Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2024.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report

For the transition period from to

Commission file number: 001-38696

Niu Technologies

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Cayman Islands

(Jurisdiction of incorporation or organization)

Building C, Rongxin Technology Center,
No. 34 Chuangyuan Road,
Chaoyang District, Beijing 100012
People's Republic of China

(Address of principal executive offices)

Fion Wenjuan Zhou, Chief Financial Officer
Telephone: +8610-6432-1899
Email: ir@niu.com
Building C, Rongxin Technology Center,
No. 34 Chuangyuan Road,
Chaoyang District, Beijing 100012
People's Republic of China

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol (s)	Name of each exchange on which registered
American depositary shares (one American depositary share representing two Class A ordinary shares, par value US$0.0001 per share)	NIU	The Nasdaq Stock Market LLC (The Nasdaq Global Market)
Class A ordinary shares, par value US$0.0001 per share*		The Nasdaq Stock Market LLC (The Nasdaq Global Market)

* Not for trading, but only in connection with the listing on The Nasdaq Global Market of American depositary shares.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

139,303,366 Class A ordinary shares and 16,542,020 Class B ordinary shares, par value US$0.0001 per share, as of December 31, 2024.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Note - Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (P32.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

†The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b))by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ☒ No ☐

TABLE OF CONTENTS

INTRODUCTION			1
FORWARD-LOOKING INFORMATION			2
Part I			3
	Item 1.	Identity of Directors, Senior Management and Advisers	3
	Item 2.	Offer Statistics and Expected Timetable	3
	Item 3.	Key Information	3
	Item 4.	Information on the Company	60
	Item 4A.	Unresolved Staff Comments	91
	Item 5.	Operating and Financial Review and Prospects	91
	Item 6.	Directors, Senior Management and Employees	104
	Item 7.	Major Shareholders and Related Party Transactions	113
	Item 8.	Financial Information	113
	Item 9.	The Offer and Listing	114
	Item 10.	Additional Information	115
	Item 11.	Quantitative and Qualitative Disclosures about Market Risk	130
	Item 12.	Description of Securities Other than Equity Securities	130
Part II			133
	Item 13.	Defaults, Dividend Arrearages and Delinquencies	133
	Item 14.	Material Modifications to the Rights of Security Holders and Use of Proceeds	133
	Item 15.	Controls and Procedures	133
	Item 16.	[Reserved]	135
	Item 16A.	Audit Committee Financial Expert	135
	Item 16B.	Code of Ethics	135
	Item 16C.	Principal Accountant Fees and Services	135
	Item 16D.	Exemptions from the Listing Standards for Audit Committees	135
	Item 16E.	Purchases of Equity Securities by the Issuer and Affiliated Purchasers	135
	Item 16F.	Change in Registrant's Certifying Accountant	135
	Item 16G.	Corporate Governance	136
	Item 16H.	Mine Safety Disclosure	136
	Item 16I.	Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	136
	Item 16J.	Insider Trading Policies	136
	Item 16K.	Cybersecurity	136
Part III			138
	Item 17.	Financial Statements	138
	Item 18.	Financial Statements	138
	Item 19.	Exhibits	138
SIGNATURES			141

INTRODUCTION

In this annual report, except where the context otherwise requires and for purposes of this annual report only:

