operate this business successfully will materially impair our financial condition and the results of our operations **and may not only result in the termination of our China segment, but may impair our United States operations.** ~~41~~ ~~Delays~~ **Delays** in construction of solar farms could increase our costs and impair our revenue stream from our China operations. ~~We~~ **In our China operations, we would** generally seek to obtain permits and construct solar farms for our end user customers to whom we sell the projects. We incur significant costs prior to completion, and the contracts with the end user typically have a completion schedule. Any delay would delay our receipt of payment from the customer as well as our recognition of revenue from the project. If the delay is significant, it could result in penalties under the contract or a refusal of the customer to pay the stated purchase price or any interim payments that

are due under the contract. Delays can result from a number of factors, many of which are beyond our control, and include, but are not limited to: · unanticipated changes in the project plans; · defective or late delivery of components or other quality issues with components; · difficulty in obtaining and maintaining required permits; · difficulty in receiving timely payments from the customers; · changes in regulatory requirements; · weather and climate conditions; · unforeseen engineering and construction problems; · difficulty in obtaining sufficient land use rights for the proposed project size; · labor problems and work stoppages; · equipment problems; · adverse weather, environmental, and geological conditions, including floods, earthquakes, landslides, mudslides, sandstorms, fire, drought, or other inclement weather and climate conditions or natural disasters or pandemics or other outbreaks of disease; and · cost overruns resulting from the foregoing factors as well as our miscalculation of the actual costs.

Our business in the United States is largely dependent upon government subsidies and incentives. The solar energy industry depends on the continued effectiveness of various government subsidies and tax incentive programs existing at the federal and state level to encourage the adoption of solar power. Government policies, in the form of both regulation and incentives, have accelerated the adoption of solar technologies by businesses and consumers. We and our customers benefit from these regulations in the form of federal tax incentives, state utility rebates and depreciation. Because of the high cost of installing solar energy systems, the existence of tax incentives as well as regulations requiring utility companies to purchase excess power from solar energy systems connected to the grid are important incentives to the installation of a solar energy system. **California's adoption of NEM 3.0 has had a negative impact on the purchase of solar energy systems in California, as reflected in our decline in revenue from 2023 to 2024.** Should any of the incentives be discontinued or materially reduced, our business and the results of our operations may be impaired. **United States government policies that favor gas and oil over renewable energy including solar and wind may adversely affect our ability to sell our solar systems.** United States trade policy affects our ability to purchase domestic solar panel **and pricing generally**. One of the effects of the United States tariffs on imported solar panels, including solar panel from China, is an increased demand for products manufactured in the United States which may affect both our ability to purchase solar panels and the price and other terms at which solar panels are available to us. Our inability to obtain domestically produced solar panels at a reasonable cost can impair our ability to generate revenue and maintain reasonable gross margins. ~~along our customer~~ Three of our directors are located outside of the United States; therefore, investors may not be able to enforce federal securities laws or their other legal rights against those officers and directors (prior to and after the offering) located outside the United States. All of our executive officers and directors will be located in the United States except that two directors are located in China and one director is located in Taiwan. As a result, it may be difficult, or in some cases not possible, for investors in the United States to enforce their legal rights, to effect service of process upon those **officers and** directors located outside the United States, to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties on them under United States securities laws. In particular, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States and many other countries and regions. Therefore, recognition and enforcement in the PRC of judgments of United States courts in relation to any matter not subject to a binding arbitration provision may be difficult or impossible. There is uncertainty as to whether the courts of the PRC would enforce judgments of United States courts obtained against these persons predicated upon the civil liability provisions of the United States federal and state securities laws. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against a company in China for disputes if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. It will be, however, difficult for U.S. shareholders to originate actions in the PRC against us or our directors who are located in the PRC in accordance with PRC laws because we are incorporated under the laws of the State of Nevada and it will be difficult for U.S. shareholders, by virtue only of holding our common stock, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law. In addition, it also takes the costs and time for U.S. shareholders to take such court procedures in order to enforce liabilities and judgments in China. As a result of the foregoing, it would be very expensive and time-consuming for a stockholder to either seek to enforce a U.S. judgment in China or to commence an action in a Chinese court, with a strong likelihood that the stockholder will not be successful.

**Substantial** Risks Related to Doing Business in China Changes in the PRC Government policies on solar power and industry conditions as well as changes in the trade relationship between the United States and China could affect our ability to generate business in China. Our ability to develop business in China is dependent upon the continuation of government policies relating to solar power and the relationship between the solar farm owner and the local utility company. Any changes in the policies or practices that affect the solar power industry could make the construction and operation of a solar farm less desirable. Although our China subsidiary is a licensed EPC contractor in China, **its license expires in May 2025.** **changes** **Changes** in the law or regulations could make it difficult or more expensive for us to **renew and** maintain our license. Delays in payments from the utility companies or difficulties in connecting with the grid could also make solar farms less attractive. Any regulations or practices that give preference to a China business rather than a subsidiary of a United States business or which would require us to devote a portion of our profit for local uses would also make it more difficult or more expensive to operate our business. We cannot assure you that changes in law or practices will not impair our ability to conduct our business in China. Further, any deterioration in the relationship between the United States and China on trade and related matters may impair our ability to obtain permits for solar farms and to enter into EPC and other agreements for solar farms in China. **Neither** **46Neither** we nor our PRC subsidiaries were required to obtain permissions from Chinese authorities for our initial public offering to foreign investors. However, if the CSRC or another PRC regulatory body subsequently determines that their

approval was needed for the offering, we cannot predict whether we will be able to obtain such approval. As a result, we face uncertainty about future actions by the PRC government that could significantly affect our ability to offer, or continue to offer, securities to investors and cause the value of our securities to significantly decline or be worthless. As of the date of this annual report, our PRC subsidiaries have not been involved in any investigations on cybersecurity review initiated by the Cyberspace Administration of China based on the Cybersecurity Review Measures, and our PRC subsidiaries have not received any inquiry, notice, warning, sanctions in such respect or any regulatory objections to our initial public offering. As of the date of this annual report, recent regulatory actions by China's government related to data security or anti-monopoly have not materially impacted our ability to conduct our business, accept foreign investments or list on a U. S. or other foreign exchanges. Based on existing PRC laws and regulations, neither we nor our PRC subsidiaries are currently subject to any pre-approval requirement from the CAC to operate our business or conduct a public offering, subject to PRC government's interpretation and implementation of the Cybersecurity Review Measures. On July 6, 2021, the relevant PRC government authorities published the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions call for strengthened regulation over illegal securities activities and supervision on overseas listings by China-based companies and propose to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. As of the date of this annual report, no official guidance or related implementation rules have been issued in relation to these recently issued opinions and the interpretation and implementation of these opinions remain unclear at this stage. On December 24, 2021, the CSRC, issued the Administration Provisions and the Measures. On February 17, 2023, the CSRC released the Trial Measures and five supporting guidelines. The new regulations require PRC Companies to make certain filings with the CSRC. The new regulations authorize the CSRC to review such filings, penalize relevant PRC Companies or people in charge, or report to overseas securities regulatory institutions in case of violation of the Trial Measures, in order to ensure PRC Companies are in compliance with PRC regulations and policies. The new regulations became effective on March 31, 2023. Failure to have filed as required could subject us or our controlling stockholders to fines and penalties, which may be significant. As of the date of this annual report, the CSRC has not published any additional implementation regulations or guidelines as to PRC Companies. Based on our audited financial statements for 2023, which show that a majority of our loss is derived from our United States operations and a majority of our assets are located in the United States and the fact that our management is located in the United States, we believe that we are not a PRC Company that is required to make a filing with the CSRC, and, accordingly, we did not make such a filing in connection with our initial public offering. In the event that the CSRC disagrees with this opinion, we and our controlling stockholders may be subject to fines and penalties, which may be significant. However, because of our China segment, the CSRC or other regulatory authorities could reach a different conclusion, in which event we could be subject to additional requirements or penalties for not having filed with the CSRC and a cybersecurity review may potentially be required under the Cybersecurity Review Measures. As of the date of this annual report, there are no PRC laws and regulations in force explicitly requiring that we obtain any permission from PRC authorities including the CSRC to issue securities to foreign investors. Based on existing PRC laws and regulations, neither we nor our subsidiaries are required to obtain any pre-approval from the CSRC to conduct our initial public offering, subject to interpretation of the existing PRC laws and regulations by the PRC government authorities. As of the date of this annual report, we have not received any inquiry, notice, warning, sanctions or any regulatory objections to our initial public offering from the CSRC. However, the CSRC or other Chinese government agencies may exert more oversight and control over offerings that are conducted overseas and foreign investment in China-based issuers. We do not believe we are a China-based issuer as our management and headquarter are located in the U. S. and our major operation is the US **Segment segment**. However, if our interpretation of these laws and regulations are incorrect and the CSRC or another PRC regulatory body determines that its approval was needed for our initial public offering and we are required to obtain any approval or permission in the future, due to the change of applicable laws, regulations, we may incur additional costs to procure such approval or permission, and there is no guarantee that we can successfully obtain such approval or permission. Any failure to obtain such approval or permission could materially and adversely affect our business, our ability to maintain our listing on Nasdaq and the market for and the value of our common stock and we or our PRC subsidiaries may face approval delays, adverse actions or sanctions by the CSRC or other PRC regulatory agencies. In any such event, these regulatory agencies may impose fines and penalties, limit our acquisitions and operations of our PRC subsidiaries in China, or take other actions that could materially adversely affect us or our PRC subsidiaries business, financial condition, results of operations, reputation and prospects, as well as the trading price of our common stock. As a result, we face uncertainty about future actions by the PRC government that could significantly affect our ability to offer, or continue to offer, securities to investors and cause the value of our securities to significantly decline or be worthless. ~~43Our~~ **47Our** PRC subsidiaries are wholly-owned subsidiaries, and we do not have any variable interest entity structure in China. Our direct ownership in our PRC subsidiaries is governed by and in compliance with PRC regulations. However, if the PRC regulations change or are interpreted differently in the future, our securities may decline in value or become worthless if we are unable to assert our control rights over the assets of our PRC subsidiaries. Our PRC subsidiaries are wholly-owned subsidiaries. We own equity interests in our PRC subsidiaries, and we do not have any variable interest entity structure in China. Our direct ownership in our PRC subsidiaries is governed by and in compliance with PRC regulations. However, if the PRC regulations change or are interpreted differently in the future, our common stock may decline in value or become worthless if we are unable to assert our control rights over the assets of our PRC subsidiaries that conduct substantially of our operations in China. Although we do not believe we are a China-based issuer, because of our China segment, any change of regulations and rules by the Chinese government, such as those related to data security or anti-monopoly concerns, may **intervene-affect** or **otherwise** influence our operations at any time and any additional control over offerings conducted overseas and / or foreign investment in issuers with significant Chinese operations could result in a material change in our operations and / or the value of our securities and could significantly limit or completely hinder our ability to offer, or continue to offer, our