- "ADRs" are to the American depositary receipts that evidence the ADSs;
- "ADSs" are to the American depositary shares, each of which represents two Class A ordinary shares;
- "China" or "PRC" refers to the People's Republic of China, including Hong Kong, Macau and Taiwan; and "mainland China" refers to the People's Republic of China, excluding Hong Kong, Macau and Taiwan;
- "Class A ordinary shares" are to our Class A ordinary shares, par value US$0.0001 per share;
- "Class B ordinary shares" are to our Class B ordinary shares, par value US$0.0001 per share;
- "NIU," "we," "us," and "our" are to Niu Technologies, our Cayman Islands holding company, its subsidiaries, and, in the context of describing our operations and consolidated financial information, the VIE and the subsidiaries of the VIE;
- "ordinary shares" are to our Class A and Class B ordinary shares, par value US$0.0001 per share;
- "our company" is to Niu Technologies, our Cayman Islands holding company;
- "the variable interest entity" and "the VIE" are to Beijing Niudian Technology Co., Ltd., or Beijing Niudian. The VIE is a domestic company incorporated in mainland China in which we do not have any equity ownership but whose financial results have been consolidated into our consolidated financial statements based solely on contractual arrangements in accordance with U.S. GAAP. See "Item 4. Information on the Company—C. Organizational Structure" for an illustrative diagram of our corporate structure;
- "WFOE" are to Beijing Niudian Information Technology Co., Ltd., or Niudian Information, a wholly foreign-owned entity in China;
- "RMB" and "Renminbi" are to the legal currency of mainland China; and
- "US$," "U.S. dollars," "$," and "dollars" are to the legal currency of the United States.

Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this annual report were made at a rate of RMB7.2993 to US$1.00, the exchange rate in effect as of December 31, 2024 as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, or at all.

FORWARD-LOOKING INFORMATION

This annual report on Form 20-F contains forward-looking statements that reflect our current expectations and views of future events. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as "may," "will," "expect," "anticipate," "future," "intend," "plan," "believe," "estimate," "is/are likely to" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to:

- our mission, goals and strategies;
- our future business development, financial conditions and results of operations;
- the expected growth of smart electric two-wheeled vehicle industry;
- our expectations regarding demand for and market acceptance of our products and services;
- our expectations regarding our relationships with our users/customers, suppliers, strategic partners and other stakeholders;
- competition in our industry; and
- government policies and regulations relating to our industry.

We would like to caution you not to place undue reliance on these forward-looking statements and you should read these statements in conjunction with the risk factors disclosed in "Item 3. Key Information— D. Risk Factors." Those risks are not exhaustive. We operate in a rapidly evolving environment. New risks emerge from time to time and it is impossible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in any forward-looking statement. We do not undertake any obligation to update or revise the forward-looking statements except as required under applicable law.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Our Holding Company Structure and Contractual Arrangements with the VIE

Niu Technologies is not an operating company in mainland China but a Cayman Islands holding company with operations primarily conducted through (i) our mainland China subsidiaries and (ii) contractual arrangements with the VIE based in mainland China. The laws and regulations of mainland China restrict and impose conditions on foreign direct investment in internet content, value-added telecommunication-based online marketing, audio and video services and mobile application distribution businesses. Accordingly, we operate these businesses in mainland China through the VIE, and rely on contractual arrangements among our mainland China subsidiaries, the VIE and its shareholders to conduct the business operations of the VIE. The VIE is consolidated for accounting purposes, but is not an entity in which our Cayman Islands holding company, or our investors, own equity. Revenues contributed by the VIE accounted for 99.7%, 99.6% and 98.8% of our total revenues for the year ended December 31, 2022, 2023 and 2024, respectively. As used in this annual report, "our company" refers to Niu Technologies, whereas "NIU," "we," "us," and "our" refer to Niu Technologies, its subsidiaries, and, in the context of describing our operations and consolidated financial information, the VIE and its subsidiaries. Investors in our ADSs are not purchasing equity interest in the VIE in mainland China, but instead are purchasing equity interest in a holding company incorporated in the Cayman Islands.

A series of contractual agreements, including power of attorney, third amended and restated equity pledge agreement, amended and restated exclusive business cooperation agreements, third amended and restated exclusive option agreements and spousal consent letters, have been entered into by and among our subsidiaries, the VIE and its shareholders. Terms contained in each set of contractual arrangements with the VIE and its shareholders are substantially similar. As a result of the contractual arrangements, we have conducted the business operations and are considered the primary beneficiary of these companies, and we have consolidated financial results of these companies in our consolidated financial statements. For more details of these contractual arrangements, see "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIE."

However, the contractual arrangements may not be as effective as direct ownership in the VIE and we may incur substantial costs to enforce the terms of the arrangements. If the VIE or its shareholders fail to perform their respective obligations under the contractual arrangements, we could be limited in our ability to enforce the contractual arrangements with the VIE, and these agreements have not been tested in courts of mainland China. Furthermore, if we lose our right to direct the activities of the VIE or our right to receive substantially all the economic benefits and residual returns from the VIE and we are not able to restructure our ownership structure and operations in a satisfactory manner, we would not be able to continue to consolidate the financial results of these entities in our financial statements. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure— We rely on contractual arrangements with the VIE and its shareholders for a large portion of our business operations, which may not be as effective as direct ownership." and "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—The shareholders of the VIE may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition."

For more details of our corporate structure, including our principal subsidiaries, the VIE and its principal subsidiaries, as of the date of this annual report, see "Item 4. Information on the Company—C. Organizational Structure."

There are also uncertainties regarding the interpretation and application of the current and future laws, regulations and rules of mainland China regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIE and its shareholders. It is uncertain whether any new laws or regulations of mainland China relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of the VIE is found to be in violation of any existing or future laws or regulations of mainland China, or fail to obtain or maintain any of the required permits or approvals, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government finds that the agreements that establish the structure for operating some of our operations in mainland China do not comply with the regulations of mainland China relating to the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations" and "—Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations."

Our corporate structure is subject to risks associated with our contractual arrangements with the VIE. Our company and its investors may never have a direct ownership interest in the businesses that are conducted by the VIE. Uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements, and these contractual arrangements have not been tested in a court of law. If the PRC government finds that the agreements that establish the structure for operating our business in mainland China do not comply with the laws and regulations of mainland China, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we and the VIE could be subject to severe penalties or be forced to relinquish our interests in those operations. This would result in the VIE being deconsolidated. The majority of our assets, including the necessary licenses to conduct business in mainland China, are held by the VIE. A significant part of our revenues are generated by the VIE. An event that results in the deconsolidation of the VIE would have a material effect on our operations and result in the value of the securities of our company diminish substantially or even become worthless. Our company, our mainland China subsidiaries and the VIE, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, significantly affect the financial performance of the VIE and our company as a whole. Our company may not be able to repay its indebtedness, and the ADSs of our company may decline in value or become worthless, if we are unable to assert contractual control over the assets of our mainland China subsidiaries and the VIE that conduct all or substantially all of our operations. For a detailed description of the risks associated with our corporate structure, please refer to risks disclosed under "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure."

Our company and the VIE face various legal and operational risks and uncertainties associated with being based in or having the majority of our operations in China and we are subject to the complex and evolving laws and regulations of mainland China. For example, we face risks associated with regulatory approvals on offshore offerings, the use of the VIE, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. These risks could result in a material adverse change in our operations and the value of our ADSs, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline or become worthless. For a detailed description of risks related to doing business in China, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China."

PRC government's significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations, including data security or anti-monopoly related regulations, in this nature may cause the value of such securities to significantly decline. For more details, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs."

Risks and uncertainties arising from the PRC legal system, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations of mainland China, could result in a material adverse change in our operations and the value of our ADSs. For more details, see "Item 3. Key Information—D. Risk Factors— Risks Related to Our Corporate Structure—Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations."

The Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, which was enacted on December 18, 2020 and further amended by the Consolidated Appropriations Act, 2023 signed into law on December 29, 2022, or the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed the annual report on Form 20-F for the fiscal year ended December 31, 2023 and do not expect to be so identified after we file this annual report on Form 20-F for the fiscal year ended December 31, 2024. Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we continue to use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the Securities and Exchange Commission, or the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections." And "Item 3. Key Information—D. Risk Factors —Risks Related to Our Business and Industry-Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in mainland China and Hong Kong. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment."