securities to investors and cause the value of such securities to significantly decline and possibly be worthless. Although we are a Nevada corporation headquartered in the United States with management team and operations in the United States, through our subsidiaries, we **may** conduct business in China, and our China business is subject to Chinese law. Our operations in China may be impacted or influenced by the new regulations and policies of the Chinese government. For example, between July 2 and July 6, 2021, Cyberspace Administration of China, or the CAC, announced cybersecurity investigations of the business operations of certain U. S.- listed Chinese companies. On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued “**”**The Opinions on Severely Cracking Down on Illegal Securities Activities According to Law, ” or “**”**the Opinions. ” The Opinions emphasized the needs to strengthen the administration over illegal securities activities and the supervision over overseas listings by Chinese companies. According to the Opinion, measures, including promoting the institution of relevant regulatory systems, will be taken to control the risks and manage the incidents from overseas- listed Chinese companies. On July 10, 2021, CAC published the Cybersecurity Review Measures (Revised Draft for Public Comments), or the “**”**Review Measures (Draft), ” and on December 28, 2021, the CAC and other ministries and commissions jointly promulgated the Cybersecurity Review Measures, which came into effect on February 15, 2022, targeting to further restate and expand the applicable scope of the cybersecurity review. Pursuant to the Cybersecurity Review Measures, CIIO that intend to purchase Internet products and services and online platform operators engaging in data processing activities that affect or may affect national security must be subject to cybersecurity review. Cybersecurity Review Measures further stipulate that if a network platform operator possesses the personal information of more than one million users and intends to list in a foreign country, it shall apply to the CAC for cybersecurity review. Although we are unlikely to be a CIIO or online platform operator as defined in the Cybersecurity Review Measures, it is not certain whether any future regulations will impose restrictions on the business that we are currently engaging in China. Because our PRC subsidiaries do not deal with the public and do not possess personal data of at least 1, 000, 000 users, we do not believe that we are required to apply for review by the Cybersecurity Review Office. In the event that, in the future, we possess such data or if the requirements for review are changed, we may be required to obtain such approval, the failure of which could affect our ability to have our common stock traded on Nasdaq. On July 23, 2021, General Office of the State Council promulgated “**”** Opinions on Further Reducing Students’ Homework Burden and After- school Tutoring Burden at the Stage of Compulsory Education, ” pursuant to which the institutions that offer tutoring of school curriculum shall be registered as non- profit organizations and are not allowed to make profits and raise capital. The new regulation also disallows foreign investment in these institutions through acquisitions, franchise or contractual agreements. Although we do not engage in CIIO, online platform services or any education or tutoring related business and we are a United States, and not a Chinese, company, our offering and listing on Nasdaq may be negatively affected by these new regulations as they have materially negatively affected stock prices of the U. S. listed Chinese companies which are the CIIO, online platform servers, or in the tutoring business. Any additional restriction, scrutiny or negative publicity of the U. S.- listed Chinese companies could cause the U. S. investors less interested in our securities, or hinder our ability to offer, or continue to offer, our securities to investors and cause the value of such securities to significantly decline or be worthless. ~~44Although~~ ~~48Although~~ we do not believe we a China- based issuer, because of our China segment, the Chinese government may exert substantial interventions and influences **to on** offerings that are conducted overseas and / or foreign investment in China- based issuers at any time. Any new policies, regulations, rules, actions or laws by the PRC government may subject us to material changes in operations, may cause the value of our common stock significantly decline or be worthless, and may completely hinder our ability to offer, or continue to offer, securities to investors. The Chinese government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. The central or local governments of these jurisdictions may impose new, stricter regulations or interpretations of existing regulations that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. Accordingly, The Chinese government may exert substantial interventions and influences on offerings that are conducted overseas and / or foreign investment in China- based issuers at any time. Although we do not believe we are a China- based issuer, because of our China segment, any new policies, regulations, rules, actions or laws by the PRC government may subject us to material changes in operations, may cause the value of our common stock significantly decline or be worthless, and may completely hinder our ability to offer, or continue to offer, securities to investors. Because our sole customer is a state- owned enterprise, it may have a significant effect as to whether or when we enter into new contracts with SPIC as well as the timing of payments by SPIC. For example, the Chinese cybersecurity regulator announced in July 2021, that it had begun an investigation of certain U. S. listed Chinese companies and later ordered that companies’ app be removed from smartphone app stores. On July 24, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly released the Guidelines for Further Easing the Burden of Excessive Homework and Off- campus Tutoring for Students at the Stage of Compulsory Education, pursuant to which foreign investment in such firms via mergers and acquisitions, franchise development, and variable interest entities are banned from this sector. As such, offerings conducted overseas and / or foreign investment in China- based issuers may be subject to various government and regulatory interference in the provinces in which they operate at any time. Because of the China segment, we may incur increased costs necessary to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. If the PRC government initiates an investigation into us at any time alleging us violation of cybersecurity laws, anti- monopoly laws, and securities offering rules in China in connection with our initial offering, we may have to spend additional resources and incur additional time delays to comply with the applicable rules, and any such action could cause the value of our securities to significantly decline or be worthless and may limit or completely hinder your ability to offer, or continue to offer, securities to investors. In light of recent events indicating greater oversight by the Cyberspace Administration of China, or CAC, over data security, particularly for companies listing on a foreign exchange, based on the nature of our business in China, we believe that these regulations do not apply to our business in China and did not apply to our

initial public offering. Pursuant to the PRC Cybersecurity Law, which was promulgated by the Standing Committee of the National People's Congress on November 7, 2016 and took effect on June 1, 2017, personal information and important data collected and generated by a critical information infrastructure operator in the course of its operations in China must be stored in China, and if a critical information infrastructure operator purchases internet products and services that affects or may affect national security, it should be subject to cybersecurity review by the CAC. Due to the lack of further interpretations, the exact scope of "critical information infrastructure operator" remains unclear. On July 10, 2021, the CAC publicly issued the Measures for Cybersecurity Review (Revised Draft for Comments) aiming to, upon its enactment, replace the existing Measures for Cybersecurity Review. On December 28, 2021, CAC and other ministries and commissions jointly promulgated the Cybersecurity Review Measures which became effective on February 15, 2022, which required that any critical information infrastructure operators that intend to purchase Internet products and services and online platform operators engaging in data processing activities that affect or may affect national security must be subject to cybersecurity review. Cybersecurity Review Measures further provides "network platform operator" possessing personal information of no less than one million users which seeks to list in a foreign stock exchange should also be subject to cybersecurity review. Because our PRC subsidiaries do not deal with the public and do not possess personal data of at least 1,000,000 users, we do not believe that we are required to apply for review by the Cybersecurity Review Office. In the event that, in the future, our PRC subsidiaries possess such data or if the requirements for review are changed, we may be required to obtain such approval, the failure of which could affect our ability to have our common stock traded on Nasdaq. ~~45~~ **Notwithstanding** the foregoing, as of the date of this annual report, there are no PRC laws and regulations in force explicitly requiring that we obtain any permission from PRC authorities to issue securities to foreign investors, and we have not received any inquiry, notice, warning, sanction or any regulatory objection to our initial public offering from the CAC or any other PRC authorities that have jurisdiction over our operations. However, there remains significant uncertainty as to the enactment, interpretation and implementation of regulatory requirements related to overseas securities offering and other capital markets activities. If it is determined in the future that the CAC or other approval had been required for our initial public offering, we may face sanctions by the CAC or other PRC regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our PRC subsidiaries' ability to pay dividends outside of China, limit our operations in China, delay or restrict the repatriation of the proceeds from our initial public offering into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the common stock. The CAC or other PRC regulatory agencies also may take actions requiring our PRC subsidiaries, or to halt any public financing before settlement and delivery of the common stock. In addition, if the CAC or other regulatory agencies later promulgate new rules requiring that we obtain its approvals for our initial public offering, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties and / or negative publicity regarding such an approval requirement could have a material adverse effect on the trading price of the common stock. ~~The~~ **49** **The** transfer of funds between our United States and China segments is subject to restriction. Our equity structure is a direct holding structure, that is, SolarMax Technology Inc., a Nevada corporation, directly controls its U. S. subsidiaries and its subsidiaries in its China ~~segment including: (i) Golden SolarMax Finance Co. Ltd, a PRC subsidiary, (ii) SolarMax Technology Holdings (Hong Kong) Limited, a Hong Kong subsidiary which directly holds SolarMax Technology (Shanghai) Co., Ltd, a PRC subsidiary (together with its subsidiaries thereunder, "ZHTH"); (iii) Accumulate Investment Co., Ltd, a British Virgin Islands subsidiary which then directly holds Accumulate Investment Co., Limited, a Hong Kong subsidiary that directly holds ZHPV; a PRC subsidiary and (iv) SolarMax Technology Holdings, a Cayman Islands subsidiary.~~ Our business in China is conducted through ZHPV and ZHTH. In the reporting periods presented in this annual report and throughout the date of this annual report, no dividends, distribution or other transfers of funds have occurred between and among us and our United States subsidiaries, on the one hand; ~~and us~~ and our PRC subsidiaries, on the other hand, and we have not made any dividends, distributions or other transfer of funds to investors. For the foreseeable future, we intend to use any earnings we generate for research and development, to develop new products and to expand our production capacity. As a result, we do not expect to pay any cash dividends. To the extent that we may in the future seek to fund the business through distributions, dividends or transfer of funds among and between holding company and subsidiaries, any such transfer of funds with PRC subsidiaries is subject to government regulations. The structure of cash flows within holding company and PRC subsidiaries and a summary of the applicable regulations, is as follows: 1. Within the direct holding structure, the cross-border transfer of funds within SolarMax and our PRC subsidiaries is legal and compliant with the laws and regulations of the PRC. Funds from our initial public offering can be directly transferred to our subsidiaries including ZHPV and ZHTH, and then transferred to subordinate operating entities through ZHPV and ZHTH according to the laws and regulation of the PRC. 2. If we intend to distribute dividends from our PRC subsidiaries, either for use in our US segment or for distribution to stockholders, we will transfer the dividends from the PRC entities to ZHPV and ZHTH in accordance with the laws and regulations of the PRC, and then ZHPV and ZHTH will transfer the dividends to its parent company and then to SolarMax and, if the funds are to be paid to our stockholders as a dividend, the dividends will be distributed to all stockholders in proportion to the shares they hold, regardless of whether the stockholders are U. S. investors or investors in other countries or regions. We do not have any plans to pay dividends to our stockholders. 3. Our PRC subsidiaries' ability to distribute dividends is based upon their distributable earnings. Current PRC regulations permit our PRC subsidiaries to pay dividends to their respective shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of the PRC subsidiaries is required to set aside at least 10 % of its after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50 % of each of their registered capitals. These reserves are not distributable as cash dividends. In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax at a rate of 10 % will be applicable to dividends payable by Chinese companies to non- PRC- resident enterprises unless reduced under treaties or arrangements between the PRC central government