Cash Flows through Our Organization

Niu Technologies is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries, the VIE and its subsidiaries in mainland China. As a result, although other means are available for us to obtain financing at the holding company level, Niu Technologies' ability to pay dividends to the shareholders and to service any debt it may incur may depend upon dividends paid by our mainland China subsidiaries and license and service fees paid by the VIE. If any of our subsidiaries incurs debt on its own behalf, the instruments governing such debt may restrict its ability to pay dividends to Niu Technologies. In addition, each of our mainland China subsidiaries and the VIE 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 its registered capital. Each of such entities in mainland China is also required to further set aside a portion of its after-tax profits to fund the employee welfare fund, although the amount to be set aside, if any, is determined at the discretion of its board of directors. These reserves are not distributable as cash dividends. For more details, see "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Cash flows and working capital."

We have established stringent controls and procedures for cash flows within our organization. Each transfer of cash between our Cayman Islands holding company and a subsidiary, the VIE or the subsidiaries of the VIE is subject to internal approval. The cash inflows of Niu Technologies were primarily generated from the proceeds received from Niu Technologies' public offerings of ordinary shares, other financing activities and cash generated from our operating activities. For the years ended December 31, 2022, 2023 and 2024, Niu Technologies did not provide any capital contributions or loans to our mainland China subsidiaries. For the years ended December 31, 2022, 2023 and 2024, the VIE did not receive loans provided by Niu Technologies. For the years ended December 31, 2022, 2023 and 2024, no assets other than cash were transferred between Niu Technologies and a subsidiary, the VIE or its subsidiary, no subsidiaries paid dividends or made other distributions to Niu Technologies, and no dividends or distributions were paid or made to U.S. investors.

For the years ended December 31, 2022, 2023 and 2024, our subsidiaries did not provide capital contributions to the VIE. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

For the years ended December 31, 2022, 2023 and 2024, the VIE has paid RMB112.2 million, RMB56.8 million and RMB58.1 million (US$8.0 million) of service fee to our WFOE, respectively. We plan to continue to determine the amount of service fee and payment method with the VIE and its shareholders through bona fide negotiation, and settle fees under the contractual arrangements accordingly in the future.

As a Cayman Islands holding company, we may receive dividends from our mainland China subsidiaries. Under the Enterprise Income Tax Law of the PRC and related regulations, dividends, interests, rent or royalties payable by a foreign-invested enterprise, such as our mainland China subsidiaries, to any of its foreign non-resident enterprise investors, and proceeds from any such foreign enterprise investor's disposition of assets (after deducting the net value of such assets) are subject to a 10% withholding tax, unless the foreign enterprise investor's jurisdiction of incorporation has a tax treaty with mainland China that provides for a reduced rate of withholding tax. Undistributed profits earned by foreign-invested enterprises prior to January 1, 2008 are exempted from any withholding tax. The Cayman Islands, where Niu Technologies, the direct parent company of our subsidiaries, is incorporated, does not have such a tax treaty with mainland China. Hong Kong has a tax arrangement with mainland China that provides for a 5% withholding tax on dividends subject to certain conditions and requirements, such as the requirement that the Hong Kong resident enterprise own at least 25% of the mainland China enterprise distributing the dividend at all times within the twelve-month period immediately preceding the distribution of dividends and be a "beneficial owner" of the dividends. For example, Niu Technologies Group Limited, which directly owns our mainland China subsidiary, Niudian Information, is incorporated in Hong Kong. However, if Niu Technologies Group Limited is not considered to be the beneficial owner of the dividends paid to it by Niudian Information under the tax circulars promulgated in February and October 2009, such dividends would be subject to withholding tax at a rate of 10%. If our mainland China subsidiaries declare and distribute profits to us, such payments will be subject to withholding tax, which will increase our tax liability and reduce the amount of cash available to our company. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business" for more details. If our holding company in the Cayman Islands or any of our subsidiaries outside of mainland China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—If we are classified as a mainland China resident enterprise for mainland China income tax purposes, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders or ADS holders."

For purposes of illustration, the following discussion reflects the hypothetical taxes that might be required to be paid within mainland China, assuming that: (i) we have taxable earnings, and (ii) we determine to pay dividends in the future.

	Tax calculation [1]
Hypothetical pre-tax earnings[2]	100 %
Tax on earnings at statutory rate of 25%[3]	(25)%
Net earnings available for distribution	75 %
Withholding tax at standard rate of 10%[4]	(7.5)%
Net distribution to Parent/Shareholders	67.5 %

Notes:

(1) For purposes of this example, the tax calculation has been simplified. The hypothetical book pre-tax earnings amount, not considering timing differences, is assumed to equal taxable income in mainland China.

(2) Under the terms of VIE agreements, our mainland China subsidiaries may charge the VIE for services provided to VIE. These service fees shall be recognized as expenses of the VIE, with a corresponding amount as service income by our mainland China subsidiaries and eliminate in consolidation. For income tax purposes, our mainland China subsidiaries and the VIE file income tax returns on a separate company basis. The service fees paid are recognized as a tax deduction by the VIE and as income by our mainland China subsidiaries and are tax neutral.

(3) The VIE and one of its subsidiary qualifies for a 15% preferential income tax rate in mainland China. However, such rate is subject to qualification, is temporary in nature, and may not be available in a future period when distributions are paid. For purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.

(4) The PRC Enterprise Income Tax Law imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise to its immediate holding company outside of mainland China. A lower withholding income tax rate of 5% is applied if the foreign investment enterprise's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with mainland China, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

The table above has been prepared under the assumption that all profits of the VIE will be distributed as fees to our mainland China subsidiaries under tax neutral contractual arrangements. If, in the future, the accumulated earnings of the VIE exceed the service fees paid to our mainland China subsidiaries (or if the current and contemplated fee structure between the intercompany entities is determined to be non-substantive and disallowed by Chinese tax authorities), the VIE could make a non-deductible transfer to our mainland China subsidiaries for the amounts of the stranded cash in the VIE. This would result in such transfer being non-deductible expenses for the VIE but still taxable income for the mainland China subsidiaries.

Under the laws and regulations of mainland China, we are subject to restrictions on foreign exchange and cross-border cash transfers, including to U.S. investors. Our ability to distribute earnings to the holding company and U.S. investors is also limited. We are a Cayman Islands holding company and we may rely on dividends and other distributions on equity paid by our mainland China subsidiaries, which in turn relies on consulting and other fees paid to us by the VIE, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. When any of our mainland China subsidiaries incurs debt on its own behalf, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

In addition, our mainland China subsidiaries, the VIE and its subsidiaries generate their revenue primarily in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our mainland China subsidiaries to pay dividends to us. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business” and “—Mainland China’s regulation of loans to and direct investment in mainland China entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans to or make additional capital contributions to our mainland China subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

Permissions Required from the PRC Government Authorities for Our Operations

We conduct our business primarily through our subsidiaries and the VIE in mainland China. Our operations in mainland China are governed by the laws and regulations of mainland China. As of the date of this annual report, our mainland China subsidiaries and the VIE have obtained all requisite licenses, permits and approvals from the PRC government authorities for the business operations of our subsidiaries and the VIE in mainland China. These permissions and approvals include, among others, China Compulsory Certification, the Value-added Telecommunications Business Operation Licenses for Information Services via Internet, and Motorcycle Production Access Certificate. For more information, see "Item 4. Information on the Company—B. Business Overview— Regulations." Our mainland China subsidiaries and the VIE have not been denied for any permission or approval from any PRC government authority with respect to the operation of our business. As of the date of this annual report, under current PRC laws, regulations and rules, we, our mainland China subsidiaries and the VIE are not required to obtain permissions from the China Securities Regulatory Commission, or the CSRC, or go through cybersecurity review by the Cyberspace Administration of China, or the CAC, or obtain permission or approval from other PRC government authorities with respect to the operation of our business and previous issuances of securities by our company to foreign investors, except for the permissions or approvals listed above that have been obtained. However, given the uncertainties of interpretation and implementation of the laws and regulations and the enforcement practice by the government authorities, we may be required to obtain additional licenses, permits, filings or approvals to operate business or offer securities to foreign investors, and may not be able to maintain or renew our current licenses, permits, filings or approvals. If we, our mainland China subsidiaries and the VIE (i) do not receive or maintain any necessary permissions or approvals from PRC authorities to operate business or offer securities being registered to foreign investors, or (ii) inadvertently conclude that such permissions or approvals are not required, or if applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future, we cannot assure you that we will be able to obtain the necessary permissions or approvals in a timely manner, or at all, and such approvals may be rescinded even if obtained. Any such circumstance could subject us to penalties, including fines, suspension of business and revocation of required licenses, significantly limit or completely hinder our ability to continue to offer securities to investors, and cause the value of our ADSs to significantly decline or be worthless. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may be adversely affected by the complexity, uncertainties and changes in the regulation on internet-related businesses and companies in mainland China."