and the governments of other countries or regions where the non- PRC resident enterprises are tax resident. Pursuant to the tax agreement between Mainland China and the Hong Kong Special Administrative Region, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5 % from a standard rate of 10 %. However, if the relevant tax authorities determine that our transactions or arrangements are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable withholding tax in the future. Accordingly, there is no assurance that the reduced 5 % withholding rate will apply to dividends received by our Hong Kong subsidiary from its PRC subsidiaries. This withholding tax will reduce the amount of dividends we may receive from our PRC subsidiaries. To address persistent capital outflows and the RMB' s depreciation against the U. S. dollar in the fourth quarter of 2016, the People' s Bank of China and the State Administration of Foreign Exchange, or SAFE, have implemented a series of capital control measures in the subsequent months, including stricter vetting procedures for China- based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. The PRC government may continue to strengthen its capital controls and our PRC subsidiaries' dividends and other distributions may be subject to tightened scrutiny in the future. **46Foreign-50Foreign** currency exchange regulation in the PRC is primarily governed by the Regulations on the Administration of Foreign Exchange, most recently revised by the State Council on August 5, 2008, Notice on Further Simplifying and Improving Policies of Foreign Exchange Administration Regarding Direct Investment issued by SAFE on February 13, 2015, and the Provisions on the Administration of Settlement, Sale and Payment of Foreign Exchange promulgated by People' s Bank of China on June 20, 1996. Currently, RMB is convertible for current account items, including the distribution of dividends, interest payments, trade and service related foreign exchange transactions. Conversion of RMB for most capital account items, such as direct investment, security investment and repatriation of investment, however, is still subject to registration with the SAFE. Foreign- invested enterprises may buy, sell and remit foreign currencies at financial institutions engaged in foreign currency settlement and sale after providing valid commercial documents and, in the case of most capital account item transactions, obtaining approval from the SAFE. Capital investments by foreign enterprises are also subject to limitations, which include approvals by the NDRC, the Ministry of Construction, and registration with the SAFE. Therefore, we may experience difficulties in completing the administrative procedures necessary to obtain and remit foreign currency for the payment of dividends from our profits, if any. Furthermore, if our subsidiaries in the PRC incur debt on their own in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments. Because one customer in China has represented substantially all of our of our revenue from our China segment, we need to develop new clients if we are to generate revenue from our China segment. The nature of our business in China is such that a small number of customers is responsible for a significant percentage of both our revenue from the China segment and of our total revenue. Our China segment has not generated any revenue during 2022, 2023 or 2024 through the date of this annual report and substantially all of our revenue for 2021 was generated during the first six months of the year. Because EPC contracts are of limited duration, once we complete the construction and installation of a solar farm, there is no ongoing revenue stream from the customer. Accordingly, it is necessary for us, on an ongoing basis, to continue to develop new EPC business, and our failure to develop the EPC business will impair our ability to operate profitably and the ability of our China segment to continue operations. Further, we are dependent upon a small number of customers, with our customer since 2020 being SPIC, a state- owned enterprise, which accounted for almost all of revenue from our China segment for 2021 and 2020, and we did not generate any revenue from our China segment in the years ended December 31, 2023 or 2022 and we did not generate any revenue during 2024 to the date of this annual report. Further, our quarterly revenues from China are affected by the timing of contracts we receive and the time during which the work is performed, which could result in significant changes in revenue and net income from the China segment from quarter to quarter. Our business in both the United States and China is dependent on the continuation of government benefits, and no assurance can be given that such benefits will be continued. Federal, state and local government laws, including tax laws, regulations and policies concerning the electric utility industry, utility rate structures, interconnection procedures, and internal policies and electric utility regulations heavily influence the market for electricity generation products and services. These regulations and policies, which, on the state and local level, differ from state to state, often relate to tax benefits, electricity pricing, net metering the interconnection of customer- owned electricity generation with the local electricity utility company. These laws, regulations and policies are constantly subject to change, and many benefit provisions have sunset clauses, which would result in a termination or reduction of the benefit unless the benefit is expressly extended. The solar power industry is heavily dependent on government incentives and subsidies that constitute an important economic factor in a user' s decision to purchase a solar energy system. We cannot assure you that these benefits will continue at their present levels, if at all. The reduction, elimination or expiration of government benefits and economic incentives for solar energy systems could substantially increase the cost of our systems to our potential customers, which would in turn reduce the demand for our solar energy systems. California legislation has reduced the formula for paying the resident for selling us used power to the local utility, which affects the benefits to the residential homeowner and may affect their willingness to have solar systems installed which may affect our pricing, our sales and our gross margin. **47In- In** many areas in China, solar farms, particularly on- grid photovoltaic systems, would not be commercially viable without government subsidies or economic incentives. The cost of generating electricity from solar energy in these markets currently exceeds, and very likely will continue to exceed for the foreseeable future, the cost of generating electricity from conventional or other renewable energy sources. These subsidies and incentives have been primarily in the form of set electricity prices and performance incentive programs, to solar farm operators. To the extent that these incentives are not available, we may not be able to sell our systems to customers in these regions. Further, if we decide to operate the solar farms in these regions for our own account instead of selling the project, we may not be able to generate a profit from those operations, which would impair results of our operations and our ability to operate profitably. **In-51In** China, we **would** compete with other companies for a limited number of available permits. In China, we obtain permits, construct and sell solar farms to major customers who have the financial ability to purchase and operate these

systems. The permits are granted by the local government agency and a list of available permits is published by the agency. There is a limited number of potential customers as well as a limited number of permits available and we compete with other firms in seeking to obtain permits and seeking to perform EPC services. In seeking both permits and customers, we compete with other companies, many of which are Chinese companies that have significantly greater financial resources and are better known in China than we are. **It is unlikely that we would receive a permit unless we has an agreement with a customer in place, in which event we would need the customer to assist us in getting a permit.** Further, many of our competitors have or can develop relationships with both the government officials who issue the permits as well as the buyers of the projects, and our competition may not be subject to the restrictions imposed on us by the Foreign Corrupt Practices Act. We cannot assure you that we will be able to obtain the necessary permits for our customers or enter into agreements with end users who would operate the solar farms. As the interest in solar farms in China increases, there is increased competition for permits, and the government entities that issue the permits may prefer Chinese companies over companies that are owned by a United States parent. Our failure to obtain the permits and enter into agreements would impair our ability to generate revenue from this business. In addition, to date, except for our agreements with SPIC, our China segment has generated minimal revenue in China from unrelated parties. If we are not able to develop our business with new customers or if our business with SPIC or with related party decreases, our ability to generate revenue in China will be significantly impaired. Unrelated parties may prefer to work with a Chinese company than a company owned by a United States company, particularly in view of the trade disputes between the United States and China. Because of the cost of construction of the solar farms, we ~~could~~ **are likely to** require financing in order to complete projects in China, and the inability to obtain such financing may impair our ability to generate contracts for solar farm projects in China. Although our EPC contracts with solar farm owners provide for progress payments, we cannot assure you that we will be paid in a timely manner or that our customers will not be significantly delinquent on their payments. Because we are dependent upon a small number of customers, our cash flow at any time may be dependent upon the payment policies and practices of one customer. During the years ended December 31, **2024**, 2023 and 2022 and continuing through the date of this annual report, we did not generate revenues in the China segment. Our China segment revenue for the year ended December 31, 2021 and the year ended December 31, 2020 was derived from four projects for SPIC. Our failure both to receive timely progress payments and to obtain any necessary project financing in China would impair our ability to develop our business in China. Because of the size of the solar farms that we build in China, it is likely to require financing for our projects. We cannot assure you that we will be able to obtain financing or that our business will not be impaired by delinquent customers. Further, we may not be able to generate business without a financing arrangement. At December 31, **2023** **2024** and, December 31, **2023** and December 31, 2022, we had **\$ 7. 4 million**, \$ 7. 7 million and \$ 8. 4 million of accounts receivable from SPIC, respectively. These receivables represent the balance of the contractual billings pursuant to the construction contracts and the unpaid portion of the equity transfer agreements pursuant to which we sold to SPIC a controlling interest in four projects. SPIC is a large state- owned company in China, and we believe that it has the financial ability to meet its obligations on its contracts. Collections in China are paper- based, bureaucratic and often require in- person meetings. Travel restrictions in China due to the COVID restrictions in China have prevented the kind of in- person meetings necessary to collect on the receivables from SPIC. Beginning in August 2022, our China personnel began in- person collection meetings with SPIC **and**. **Even though SPIC has started is not disputing the payment- payments process under the contracts, new management at SPIC raises questions regarding certain reimbursements for costs paid directly by SPIC. The arbitration regarding this matter is underway and we expect to have the arbitration concluded sometimes in early 2025. See Item 3. Legal Proceedings with respect to the arbitration proceeding with SPIC and the reserve taken with respect to the receivable**. Because our business in China ~~would involves~~ **involve** the construction of large projects for a small number of customers; we do not have an ongoing revenue base and needs to obtain new customers. Because of the nature of our China operations, we construct large projects for a small number of customers, who may not require additional services from us after we have completed the projects. As a result, we need to continually market our services to **SPIC and to** new customers who have the financial resources to purchase a solar farm or to obtain additional projects from existing customers. Thus, each year one customer and its affiliates have been responsible for a large percentage, if not substantially all, of the revenue from the China segment and a large percentage of our total revenue, and the major customers in one year may not generate any significant revenue in future years. Further, to the extent that any customer fails to make timely payments to us, our business and cash flow could be impaired. If we are unable to develop new sales contracts for solar farms, it may not be able to continue our China operations which would impair our operating results and our financial condition. **China's recent decline in revenue and other sources of funds may affect SPIC's willingness to enter into new contracts with us.** ~~48Because~~ **52Because** of the amount of land required for a solar farm, it may be difficult to obtain the necessary land use rights, which may increase the cost of the land. There is no private ownership of land in China, and the owner or operator of a solar farm must obtain the necessary land use rights from the applicable government agency. Solar farms require a substantial amount of land. It is also crucial to have a land parcel close to the grid connection point in order to control the cost for the construction of transmission lines and to avoid the electricity transmission loss. One solar farm for which we performed EPC services had to reduce the size of the project because of zoning issues and the inability to obtain land use rights to sufficient contiguous parcels of land to support the initial size of the project. The shortage of available land may also result in an increase in the cost of the land use rights as well as increased competition for the land use rights. Further, since the land is owned by the government, the government has the ability to determine what is the best use of the limited available land and it might determine that the land could be used for purposes other than solar farms. If we or solar farm owners cannot obtain sufficient land use rights at a reasonable cost, the solar farm owner may be reluctant to make the investment in solar farms which would impair our ability to generate revenue and operate profitably in China. Further, changes in the size of a project may result in increased costs as well as construction difficulties which we may be unable to pass on to our customers, resulting in a decrease in our gross margin. There is intense competition