Permissions Required from the PRC Authorities for Overseas Financing Activities

The PRC government has sought to exert more oversight and control over capital raising activities of listed companies that are conducted overseas and/or foreign investment in China-based issuers. In December 2021, the CAC, together with other authorities, jointly promulgated the Cybersecurity Review Measures, which became effective on February 15, 2022 and replaced its predecessor regulation. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that procure internet products and services and network platform operators that conduct data process activities must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulates that network platform operators that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering at a foreign stock exchange. On February 17, 2023, the CSRC released several regulations regarding the filing requirements for overseas offerings and listings by domestic companies, including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines, or collectively, the Overseas Listing Trial Measures, which took effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that have completed overseas listings are not required to make any immediate filing with the CSRC. However, such companies will be required to comply with the filing requirements under the Overseas Listing Trial Measures if and when they pursue any future securities offerings or listings outside of mainland China, including but not limited to follow-on offerings and secondary listings. Any failure to obtain or delay in obtaining such approval or completing such review or filing procedures under the Overseas Listing Trial Measures or otherwise, for any future securities offerings and listings outside of mainland China, including but not limited to follow-on offerings and secondary listings, could subject us to restrictions and penalties imposed by the CSRC, which could include fines and penalties on our operations in mainland China, delays to or restrictions on the repatriation of the proceeds from our offshore offerings into mainland China, restrictions on or delays to our future offshore financing transactions, or other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our ADSs.

As of the date of this annual report, under current PRC laws, regulations and rules, we, our mainland China subsidiaries and the VIE are not required to obtain permissions from the CSRC, or go through a cybersecurity review by the CAC, or obtain permission or approval from other PRC government authorities with respect to the previous issuances of securities by our company to foreign investors. For more detailed information, see "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—The filing, approval or other administration requirements of the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to complete such filing, obtain such approval or meet such requirements."

Financial Information Related to Our Subsidiaries and the VIE

The following table presents the condensed consolidating schedule of results of operations for our subsidiaries and the VIE for the periods presented. In this table:

- "Niu Technologies" refers to our Cayman Islands holding company.
- "Other Subsidiaries" refer to the sum of Niu Technologies Group Limited, Beijing Niudian Information Technology Co., Ltd. and other wholly-owned subsidiaries.
- "WFOE" refers to Beijing Niudian Information Technology Co., Ltd., or Niudian Information.
- "VIE and VIE's Subsidiaries" refer to the sum of Beijing Niudian Technology Co., Ltd., or Beijing Niudian, and all of its subsidiaries in mainland China.