for a limited number of project sites that are appropriate for solar power projects. As the downstream solar power market in China continues to evolve, the number of attractive project sites available has decreased and will continue to decrease. Even if we sign agreements, we may not be able to find and secure the land use rights to suitable project sites for the relevant projects. We generally use the land for our ground-mounted projects through land use right grants or assignment by the government or leasing from the land use right owners. Our rights to the properties used for our solar power projects may be challenged by property owners or other third parties, in case of any disputes over the ownership or lease of the properties. It is critical to maintain the land use rights on the land parcels and access and use rights on the roof tops during the life cycle of solar power projects. In the event that the relevant lease agreement is determined to be null and void by competent authorities or our land use rights and access and use rights on roof tops are recouped by the government, the solar power projects may be forced to cease operation and our results of operation, financial condition will be materially adversely affected. The economics of a solar farm are affected by the money that solar farm owners receive from utility companies. In China, a solar farm sells the power it generates to the electricity utility company at prices which are set by the Electricity Bureau, a government agency, at the beginning of the term of the power sales agreement between the owner and the utility company. The prices have been declining, and we cannot assure you that the price reductions will not continue or that price reductions will not increase substantially and make the ownership of a solar farm uneconomical. The cash flow that the owner receives from the utility company is critical in determining whether the project will be profitable to the owner. If the potential revenue stream is not sufficient to meet the owner's return, taking into account the cost of the project, the cost of the land use rights and the other operating costs, the owner may be unwilling to develop a solar farm or it may be necessary for us to reduce our charges in order to generate the revenue, which could significantly reduce our gross margin on the project and could result in a negative gross margin. Decreases in the potential revenue stream may also significantly affect the terms on which we could provide maintenance services for a solar farm following its completion. Further, it is possible that the Electricity Bureau could set prices at a level which makes it uneconomical to operate a solar farm, in which event we would not be able to continue in this business. Although the rate is presently set for the duration of the contract with the utility company, we cannot assure you that the Chinese government would not change its policy and reduce the rate during the term of the agreement. We cannot assure you that we will be able to operate our EPC business or manage solar farms in China profitably, and our failure to operate profitably in China could materially impair our overall ability to operate profitably and to continue to operate in China. Changes in solar farm delivery schedules and order specifications may affect our revenue stream and gross margin. Although we build solar farms pursuant to agreements with the customers, we may experience delays in scheduling and changes in the specification of the project. These changes may result from a number of factors, including a determination by the customer that the scope of the project needs to be changed and the effects of the COVID-19 pandemic and steps taken by the government of China to address the pandemic, including its zero-COVID policy which has resulted in closures in provinces and municipalities. In the event of such changes, we may suffer a delay in the recognition of revenue from the projects and may increase our costs. We cannot assure you that our revenue and gross margin will not be affected by delays, changes in specifications or increased costs or that we will be able to recoup revenue lost as a result of the delays or changes. Further, if we cannot allocate our personnel to a different project, we will continue to incur expenses relating to the project, including labor and overhead. We cannot assure you that our income will not decline as a result of changes in customers' orders or their requirements for their projects. **49** If Further, we do not intend to build and operate solar farms in China for our own account, so if we commence business in China, we will be subject primarily seek to perform EPC services for customers who would additional regulations. Although we have no present plans to own and operate or assigned the operation of the solar project farms for our own account, we may consider the possibility of owning and operating solar farms for our own account in the future, either by direct ownership or by holding a majority equity interest in a company that owns solar farms. **53** Our Unlike the solar systems that we sell in the United States, which are relatively small in scale and generally provide power for one home or building, the solar farms in China operate on a significantly larger scale. Thus, while a typical residential or small business installation in the United States generally generates between 6.5KW and 0.2MW of power, the solar farms in China can generate between 30MW and 100MW of power. In the event that we operate solar farms for our own account, which would involve constructing the solar farm for our own account and selling the electricity either to end users or to the local utility company, we will be subject to significant additional regulation by the applicable Chinese authorities and we will require significant additional funding for such purpose. Our quarterly revenues may be affected by weather conditions, including climate changes, in certain provinces of China. The construction of solar farms in China is subject to adverse weather conditions, including wind, flood, rain, typhoons, snow and temperature extremes, as well as earthquakes, mudslides and similar conditions. These weather conditions are common but difficult to predict and can slow or stop construction. The effects of climate change may increase severe adverse weather conditions. To the extent that we have EPC contracts for solar farms in the provinces affected by adverse seasonal weather, revenue generated during these months may sharply decrease. If we are not able to work on a project on a sustained basis, our ability to operate efficiently may be impaired which may result in reduced revenue, increased expenses and reduced gross margin. We are subject to numerous risks in engaging in business in China, including, but not limited to, changes in policies of the Chinese government, a deterioration in the relationships between the United States and China, the legal system in China which may not adequately protect our rights, change in the Chinese economy and steps taken by the government to address the changes, inflation, adverse weather conditions, fluctuations in the currency ratio between the U. S. dollar and the RMB, currency exchange restrictions, the interpretation of tax laws, tariffs and importation regulations. Our China segment's operations were are mainly located in China. Accordingly, our business, prospects, financial condition and results of operations may be is subject to numerous risks in China, including, but not limited to, changes in policies of the Chinese government, a deterioration in the relationships between the United States and China, the legal system in China which may not adequately protect our rights, change in the Chinese economy and steps taken by the government to address the changes, inflation, adverse

weather conditions, fluctuations in the currency ratio between the U. S. dollar and the RMB, currency exchange restrictions, the interpretation of tax laws, tariffs and importation regulations. The Chinese government has exercised and continues to exercise substantial control over virtually every sector of the Chinese economy through regulation and state ownership. The central Chinese government or local governments having jurisdiction within China may impose new, stricter regulations, or interpretations of existing regulations, that would require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. As such, our subsidiaries in the PRC may be subject to governmental and regulatory interference in the provinces in which they operate. We could also be subject to regulation by various political and regulatory entities, including local and municipal agencies and other governmental subdivisions. Our ability to operate in China may be impaired by any such laws or regulations, or any changes in laws and regulations in the PRC. We may incur increased costs necessary to comply with existing and future laws and regulations or penalties for any failure to comply. The legal and judicial systems in the PRC are still rudimentary, and enforcement of existing laws is inconsistent. As a result, it may be impossible to obtain swift and equitable enforcement of laws that do exist, or to obtain enforcement of the judgment of one court by a court of another jurisdiction. At various times during recent years, the United States and China have had significant disagreements over political and economic issues. Controversies between the United States and China may affect the economic outlook both in the U. S. and in China. Our business and the price of our common stock could be adversely affected. In addition, our China business is also subject to other risks. For example, the construction of solar farms in China is subject to adverse weather conditions, including wind, flood, rain, typhoons, snow and temperature extremes, as well as earthquakes, mudslides and similar conditions. These weather conditions are common but difficult to predict and can slow or stop construction. The change in value of the RMB against the U. S. dollar and other currencies is affected by various factors, including changes in China's political and economic conditions. 50Our 54Our China segment is subject to numerous regulations in China, including but not limited to, regulations relating to investments in our China subsidiaries, labor laws and other laws relating to employee relations, the issuance of permits for solar farms, licensing, the development, construction and operation of solar power projects, and the sale of power generated from the projects, cybersecurity and the failure to comply with any such regulations may impair our ability to operate in China. As our China segment operates in China, we are subject to the laws and regulations of the PRC, which can be complex and evolve rapidly. The PRC government has the power to exercise significant oversight and discretion over the conduct of our business, and the regulations to which we are subject may change rapidly and with little notice to us or our shareholders. As a result, the application, interpretation, and enforcement of new and existing laws and regulations in the PRC are often uncertain. In addition, these laws and regulations may be interpreted and applied inconsistently by different agencies or authorities, and inconsistently with our current policies and practices. New laws, regulations, and other government directives in the PRC may also be costly to comply with, and such compliance or any associated inquiries or investigations or any other government actions may:

- Delay or impede our development;
- Result in negative publicity or increase our operating costs;
- Require significant management time and attention, and
- Subject us to remedies, administrative penalties and even criminal liabilities that may harm our business, including fines assessed for our current or historical operations, or demands or orders that we modify or even cease our business practices.

The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which we conduct our business and could require us to change certain aspects of our business to ensure compliance, which could decrease demand for our products, reduce revenues, increase costs, require us to obtain more licenses, permits, approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, our business, financial condition and results of operations could be adversely affected as well as materially decrease the value of our ordinary shares. For example, we have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Our independent registered public accounting firm's audit documentation related to its audit reports included in this annual report include audit documentation located in China. PCAOB may not be able to inspect audit documentation located in China and, as such, you may be deprived of the benefits of such inspection which could result in limitations or restrictions to our access to the U. S. capital markets. Furthermore, trading in our securities may be prohibited under the Holding Foreign Companies Accountable Act or the Accelerating Holding Foreign Companies Accountable Act if the PCAOB is unable to inspect or investigate completely, and, as a result, U. S. national securities exchanges, such as the Nasdaq, may determine to delist our securities. The Accelerating Holding Foreign Companies Accountable Act amended the HFCA Act and requires the SEC to prohibit an issuer's securities from trading on any U. S. stock exchanges or market if ~~our the issuer's~~ auditor is not subject to PCAOB inspections for two consecutive years instead of three. Our independent registered public accounting firm issued an audit opinion on our financial statements that are included in this annual report. As an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, our auditor is required by the laws of the United States to undergo regular inspections by the PCAOB. Our auditor is headquartered in New York City, and ~~it~~ has been inspected by the PCAOB on a regular basis with the last inspection in 2018 and an ongoing inspection that started in November 2020. However, recent developments with respect to audits of China-based companies, such as our China segment, create uncertainty about the ability of our auditor to fully cooperate with the PCAOB's request for audit workpapers without the approval of the Chinese authorities. As a result, our investors may be deprived of the benefits of PCAOB's oversight of our auditors through such inspections. 51Inspections 55Inspections of certain other firms that the PCAOB has conducted outside of China have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The PCAOB is currently unable to conduct inspections of audit firms located in China and Hong Kong. They are currently able to conduct inspections of U. S. audit firms where audit workpapers are located in China; however, PCAOB requests for workpapers are subject to

approval by Chinese authorities. The audit workpapers for our Chinese operations are located in China. The PCAOB has not requested our auditor to provide the PCAOB with copies of our audit workpapers and consequently our auditors have not sought permission from PRC authorities to provide copies of these materials to the PCAOB. If our auditors are not permitted to provide requested audit workpapers located in China to the PCAOB, investors would be deprived of the benefits of PCAOB's oversight of such auditors through such inspections. In addition, as part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, in June 2019, a bipartisan group of lawmakers introduced bills in both houses of Congress that would require the SEC to maintain a list of issuers for which the PCAOB is not able to inspect or investigate an auditor report issued by a foreign public accounting firm. The Ensuring Quality Information and Transparency for Abroad-Based Listings on our Exchanges (EQUITABLE) Act prescribes increased disclosure requirements for such issuers and, beginning in 2025, the delisting from national securities exchanges such as Nasdaq of issuers included for three consecutive years on the SEC's list. On December 18, 2020, the HFCA Act was signed into law. In essence, the HFCA Act requires the SEC to prohibit foreign companies from listing securities on U. S. securities exchanges if a company retains a foreign accounting firm that cannot be inspected by the PCAOB for three consecutive years, beginning in 2021. The enactment of the HFCA Act and any additional rulemaking efforts to increase U. S. regulatory access to audit information could cause investor uncertainty for affected issuers, including the surviving corporation, and the market price of the surviving corporation's securities could be adversely affected, and the surviving corporation could be delisted if it is unable to cure the situation to meet the PCAOB inspection requirement in time. On December 2, 2021, the SEC adopted amendments to finalize rules implementing the submission and disclosure requirements in the HFCA Act. We will be required to comply with these rules if the SEC identifies us as having a "non- inspection" year under a process to be subsequently established by the SEC. Furthermore, the Accelerating Holding Foreign Companies Accountable Act amended the HFCA Act and requires the SEC to prohibit an issuer's securities from trading on any U. S. stock exchanges or stock market, including the over-the-counter market if our auditor is not subject to PCAOB inspections for two consecutive years instead of three. On September 22, 2021, the PCAOB adopted a final rule implementing the HFCA Act, which provides a framework for the PCAOB to use when determining, as contemplated under the HFCA Act, whether the Board is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. On December 16, 2021, the PCAOB issued a determination report (the "Determination Report") which found that the PCAOB is unable to inspect or investigate completely registered public accounting firms headquartered in: (i) mainland China of the People's Republic of China because of a position taken by one or more authorities in mainland China; and (ii) Hong Kong, a Special Administrative Region and dependency of the PRC, because of a position taken by one or more authorities in Hong Kong. In addition, the Determination Report identified the specific registered public accounting firms which are subject to these determinations. On June 4, 2020, then President Donald J. Trump issued a memorandum ordering the President's Working Group on Financial Markets, or the PWG, to submit a report to the President within 60 days of the memorandum that includes recommendations for actions that can be taken by the executive branch and by the SEC or PCAOB on Chinese companies listed on U. S. stock exchanges and their audit firms, in an effort to protect investors in the U. S. On August 6, 2020, the PWG released a report recommending that the SEC take steps to implement the five recommendations outlined in the report. In particular, to address companies from non-cooperating jurisdictions that do not provide the PCAOB with sufficient access to fulfil its statutory mandate, including China, the PWG recommends enhanced listing standards on U. S. stock exchanges. This would require, as a condition to initial and continued exchange listing, PCAOB access to workpapers of the principal audit firm for the audit of the listed company. Companies unable to satisfy this standard as a result of governmental restrictions on access to audit workpapers and practices in non-cooperating jurisdictions may satisfy this standard by providing a co-audit from an audit firm with comparable resources and experience where the PCAOB determines it has sufficient access to audit workpapers and practices to conduct an appropriate inspection of the co-audit firm. ~~The report permits the new listing standards to provide for a transition period until January 1, 2022 for listed companies, but would apply immediately to new listings once the necessary rulemakings and/or standard-setting are effective. If we the surviving company fails fail to meet this requirement the new listing standards before the deadline specified thereunder. we the surviving company~~ could face possible de-listing from Nasdaq, deregistration from the SEC and / or other risks, which may materially and adversely affect, or effectively terminate, securities of the surviving company trading in the United States. ~~52Our 56Our~~