Consolidating Statements of Loss Information

	For the Year Ended December 31, 2024					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
	RMB (In thousands)					
Revenues [4]	—	87,566	54,845	3,395,510	(249,625)	3,288,296
Cost of revenues [4]	—	(52,564)	(56)	(2,832,730)	95,817	(2,789,533)
Gross profit	**—**	**35,002**	**54,789**	**562,780**	**(153,808)**	**498,763**
Selling and marketing expenses [4]	—	(44,140)	(27,148)	(514,028)	95,738	(489,578)
Research and development expenses [4]	—	—	(8,072)	(129,741)	7,702	(130,111)
General and administrative expenses [4]	(13,025)	(8,583)	(21,799)	(89,565)	2,354	(130,618)
Total operating expenses	**(13,025)**	**(52,723)**	**(57,019)**	**(733,334)**	**105,794**	**(750,307)**
Government grants	—	—	—	912	—	912
Share of loss from subsidiaries, consolidated VIE and VIE's subsidiaries [3]	(195,200)	—	—	—	195,200	—
Interest expenses	—	(70)	—	(5,554)	—	(5,624)
Interest income	15,024	1,990	256	19,820	—	37,090
Investment income	—	58	—	2,301	—	2,359
Loss before income taxes	**(193,201)**	**(15,743)**	**(1,974)**	**(153,075)**	**147,186**	**(216,807)**
Income tax (expense) benefit	—	(116)	(4)	23,726	—	23,606
Net loss	**(193,201)**	**(15,859)**	**(1,978)**	**(129,349)**	**147,186**	**(193,201)**

	For the Year Ended December 31, 2023					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
	RMB (In thousands)					
Revenues [4]	—	28,543	53,552	2,645,570	(75,907)	2,651,758
Cost of revenues [4]	—	(17,183)	(621)	(2,075,462)	12,255	(2,081,011)
Gross profit	**—**	**11,360**	**52,931**	**570,108**	**(63,652)**	**570,747**
Selling and marketing expenses [4]	—	(19,242)	(36,693)	(486,171)	46,371	(495,735)
Research and development expenses [4]	—	—	(20,766)	(145,968)	15,748	(150,986)
General and administrative expenses [4]	(17,739)	(2,308)	(19,551)	(206,654)	1,734	(244,518)
Total operating expenses	**(17,739)**	**(21,550)**	**(77,010)**	**(838,793)**	**63,853**	**(891,239)**
Government grants	—	—	—	2,969	—	2,969
Share of income from subsidiaries, consolidated VIE and VIE's subsidiaries [3]	(270,499)	—	—	—	270,499	—
Interest expenses	—	—	—	(1,424)	—	(1,424)
Interest income	16,402	4	5	19,081	—	35,492
Investment income	—	—	—	1,426	—	1,426
Loss before income taxes	**(271,836)**	**(10,186)**	**(24,074)**	**(246,633)**	**270,700**	**(282,029)**
Income tax benefit (expense)	—	2	(1)	10,192	—	10,193
Net loss	**(271,836)**	**(10,184)**	**(24,075)**	**(236,441)**	**270,700**	**(271,836)**

	For the Year Ended December 31, 2022					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
	RMB (In thousands)					
Revenues [4]	—	43,448	105,328	3,187,990	(168,169)	3,168,597
Cost of revenues [4]	—	(41,143)	(28,233)	(2,483,840)	54,300	(2,498,916)
Gross profit	**—**	**2,305**	**77,095**	**704,150**	**(113,869)**	**669,681**
Selling and marketing expenses [4]	—	(15,480)	(44,789)	(446,149)	66,009	(440,409)
Research and development expenses [4]	—	—	(19,770)	(202,940)	46,232	(176,478)
General and administrative expenses [4]	(15,415)	(2,343)	(26,944)	(115,490)	1,731	(158,461)
Total operating expenses	**(15,415)**	**(17,823)**	**(91,503)**	**(764,579)**	**113,972**	**(775,348)**
Government grants	—	—	—	16,385	—	16,385
Share of income from subsidiaries, consolidated VIE and VIE's subsidiaries [3]	(39,265)	—	—	—	39,265	—
Interest expenses	—	—	—	(5,716)	—	(5,716)
Interest income	5,217	13	2	7,628	—	12,860
Investment income	—	221	—	10,697	—	10,918
Loss before income taxes	**(49,463)**	**(15,284)**	**(14,406)**	**(31,435)**	**39,368**	**(71,220)**
Income tax (expense) benefit	—	(166)	(164)	22,087	—	21,757
Net loss	**(49,463)**	**(15,450)**	**(14,570)**	**(9,348)**	**39,368**	**(49,463)**

The following table presents the condensed consolidating schedule of financial position for our subsidiaries and the VIE as of the dates presented.