Marcum LLP, is a United States accounting firm headquartered in New York City and is subject to inspection and is annually inspected by the PCAOB. Marcum LLP is not headquartered in mainland China or Hong Kong and was not identified in the Determination Report as a firm subject to the PCAOB's determinations. In the event that, in the future, either PRC regulators take steps to impair Marcum's access to the workpapers relating to our China operations or the PCAOB expands the scope of the determinations so that we will be subject to the HFCA Act, as the same may be amended, you may be deprived of the benefits of such inspection which could result in limitation or restriction to our access to the U. S. capital markets and trading of our securities, including "over-the-counter" trading, may be prohibited, under the HFCA Act. On August 26, 2022, the CSRC, the Ministry of Finance of the PRC, and the PCAOB signed the Protocol, governing inspections and investigations of audit firms based in China and Hong Kong. Pursuant to the Protocol, the PCAOB shall have independent discretion to select any issuer audits for inspection or investigation and has the unfettered ability to transfer information to the SEC. On December 15, 2022, the PCAOB announced that it "was able to secure complete access to inspect and investigate audit firms in the People's Republic of China (PRC) for the first time in history, in 2022. Therefore, on December 15, 2022, the PCAOB Board voted to vacate previous determinations to the contrary." Notwithstanding the foregoing, if the PCAOB is not able to inspect and investigate completely our auditor's work papers in China, you may be deprived of the benefits of such inspection which could result in limitation or restriction to our access to the U. S. capital markets and trading of our securities may be prohibited under the HFCA Act or the Accelerating Holding Foreign Companies Accountable Act, and Nasdaq may

determine to delist our securities if the PCAOB determines that it cannot inspect or investigate completely our auditor under such Acts. Changes in the policies of the PRC government could have a significant impact on our operations in China and the profitability of our business. The PRC's economy is in a transition from a planned economy to a market-oriented economy subject to five-year or ten-year plans and annual plans adopted by the government that set national economic development goals. Policies of the PRC government can have significant effects on the economic conditions within the PRC. Although the PRC government has stated that that economic development will follow the model of a market economy, the concept of a market economy in the PRC is different from the way a market economy is understood in the United States. While we believe that this trend toward a market economy, as understood by the PRC government, will continue, there can be no assurance that this will be the case. A change in policies by the PRC government could adversely affect our interests by, among other factors: changes in laws, regulations or the interpretation thereof, confiscatory taxation, restrictions on currency conversion, imports or sources of supplies, or the expropriation or nationalization of private enterprises. Further, the availability of credit in the PRC can have a major impact on the ability of companies to purchase or otherwise acquire capital assets. While the Chinese economy has grown significantly in the past 30 years, the growth has been uneven, both geographically and among various sectors of the economy and it has been impacted by the COVID-19 pandemic. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall Chinese economy but may also have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. Accordingly, we cannot assure you that the PRC government will continue to pursue such policies or that such policies may not be significantly altered, especially in the event of a change in leadership, social or political disruption, or other circumstances affecting the PRC's political, economic and social environment. The interpretation of some of these measures, including tax measures, is both complex and evolving and it may be difficult to ascertain, with any degree of certainty, whether we are in compliance. Our financial condition and results of operations may be adversely affected by the effects of government control over capital investments or changes in and interpretations of tax, currency and other regulations that are applicable to it. A slowdown or other adverse developments in the PRC economy may harm our customers and the demand for our products. Although the PRC economy has grown significantly in the past two decades, there is no assurance that this growth will continue and there have been recent periods of declining growth. A slowdown in overall economic growth, an economic downturn, a recession or other adverse economic developments in the PRC could significantly reduce the demand for projects such as ours. The Chinese economy in general, and the market for solar farms, in particular, may be adversely affected by the effects of reciprocal tariffs imposed by the United States on Chinese goods and by China on United States goods. Future inflation in China may inhibit the profitability of our business in China. In recent years, the Chinese economy has experienced periods of rapid expansion and high rates of inflation. Rapid economic growth can lead to inflation. Any adverse change in the terms on which we construct solar energy projects or sell electricity generated by our China operations may impair our ability to operate profitably in China. Factors such as rapid expansion and inflation have led to the adoption by the PRC government, from time to time, of various corrective measures designed to restrict the availability of credit or regulate growth and contain inflation. High inflation may in the future cause the PRC government to impose controls on credit and / or prices, or to take other action, which could inhibit economic activity in China, and thereby harm the market for our products and services. ~~53~~~~The~~~~57~~~~The~~ fluctuation of the RMB may have a material adverse effect on your investment. The change in value of the RMB against the U. S. dollar and other currencies is affected by various factors, including changes in China's political and economic conditions. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U. S. dollar. Under such policy, the Renminbi was permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Later on, the People's Bank of China decided to implement further reform of the RMB exchange regime to enhance the flexibility of RMB exchange rates. Such changes in policy have resulted in a significant appreciation of the Renminbi against the U. S. dollar since 2005. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in a further and more significant adjustment of the Renminbi against the U. S. dollar. Any significant appreciation or revaluation of the RMB may have a material adverse effect on the value of, and any dividends payable on, shares of our common stock in foreign currency terms. More specifically, if we decide to convert our RMB into U. S. dollars, appreciation of the U. S. dollar against the RMB would have a negative effect on the U. S. dollar amount available to us. To the extent that we need to convert the U. S. dollar we receive from any equity or debt financing into RMB for our operations, appreciation of the RMB against the U. S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. In addition, appreciation or depreciation in the exchange rate of the RMB to the U. S. dollar could materially and adversely affect the price of our common stock in U. S. dollars without giving effect to any underlying change in our business or results of operations. Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency. We incurred losses on those foreign currency transactions of approximately \$ ~~338,000~~ ~~and~~ ~~\$~~ ~~266,000~~ ~~and~~ ~~\$~~ ~~938,000~~ for the years ended December 31, ~~2024~~ ~~and~~ ~~2023~~ ~~and~~ ~~2022~~, respectively. Restrictions on currency exchange may limit our ability to receive and use our revenue effectively. Revenue from our China operations is denominated in RMB. Restrictions on currency exchange may limit our ability to use any earnings generated in China to fund our business activities in the United States and, if and when we operate profitably, to make dividend payments to our shareholders in U. S. dollars. Under current PRC laws and regulations, RMB is freely convertible for current account items, such as trade and service-related foreign exchange transactions and dividend distributions. However, RMB is not freely convertible for direct investment or loans or investments in securities outside China, unless such use is approved by the PRC State Administration of Foreign Exchange ("SAFE"). For example, foreign exchange transactions under our subsidiaries' capital accounts, including principal payments in respect of foreign currency-denominated obligations, remain subject to significant foreign exchange controls and the approval requirement of SAFE. SolarMax Shanghai and ZHPV have

completed all necessary filing to qualify as a foreign investment enterprise according to the requirements of SAFE. These limitations could affect our ability to obtain foreign exchange for capital expenditures. Our Chinese subsidiaries are subject to restrictions on making dividend and other payments to it. Under the applicable requirements of PRC law, our PRC subsidiaries may only distribute dividends after making allowances to fund certain statutory reserves, consisting of the statutory surplus reserve and discretionary surplus reserve, based on after-tax net income determined in accordance with generally accepted accounting principles of the PRC (“PRC GAAP”). Appropriation to the statutory surplus reserve for each entity should be at least 10 % of the after-tax net income determined in accordance with the PRC GAAP until the reserve is equal to 50 % of such entity’s registered capital. Our subsidiaries’ statutory reserves were RMB 5,547,544, 722,799 (approximately \$ 760,808,000); RMB 4,934,464 (approximately \$ 715,000) at December 31, 2022-2024, and RMB 4,589,544, 510,799 (approximately \$ 722,784,000) at December 31, 2021-2023 and RMB 4,255,199 (approximately \$ 652,000) at December 31, 2020. These reserves are not distributable as cash dividends. In addition, if our PRC subsidiaries or our affiliated entity in China incurs debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us. Any such restrictions may materially affect such entities’ ability to make dividends or make payments, in service fees or otherwise, to us, which may materially and adversely affect our business, financial condition and results of operations.

~~Because~~ ~~58~~ ~~Because~~ we must comply with the Foreign Corrupt Practices Act, we may face a competitive disadvantage in competing with Chinese companies that are not bound by those prohibitions. We are required **by law** to comply with the United States Foreign Corrupt Practices Act, which prohibits U. S. companies and their foreign subsidiaries and controlled entities from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. Foreign companies, including some of our competitors, are not subject to these prohibitions. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices occur from time to time in China. If our competitors engage in these practices, they may receive preferential treatment from personnel of other companies or government agencies, giving competitors an advantage in securing permits or business or from government officials. Although we inform our personnel that such practices are illegal, we cannot assure you that our employees or other agents will not engage in such conduct for which we might be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties. **Even though United States spokespersons have said that they will not enforce the Foreign Corrupt Practices Act, it is still the law and we are complying with its provisions.** ~~54~~ Our ~~Our~~ ability to generate business from SPIC, which has been the sole customer of our China segment since the middle of 2019, may be subject to government policies relating to such factors as the terms on which our PRC subsidiaries sell the project to SPIC and SPIC’s procurement policies. As a state-owned enterprise, SPIC may favor Chinese companies over subsidiaries of a United States company. SPIC has been the sole customer of our China segment since the middle of 2019. We may be subject to government policies relating to such factors as the terms on which our PRC subsidiaries sell the project to SPIC and SPIC’s procurement policies. As a state-owned enterprise, SPIC may favor Chinese companies over subsidiaries of a United States company. If SPIC favor Chinese companies, the business of our China segment may be adversely affected. Uncertainties with respect to the PRC legal system could have a material adverse effect on us. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions in a civil law system may be cited as reference but have limited precedential value. Since 1979, newly introduced PRC laws and regulations have significantly enhanced the protection of interest relating to foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system is continuing to evolve, the interpretations of such laws and regulations may not always be consistent, and enforcement of these laws and regulations involves significant uncertainties, any of which could limit available legal protections. In addition, the PRC administrative and judicial authorities have significant discretion in interpreting, implementing or enforcing statutory rules and contractual terms, and it may be more difficult to predict the outcome of administrative and judicial proceedings and the level of legal protection we may enjoy in the PRC than under some more developed legal systems. These uncertainties may affect our decisions on the policies and actions to be taken to comply with PRC laws and regulations and may affect our ability to enforce our contractual or tort rights. In addition, the regulatory uncertainties may be exploited through unmerited legal actions or threats in an attempt to extract payments or benefits from us. Such uncertainties may therefore increase our operating expenses and costs, and materially and adversely affect our business and results of operations. The PRC’s legal and judicial system may not adequately protect our business and operations and the rights of our investors. The PRC legal and judicial system may negatively impact foreign investors. In 1982, the National People’s Congress amended the Constitution of China to authorize foreign investment and guarantee the “lawful rights and interests” of foreign investors in the PRC. However, the PRC’s system of laws is not yet comprehensive. The legal and judicial systems in the PRC are still rudimentary, and enforcement of existing laws is inconsistent. As a result, it may be impossible to obtain swift and equitable enforcement of laws that do exist, or to obtain enforcement of the judgment of one court by a court of another jurisdiction. The PRC’s legal system is based on the civil law regime, which means that it is based on written statutes. A decision by one judge does not set a legal precedent that is required to be followed by judges in other cases. In addition, the interpretation of Chinese laws may be varied to reflect domestic political changes. The promulgation of new laws, changes to existing laws and the pre-emption of local regulations by national laws may adversely affect foreign investors. There can be no assurance that a change in leadership, social or political disruption, or unforeseen circumstances affecting the PRC’s political, economic or social life, will not affect the PRC government’s ability to continue to support and pursue these reforms. Such a shift could have a material adverse effect on our business and prospects. **Three of our directors are located outside..... stockholder will not be successful.** ~~55~~ **Substantial** ~~59~~ **Substantial** uncertainties exist with respect to the interpretation and implementation of the newly enacted PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance, business operations and financial results. On March 15, 2019, the National People’s Congress approved the Foreign Investment Law, which came into effect on January 1, 2020 and replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign

Cooperative Joint Venture Enterprise Law and the Wholly Foreign- invested Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation and how it may impact the viability of our current corporate governance and business operations in China and our financial results. Although we do not believe we are a China- based issuer, our business includes our China segment which is subject to the rules and regulations in China as well as China governmental intervention and influence. The rules and regulations in China can change quickly with little advance notice, and Chinese government may intervene or influence our China operation at any time, or may exert more control over offerings conducted overseas and / or foreign investment in us, which could result in a material change in our operations in China and our operations in the U. S. and could cause the value of our securities to significantly decline or be worthless, and limit the legal protections available to us; and any actions by the Chinese government to exert more oversight and control over offerings that are conducted overseas and / or foreign investment in issuers with China operations could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless; and limit the legal protections available to us. Although we do not believe that we are a China- based issuer, our business includes our China segment **although that segment has not generated any revenues during 2022, 2023, 2024 and 2025 through the date of this annual report**. The rules and regulations in China including the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties. The rules and regulations as well as the interpretation and enforcement of laws and that rules and regulations in China can change quickly with little advance notice and the risk that the Chinese government may intervene or influence our operations at any time, or may exert more control over offerings conducted overseas and / or foreign investment in China- based issuers, and Chinese government may intervene or influence our China operation at any time, or may exert more control over offerings conducted overseas and / or foreign investment in us, which could result in a material change in our operations in China and our operations in the U. S., and could cause the value of our securities to significantly decline or be worthless, and limit the legal protections available to us; and any actions by the Chinese government to exert more oversight and control over offerings that are conducted overseas and / or foreign investment in issuers with China operations could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. We cannot rule out the possibility that the PRC government will institute a licensing regime or pre-approval requirement covering our industry at some point in the future. If such a licensing regime or approval requirement were introduced, we cannot assure you that we would be able to obtain any newly required license in a timely manner, or at all, which could materially and adversely affect our business and impede our ability to continue our operations. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, could materially and adversely affect our business and impede our ability to continue our operations. ~~56Non-~~ **Non-** compliance with labor- related laws and regulations of the PRC may have an adverse impact on our financial condition and results of operation. We have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing fund, medical insurance, work- related injury insurance, unemployment insurance and maternity insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law, or the Labor Contract Law, that became effective in January 2008 and was amended in December 2012 and became effective on July 1, 2013, and its implementing rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost- effective manner, which could adversely affect our business and results of operations. We believe our current practice complies with the Labor Contract Law and its amendments. However, the relevant governmental authorities may take a different view and impose fines on us. ~~As 60As~~ the interpretation and implementation of labor- related laws and regulations are still evolving, our employment practices could violate labor- related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected. PRC regulation of direct investment by offshore holding companies to PRC entities may delay or prevent us from making additional capital contributions to our PRC subsidiaries and affiliated entities, which could impair our liquidity and our ability to fund and expand our business. Our equity structure is a direct holding structure, that is, SolarMax directly controls its U. S. segment and China segment. In the reporting periods presented in this annual report and throughout the date of this annual report, no dividends, distribution or other transfers of funds have occurred between and among us and our non- PRC subsidiaries, on the one hand; and us and our PRC subsidiaries, on the other hand, have not made any dividends, distributions or other transfer of funds to investors. To the extent that we may in the future seek to fund the business through distribution, dividends or transfer of funds among and between holding company and subsidiaries, any such transfer of funds with PRC subsidiaries is subject to government regulations. The

structure of cash flows within holding company and PRC subsidiaries and a summary of the applicable regulations, is as follows: 1. Within the direct holding structure, the cross- border transfer of funds within us and our PRC subsidiaries is legal and compliant with the laws and regulations of the PRC. Funds from our initial public offering can be directly transferred to our subsidiaries including ZHPV and ZHTH, and then transferred to subordinate operating entities through ZHPV and ZHTH according to the laws and regulation of the PRC. 2. If we intend to distribute dividends, from our PRC subsidiaries, either for use in our US segment or for distribution to stockholders, we will transfer the dividends from the PRC entities to ZHPV and ZHTH in accordance with the laws and regulations of the PRC, and then ZHPV and ZHTH will transfer the dividends to its parent company and then to SolarMax, and, if the funds are to be paid to our stockholders as a dividend, the dividend will be distributed to all stockholders in proportion to the shares they hold, regardless of whether the stockholders are U. S. investors or investors in other countries or regions. We do not have any present plans to pay dividends to our stockholders. ~~57~~**To** address persistent capital outflows and the RMB' s depreciation against the U. S. dollar in the fourth quarter of 2016, the People' s Bank of China and the State Administration of Foreign Exchange, or SAFE, have implemented a series of capital control measures in the subsequent months, including stricter vetting procedures for China- based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. The PRC government may continue to strengthen its capital controls and our PRC subsidiaries' dividends and other distributions may be subject to tightened scrutiny in the future. The PRC government also imposes controls on the conversion of RMB into foreign currencies and the remittance of currencies out of the PRC. Therefore, SolarMax may experience difficulties in completing the administrative procedures necessary to obtain and remit foreign currency for the payment of dividends from our profits, if any. Furthermore, if our subsidiaries in the PRC incur debt on their own in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments. ~~We~~**61**~~We~~ cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our entities in China. If we fail to receive such registrations or approvals, our ability to use capital raised and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business. Under Chinese law, our Chinese subsidiaries are limited in their ability to pay dividends to us, which may impair our ability to pay dividends and to fund our United States segment in the future. Under PRC regulations, our PRC subsidiaries may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, each of our wholly foreign- owned enterprises is required to set aside at least 10 % of its accumulated after- tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such fund reaches 50 % of its registered capital. Any limitation on the ability of our PRC subsidiary to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. A failure by the beneficial owners of our common stock who are PRC residents to comply with certain PRC foreign exchange regulations may restrict our ability to distribute profits, restrict our overseas and cross- border investment activities and subject us to liability under PRC law. SAFE has promulgated regulations, including the Notice on Relevant Issues Relating to Domestic Residents' Investment and Financing and Round- Trip Investment through Special Purpose Vehicles, or SAFE Circular No. 37, effective on July 4, 2014, and its appendices, that require PRC residents, including PRC institutions and individuals, to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular No. 37 as a "~~"~~**"**special purpose vehicle. " SAFE Circular No. 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross- border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Further, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for foreign exchange evasion. Although we have been advised by AllBright Law Offices, our PRC counsel that these regulations are not applicable to us since we are not a special purpose vehicle under Circular 37, we cannot assure you that SAFE will not reach a different conclusion. If we are subject to these regulations, the regulations may apply to our direct and indirect stockholders who are PRC residents and may apply to any offshore acquisitions or share transfers that we make in the future if our shares are issued to PRC residents. However, in practice, different local SAFE branches may have different views and procedures on the application and implementation of SAFE regulations. If filings are required, we cannot assure you that these individuals or any other direct or indirect stockholders or beneficial owners of our company who are PRC residents will be able to successfully complete the registration or update the registration of their direct and indirect equity interest as required in the future. If they fail to make or update the registration, our PRC subsidiaries could be subject to fines and legal penalties, and SAFE could restrict our cross- border investment activities and our foreign exchange activities, including restricting our PRC subsidiaries' ability to distribute dividends to, or obtain loans denominated in foreign currencies from SolarMax, or prevent SolarMax from paying dividends. As a result, our business operations and our ability to make distributions to you could be materially and adversely affected. ~~58~~**Certain** ~~62~~**Certain** PRC regulations, including the M & A Rules and national security regulations, may require a complicated review and approval process which could make it more difficult for us to pursue growth through acquisitions in China. On August 8, 2006, six PRC regulatory authorities, including the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, CSRC and SAFE, jointly issued the Regulation on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M & A Rules, which became effective on September 8, 2006 and were amended on June 22, 2009.

The M & A Rules established additional procedures and requirements that could make merger and acquisition activities in China by foreign investors more time-consuming and complex. For example, the MOFCOM must be notified in the event a foreign investor takes control of a PRC domestic enterprise. In addition, certain acquisitions of domestic companies by offshore companies that are related to or affiliated with the same entities or individuals of the domestic companies, are subject to approval by the MOFCOM. In addition, the Implementing Rules Concerning Security Review on Mergers and Acquisitions by Foreign Investors of Domestic Enterprises, issued by the MOFCOM in August 2011, require that mergers and acquisitions by foreign investors in “any industry with national security concerns” be subject to national security review by MOFCOM. In addition, any activities attempting to circumvent such review process, including structuring the transaction through a proxy or contractual control arrangement, are strictly prohibited. There is significant uncertainty regarding the interpretation and implementation of these regulations relating to merger and acquisition activities in China. In addition, complying with these requirements could be time-consuming, and the required notification, review or approval process may materially delay or affect our ability to complete merger and acquisition transactions in China. As a result, our ability to seek growth through acquisitions may be materially and adversely affected. Although we do not believe that our business in China is part of an industry with national security concerns, we cannot assure you that MOFCOM will not reach a different conclusion. If MOFCOM determines that we should have obtained its approval, we may be required to file for remedial approvals. There is no assurance that it would be able to obtain such approval from MOFCOM. We may also be subject to administrative fines or penalties by MOFCOM that may require us to limit its business operations in the PRC, delay or restrict the conversion and remittance of its funds in foreign currencies into the PRC or take other actions that could have material and adverse effect on its business, financial condition and results of operations. Under the new Enterprise Income Tax Law, we may be classified as a “resident enterprise” of China. Such classification could result in unfavorable tax consequences to us and our non-PRC stockholders. The new Enterprise Income Tax (EIT) Law, which was most recently amended on December 29, 2018, and its implementing rules provide that enterprises established outside of China whose “de facto management bodies” are located in China are considered “resident enterprises” under PRC tax laws. The implementing rules promulgated under the new EIT Law define the term “de facto management bodies” as a management body which substantially manages, or has control over the business, personnel, finance and assets of an enterprise. However, there are no further detailed rules or precedents governing the procedures and specific criteria for determining “de facto management body.” It is still unclear if the PRC tax authorities would determine that our China operations, which are owned by its subsidiary, SolarMax Hong Kong, should be classified as a PRC “resident enterprise.” If we are deemed as a PRC “resident enterprise,” we will be subject to PRC enterprise income tax on our worldwide income at a uniform tax rate of 25 %, although dividends distributed to us from our existing PRC subsidiaries and any other PRC subsidiaries which we may establish from time to time could be exempt from the PRC dividend withholding tax due to a PRC “resident recipient” status. This could have a material and adverse effect on our overall effective tax rate, our income tax expenses and our net income. Furthermore, dividends, if any, paid to our stockholders may be decreased as a result of the decrease in distributable profits. In addition, if we were to be considered a PRC “resident enterprise,” dividends we pay with respect to shares of our common stock and the gains realized from the transfer of shares of our common stock may be considered income derived from sources within the PRC and be subject to PRC withholding tax. This could have a material and adverse effect on the value of your investment in us and the price of shares of our common stock. ~~59Because--~~ **Because** we require a license to engage in the EPC business in China, any changes in the certification or qualification requirements could impair our ability to operate in China. A specific license is required to engage in the EPC business in China. our subsidiary ZHPV currently holds the necessary licenses, including Construction Enterprise Qualification Certificate (“Qualification”) for Level III of General Contractor for Power Engineering Constructor which permits ZHPV to conduct business as a contractor in the power engineering construction business throughout the PRC. However, any changes in the requirements for obtaining and maintaining such licensure could impair ZHPV’s ability to retain its license which could preclude us from performing EPC services in China. The qualification certificate expires on June 30, 2024. ~~If 63If~~ we import polysilicon into China from the United States or South Korea, our gross margin may be impaired. On July 18, 2013, MOFCOM announced that it would enact preliminary tariffs on imports of solar-grade polysilicon at rates up to 57 % for United States suppliers and 48.7 % for South Korean suppliers. This decision was affirmed by MOFCOM in January 2014. Import tariffs and limitations imposed on foreign polysilicon suppliers may lead to price increases for products from Chinese domestic suppliers. Although our China segment does not source any significant amount of polysilicon from the United States or South Korea, if we import polysilicon from these countries our cost of revenue is likely to increase, and we may not be able to pass the increased cost to our customers, which would impair our gross margin. We may fail to comply with laws and regulations regarding the development, construction and operation of solar power projects and photovoltaic production projects in China. The development, construction and operation of solar power projects and photovoltaic production projects are highly regulated activities. Our operations in China are governed by various laws and regulations, including national and local regulations relating to urban and rural planning, building codes, safety, environmental protection, fire control, utility transmission, engineering and metering and related matters. For example, the establishment of a solar power project is subject to the approval of the National Development and Reform Commission (“NDRC”) or its local branches, pursuant to the Administrative Provisions on Generation of Electricity by Renewable Energy Resources promulgated by the NDRC on January 5, 2006. Pursuant to the Provisions on the Administration of Electric Power Business Permit, which became effective on December 1, 2005 and were amended on May 30, 2015, certain solar power projects may be required to obtain the electric power business permits specifically for power generation from the State Electricity Regulatory Commission, known as SERC. Pursuant to the Interim Measures for the Administration of Solar Power Projects, promulgated by the National Energy Administration, known as the NEA, on August 29, 2013, solar power projects are subject to filings with the provincial NDRC. Such filing is subject to the national development plan for solar power generation, the regional scale index and implementation plan of the year as promulgated by the competent

national energy authority and is a pre- condition for connecting to the power grid. Pursuant to the Interim Measures for the Administration of Distributed Generation Projects, or the Distributed PV Interim Measures, promulgated by the NEA on November 18, 2013, distributed generation projects are subject to filings with the provincial or regional NDRC. Such filing is subject to State Council' s rules for administration of investment projects and the regional scale index and implementation plan of the year as promulgated by the competent national energy authority. Distributed generation projects in the regional scale index of the year that are not completed or put into operation within two years from their respective filing date are cancelled and disqualified from receiving national subsidies. The Distributed PV Interim Measures also provide that the filing procedures should be simplified and the electric power business permit and permits in relation to land planning, environmental impact review, energy saving evaluation and other supporting documents may be waived. Detailed requirements of the filing are also subject to local regulations, and the effects of the Distributed PV Interim Measures on our business are yet to be evaluated. Pursuant to the Standard Conditions of Photovoltaic Production Industry, or the Photovoltaic Production Rule, promulgated by the PRC' s Ministry of Industry and Information Technology ( "MIIT ") and, effective on March 25, 2015, the minimum proportion of capital funds contributed by the producer for newly built, renovation and expansion photovoltaic ( "PV ") production projects shall be 20 %. The Photovoltaic Production Rule also provides, among other matters, requirements in relation to the production scale, cell efficiency, energy consumption and operational life span of various PV products. It also requires companies to obtain pollution discharge permits. Our failure to obtain or maintain any required approvals, permits, licenses or filings or to comply with the conditions associated therewith could result in fines, sanctions, suspension, revocation or non- renewal of approvals, permits or licenses, or even criminal penalties, which could have a material adverse effect on our business, financial condition and results of operations. Any new government regulations pertaining to solar power projects may result in significant additional expenses to the development, construction and operation of solar power projects and, as a result, could cause a significant reduction in demand for our solar power projects and services. Currently, some of our project companies in the PRC have not obtained electric power business permits due to the delays in the governmental review or approval processes, which has impacted us with respect to one project. Failure to secure such permits may lead to monetary damages, fines or even criminal penalties. 60We We cannot assure you that we will be able to promptly and adequately respond to changes of laws and regulations, or that our employees and contractors will act in accordance with our internal policies and procedures. Failure to comply with laws and regulations where we develop, construct and operate solar power projects may materially adversely affect our business, financial condition and results of operations. We have been advised by our PRC counsel, AllBright Law Offices, that, based on their review of our operations materials, including our approved qualifications and PRC laws and regulations, our operations in the PRC, as presently conducted, comply in all material respects with applicable PRC laws and regulations. Failure 64Failure to comply with PRC regulations regarding the registration of share options held by our employees who are " domestic individuals " may subject such employee or us to fines and legal or administrative sanctions. Pursuant to Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly- Listed Company issued by the SAFE in February 2012, or the Stock Incentive Plan Rules, " domestic individuals " (both PRC residents and non- PRC residents who reside in China for a continuous period of not less than one year, excluding foreign diplomatic personnel and representatives of international organizations) participating in any stock incentive plan of an overseas listed company are required, through qualified PRC agents, including the PRC subsidiary of such overseas- listed company, to register with the SAFE and complete certain other procedures related to the stock incentive plan. We and our employees who qualify as " domestic individuals " and have been granted stock options, or the PRC optionees, will become subject to the Stock Incentive Plan Rules when we become an overseas listed company upon the completion of the offering. We plan to conduct and complete the registration as required under the Stock Incentive Plan Rules and other relevant SAFE registrations and to update the registration on an on- going basis. If we or our PRC optionees fail to comply with the Individual Foreign Exchange Rule and the Stock Incentive Plan Rules, we and our PRC optionees may be subject to fines and other legal sanctions. We may also face regulatory uncertainties that could restrict our ability to adopt additional option plans for our directors and employees under PRC law. In addition, the General Administration of Taxation has issued circulars concerning employee stock options. Under these circulars, our employees working in China who exercise stock options will be subject to PRC individual income tax. Its PRC subsidiaries have obligations to file documents related to employee stock options with relevant tax authorities and withhold individual income taxes of those employees who exercise their stock options. If its employees fail to pay and we fail to withhold their income taxes, we may face sanctions imposed by tax authorities or any other PRC government authorities. Furthermore, there are substantial uncertainties regarding the interpretation and implementation of the Individual Foreign Exchange Rule and the Stock Incentive Plan Rules. We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a PRC establishment of a non- PRC company, or immovable properties located in China owned by a non- PRC company. We face uncertainties on the reporting and consequences of private equity financing transactions, private share exchange transactions and private transfer of shares, including private transfer of public shares, in our company by non- resident investors. On February 3, 2015, the PRC' s State Administration of Taxation ( "SAT ") issued Announcement on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfers by Non- RPC Resident Enterprises, or SAT Notice No. 7, to supersede the existing tax rules in relation to the tax treatment of the Indirect Transfer. SAT Notice No. 7 introduces a new tax regime and extends the SAT' s tax jurisdiction to capture transactions involving indirect transfer of (i) real properties in China and (ii) assets of an " establishment or place " situated in China, by a non- PRC resident enterprise through a disposition of equity interests in an overseas holding company. SAT Notice No. 7 also extends the Interpretation with respect to the disposition of equity interests in an overseas holding company. In addition, SAT Notice No. 7 further clarifies how to assess reasonable commercial purposes and introduces safe harbors applicable to internal group restructurings. However, it also brings challenges to both the foreign transferors and transferees as they are required to make self- assessments of whether an

Indirect Transfer or similar transaction should be subject to PRC tax and whether they should file or withhold any tax payment accordingly. However, there is a lack of clear statutory interpretation, there are uncertainties on the reporting and consequences on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our company by investors that are non- PRC resident enterprises, or sale or purchase of shares in other non- PRC resident companies or other taxable assets by us. We and other non- resident enterprises in our group may be subject to filing obligations or taxes if we and other non- resident enterprises in our group are transferors in such transactions and may be subject to withholding obligations if we and other non- resident enterprises in our group are transferees in such transactions. For the transfer of shares in our company by investors that are non- PRC resident enterprises, our PRC subsidiaries may be requested to assist in filing under the rules and notices. We may be required to expend costly resources to comply with SAT Notice No. 7, or to establish a case to be tax exempt under SAT Notice No. 7, which may cause us to incur additional costs and may have a negative impact on the value of your investment in us. ~~61~~ ~~The~~ ~~PRC~~ tax authorities have discretion under SAT Notice No. 7 to make adjustments to the taxable capital gains based on the difference between the fair value of the transferred equity interests and the investment cost. We may pursue acquisitions in the future that may involve complex corporate structures. If we are considered as a non- PRC resident enterprise under the EIT Law and if the PRC tax authorities make adjustments to the taxable income of the transactions under and SAT Notice No. 7, our income tax expenses associated with such potential acquisitions will be increased, which may have an adverse effect on our financial condition and results of operations. ~~Regulatory~~ ~~65~~ ~~Regulatory~~ bodies of the United States may be limited in their ability to conduct investigations or inspections of our operations in China. From time to time, we may receive requests from certain US agencies to investigate or inspect our operations, or to otherwise provide information. While we will be compliant with these requests from these regulators, there is no guarantee that such requests will be honored by those entities who provide services to us or with whom we associate, especially as those entities are located in China. Furthermore, an on- site inspection of our facilities in China by any of these regulators may be limited or entirely prohibited. Such inspections, though permitted by us and our affiliates, are subject to the unpredictability of the Chinese enforcers, and may therefore be impossible to facilitate. According to Article 177 of the PRC Securities Law which became effective in March 2020, the securities regulatory authority of the State Council may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region, to implement cross- border supervision and administration and no overseas securities regulator is allowed to directly conduct an investigation or evidence collection activities within the territory of the PRC. Accordingly, without the consent of the competent PRC securities regulators and relevant authorities, no organization or individual may provide the documents and materials relating to securities business activities to overseas parties. Risks Related to our Common Stock An active, liquid and orderly trading market for our common stock may not ~~develop or~~ be maintained, and our stock price ~~is~~ ~~may be~~ volatile. We cannot predict the nature of the market for our common stock, and we cannot assure you that an active, liquid or orderly trading market for our common stock will be maintained. ~~To~~ ~~Since we completed our initial public offering,~~ ~~the extent that an active market price for does not develop,~~ ~~you may have difficulty in selling any shares of our common stock~~ **has been volatile, with a high of \$ 15. 82 per share and a low of \$ 0. 60 per share**. If there is no active, liquid or orderly market for our common stock, the reported bid and asked price at the time you seek to purchase or sell shares may not reflect the price at which you could either buy or sell shares of our common stock. ~~The trading~~ ~~If our stock price of falls, we may be delisted from Nasdaq which would have a material adverse effect on the price and market for~~ our common stock ~~may be volatile,~~ and you could lose all or part of your investment. ~~The~~ ~~Prior to our initial public offering in February 2024, there was no public market price~~ ~~for our common stock~~ **has been volatile, with a high of \$ 15. 82 per share and a low of \$ 0. 60 per share. As a result of the closing bid price of our being less than \$ 1. 00 for 30 consecutive days in September and October 2024, we received a notice from Nasdaq that the common stock will is likely to be delisted if the closing bid price does volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control and may not relate rise to at least \$ 1** the results of our operations. These fluctuations could cause ~~00 per share. Although the stock price increased, we cannot assure you~~ **that the market price to lose all or part of your investment in our common stock as you might will remain above \$ 1. 00 and that it will not be delisted from Nasdaq unable to sell your shares at or for above failure to meet the continuing listing requirements, including the minimum bid price requirement you paid in our initial public offering or in the market following the offering.** Factors that ~~may affect~~ ~~could cause fluctuations in the trading price~~ of our common stock include the following: · price and volume fluctuations in the overall stock market from time to time; · volatility in the trading prices and trading volumes of ~~transportation~~ **solar or renewable energy** stocks; · changes in operating performance and stock market valuations of other ~~transportation~~ **energy** companies generally, or those in our industry in particular; · sales of shares of our common stock by us or our stockholders ; · **the perception of our ability to raise funds we may require from time to time and terms on which we issue securities in a private equity transaction**; · failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our Company, or our failure to meet these estimates or the expectations of investors , **and unfavorable recommendations by securities analysts** ; · ~~the any~~ financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections; · **the perception of our ability to enter into, perform and generate profits from contracts for major commercial projects**; · announcements by us or our competitors of new products, features, or services; ~~62-~~ the public’ s reaction to our press releases, other public announcements and filings with the SEC; ~~66-~~ rumors and market speculation involving us or other companies in our industry; · actual or anticipated changes in our results of operations or fluctuations in our results of operations; · actual or anticipated developments in our business, our competitors’ businesses or the competitive landscape generally; · **if we commence business in China, the perception of our ability to operate profitably and generate positive cash flow in China and** our failure to generate significant business from our China segment; · litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors; · ~~developments or disputes concerning our intellectual property or other proprietary rights;~~ announced or

completed acquisitions of businesses, products, services or technologies by us or our competitors; · new laws or regulations or new interpretations of existing laws or regulations applicable to our business; · changes in accounting standards, policies, guidelines, interpretations or principles; · any significant change in our management **or our failure or perceived failure to engage additional executive and other senior level personnel**; and · general economic conditions and slow or negative growth of our markets. In recent years, the stock markets generally have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of listed companies. Broad market and industry factors may significantly affect the market price of our common stock, regardless of our actual operating performance. These fluctuations may be even more pronounced in the trading market for our common stock shortly following our initial public offering ~~· If the market price of shares of our common stock after our initial public offering does not ever exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment.~~ In addition, in the past, following periods of volatility in the overall market and in the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources. Our amended and restated articles of incorporation and amended and restated bylaws and our employment agreement with our chief executive officer, as well as Nevada law, contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our common stock. Our amended and restated articles of incorporation authorize our board of directors to issue preferred stock without stockholder approval. If our board of directors issues preferred stock, such issuance could make it more difficult for a third party to acquire us. Our employment agreements with our ~~two senior executive officers provide that, in the event of a termination of employment by~~ David Hsu, our chief executive officer, **provides that, in the event of a termination of his employment** following a change of control, we are to pay Mr. Hsu, upon termination, a lump sum payment equal to two times the highest annual compensation for the three years preceding the date of termination, multiplied by the number of years he has been employed by us. Mr. Hsu's employment commenced in February 2008. In addition, some provisions of our amended and restated articles of incorporation and bylaws could make it more difficult for a third party to acquire control of us, even if the change of control would be beneficial to our stockholders, including: · limitations on the removal of directors; · limitations on the ability of our stockholders to call special meetings; · establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders; · providing that the board of directors is expressly authorized to adopt, or to alter or repeal our bylaws; and · establishing advance notice and certain information requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings. ~~63Provisions~~ **67Provisions** of our bylaws and Nevada law could deter a change of our management, which could discourage or delay offers to acquire us. Certain provisions of Nevada law and of our bylaws could discourage or make it more difficult to accomplish a proxy contest or other change in our management or the acquisition of control by a holder of a substantial amount of our voting stock. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interests or in our best interests. These provisions include: · requiring stockholders who wish to request a special meeting of the stockholders to disclose certain specified information in such request and to deliver such request in a specific way within a certain timeframe, which may inhibit or deter stockholders from requesting special meetings of the stockholders; · requiring that stockholders can only call a special meeting if the request is made by the holders of two-thirds of the entire capital entitled to vote; · requiring that stockholders who wish to act by written consent request a record date from us for such action and such request must include disclosure of certain specified information, which may inhibit or deter stockholders from acting by written consent; · requiring that, if a matter is to be brought before a meeting of stockholders which is not specified in the notice of meeting or brought at the direction of the board of directors, it can only be brought up at the meeting if brought by stockholders of record holding two-thirds of the outstanding stock; · establishing the board of directors as the sole entity to fill vacancies in the board, which lengthens the time needed to elect a new majority of the board; · establishing a two-thirds majority vote of the stockholders to remove a director or all directors, which lengthens the time needed to elect a new majority of the board; · providing that our bylaws may be amended only by either the affirmative vote of two-thirds of the stockholders entitled to vote or by the board of directors, which limits the ability of stockholders to amend our bylaws, including amendments to provisions in the bylaws that are described in this risk factor; and · establishing more detailed disclosure in any stockholder's advance notice to nominate a new member of the board, including specified information regarding such nominee, which may inhibit or deter such nomination and lengthen the time needed to elect a new majority of the board. A portion of the compensation to our senior executive officers may not be deductible, which may increase our taxes Section 162 (m) of the Internal Revenue Code limits the deduction that public companies may take for annual compensation paid to its chief executive officer, chief financial officer and the three other most highly compensated officers, who are referred to as "covered employees." All compensation in excess of \$ 1. 0 million paid to a covered employee, including post termination compensation and death benefits, may be nondeductible for federal income tax purposes, with certain exceptions pursuant to certain contracts that were in effect on November 2, 2017. In the event that the compensation we pay to any covered employee exceeds \$ 1. 0 million, such excess may not be deductible which, if our operations are profitable, could increase our income taxes and reduce our net income, which could negatively affect the price of our stock. Because our bylaws limit the court in which you may bring an action against us, you may have difficulty enforcing any rights which you may claim. Our bylaws provide that any person who acquires equity in us shall be deemed to have notice and consented to the forum selection provision of our bylaws, which require actions to be brought only in the state courts in Clark County, Nevada, which may inhibit or deter stockholders' actions (i) on behalf of us, (ii) asserting claims of breach of fiduciary duty by officers or directors of us, or (iii) arising out of the Nevada Revised Statutes. Further, this exclusive forum provision may limit our stockholders' ability to obtain what they believe to be a favorable judicial forum for disputes with us and our officers and directors. This provision does not apply to claims brought

under the Securities Act of 1933 or the Securities Exchange Act of 1934. ~~Because 68~~**Because** we do not intend to pay dividends on our common stock **for the foreseeable future**, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates. We do not plan to declare dividends on shares of our common stock in the foreseeable future. As a result, your only opportunity to achieve a return on your investment will be if you sell your common stock at a price greater than you paid for it. ~~We~~**The price of our common stock has fluctuated significantly since our initial public offering and we** cannot assure you that the price of our common stock that will prevail in the market will ever equal or exceed the price that you pay ~~in our initial public offering or for our stock in the open market.~~ ~~64~~**Future** sales of our common stock in the public market could reduce our stock price, and any additional capital raised by us through the sale of equity or convertible securities may dilute your ownership in us. All of ~~our outstanding~~ **the 40,000,186 shares of common stock that were outstanding prior to our initial public offering, except for 561,798 shares issued in March 2025** which constitute approximately 87.5% of our outstanding common stock, are eligible for sale pursuant to Rule 144 at various times, subject to limitations provided by Rule 144 **with respect and lock-up agreements which our stockholders, including our directors and officers, who hold 38,901,642 shares have signed lock-ups for period of 180 days from the February 12, 2024 effective date of the registration statement relating to affiliates our initial public offering, which expires on August 10, 2024, release from the lock-up restriction at the discretion of the underwriters. If the managing underwriter of our initial public offering, waives or releases parties to the lock-up, the market price for our common stock could be adversely impacted.** In addition, the holders of our convertible ~~debentures~~ **notes** in the principal amount of \$ ~~14.16, 25.5~~ **million at March 31, 2024 2025**, have conversion rights at ~~a an average~~ **conversion price of \$ 3-2. 20-78 per share. The conversion price is \$ 3.20, being which is 80 % of the our** initial public offering price, ~~subject of \$ 4.00 with respect to six-month lock~~ **convertible notes in the principal amount of \$ 12.0 million which were issued prior to our initial public offering, and 80 % of the market price on the date of the convertible note with respect to notes issued subsequent to our initial public offering. We require additional capital and, to the extent that we raise funds through the sale of equity securities or equity** ~~up provision. To~~ **based securities and to the extent that** ~~that the remaining limited partners of the partnerships that have outstanding loans to us in the principal amount of \$ 11.0 million receive convertible notes in respect of their investment in the limited partnership that made loans of \$ 55.5 million to us our subsidiaries, accept our proposed refinancing of the loan made by holders will have the partnerships right to sell such our subsidiaries, we may issue a significant number of shares six months after issuance or earlier if the shares are registered for sale pursuant to the Securities Act of common stock 1933.~~ Both the sale and the market's reaction to the possible sale of such shares ~~and any additional shares which may be issued upon conversion of additional convertible notes which we may issue~~ could have a material adverse impact on the market price of and the market for our common stock. ~~Although the partnerships are related parties since the general partner is a related party, the limited partners to whom we issued and propose to issue the convertible notes are not related parties.~~ We intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our common stock issued or reserved for issuance under our equity incentive plan or pursuant to stock options. Subject to the satisfaction of vesting conditions ~~and the expiration of lock-up agreements~~, shares registered under the registration statement on Form S-8 will be available for resale immediately in the public market without restriction other than those restrictions imposed on sales by affiliates pursuant to Rule 144. We cannot predict the size of future issuances of our common stock or securities convertible into common stock or the effect, if any, that future issuances and sales of shares of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with any acquisition we may make), or the perception that such sales, including sales by our existing stockholders pursuant to Rule 144, could occur, may adversely affect prevailing market prices of our common stock. We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock. Our amended and restated articles of incorporation authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect one or more directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might ~~assign~~ **grant** to holders of preferred stock could affect the residual value of the common stock. For as long as we are an emerging growth company, we will not be required to comply with certain reporting requirements, including those relating to accounting standards and disclosure about our executive compensation, that apply to other public companies. We are classified as an ~~"~~ **"** emerging growth company " under the JOBS Act. For as long as we are an emerging growth company, which may be up to five full fiscal years, we will not be required to, among other things, (i) provide an auditor's attestation report on management's assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404 (b) of the Sarbanes-Oxley Act, (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (iii) provide certain disclosure regarding executive compensation, or (iv) hold nonbinding advisory votes on executive compensation. We will remain an emerging growth company for up to five years **from our initial public offering**, although we will lose that status sooner if we have more than \$ 1.235 billion of revenues in a fiscal year, have more than \$ 700 million in market value of our common stock held by non-affiliates, or issue more than \$ 1.0 billion of non-convertible debt over a three-year period. ~~65~~**To** the extent that we rely on any of the exemptions available to emerging growth companies, you will receive less information about our executive compensation and internal control over financial reporting than issuers that are not emerging growth companies. If some investors find our common stock to be less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. ~~Because 69~~**Because** our directors and executive officers own or

have the right to vote approximately **28-27.3-9** % of our outstanding common stock, they may be able to elect all directors, approve all matters requiring stockholder approval and block any action which may be beneficial to stockholders. Our directors and executive officers beneficially own approximately **28-27.3-9** % of our outstanding common stock **, based on the stock they presently own, excluding shares issuable upon exercise of options**. Our bylaws provide that one- third of the outstanding common stock constitutes a quorum for a meeting of stockholders. As a result, they may have the ability to elect all of our directors and to approve actions requiring stockholder approval as well as to prevent any action from being taken which they oppose even if such action would benefit **our** stockholders.