Selected Condensed Consolidating Balance Sheets Information

	As of December 31, 2024					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
			RMB (In thousands)			
Cash and cash equivalents	40,442	20,287	25,994	543,298	—	630,021
Term deposits	68,290	71,884	—	134,178	—	274,352
Restricted cash	215,652	368	—	376	—	216,396
Accounts receivable, net	—	14,917	—	117,004	—	131,921
Inventories [1]	—	115,928	—	582,025	(48,775)	649,178
Amounts due from inter-companies [2]	—	131,202	372,533	213,868	(717,603)	—
Prepayments and other current assets	13,518	19,291	744	234,385	—	267,938
Total current assets	**337,902**	**373,877**	**399,271**	**1,825,134**	**(766,378)**	**2,169,806**
Property, plant and equipment, net	—	27	1,456	318,531	—	320,014
Intangible assets, net	—	139	17	888	—	1,044
Operating lease right-of-use assets	—	—	—	71,223	—	71,223
Investment in and amount due from subsidiaries, consolidated VIE and VIE's subsidiaries [2][3]	600,596	219,317	—	—	(819,913)	—
Deferred income tax assets	—	—	—	31,752	—	31,752
Other non-current assets	—	10	—	19,309	—	19,319
Total non-current assets	**600,596**	**219,493**	**1,473**	**441,703**	**(819,913)**	**443,352**
Total assets	**938,498**	**593,370**	**400,744**	**2,266,837**	**(1,586,291)**	**2,613,158**
Short-term bank borrowings	—	—	—	200,000	—	200,000
Notes payable	—	—	—	294,349	—	294,349
Accounts payable	—	12,457	—	856,558	—	869,015
Income taxes payable	—	163	—	909	—	1,072
Advances from customers	—	3,270	—	32,623	—	35,893
Deferred revenue—current	—	—	—	50,247	—	50,247
Amounts due to inter-companies [2]	4,633	210,290	—	492,542	(707,465)	—
Accrued expenses and other current liabilities	2,583	1,788	4,514	192,471	—	201,356
Total current liabilities	**7,216**	**227,968**	**4,514**	**2,119,699**	**(707,465)**	**1,651,932**
Deferred revenue—non-current	—	—	—	16,887	—	16,887
Deferred income tax liabilities	—	—	—	3,269	—	3,269
Operating lease liabilities	—	—	—	90	—	90
Other non-current liabilities	—	—	—	9,698	—	9,698
Amounts due to inter-companies [2]	—	226,159	—	—	(226,159)	—
Total non-current liabilities	**—**	**226,159**	**—**	**29,944**	**(226,159)**	**29,944**
Total liabilities	**7,216**	**454,127**	**4,514**	**2,149,643**	**(933,624)**	**1,681,876**
Total shareholders' equity	**931,282**	**139,243**	**396,230**	**117,194**	**(652,667)**	**931,282**
Total liabilities and shareholders' equity	**938,498**	**593,370**	**400,744**	**2,266,837**	**(1,586,291)**	**2,613,158**

	As of December 31, 2023					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
	RMB (In thousands)					
Cash and cash equivalents	233,959	13,007	5,122	620,485	—	872,573
Term deposits	77,556	—	—	20,000	—	97,556
Restricted cash	107,522	—	—	145	—	107,667
Accounts receivable, net	—	2,981	—	91,975	—	94,956
Inventories [1]	—	7,014	—	386,967	(1,191)	392,790
Amounts due from inter-companies [2]	—	81,551	395,888	44,221	(521,660)	—
Prepayments and other current assets	12,034	4,167	673	177,957	241	195,072
Total current assets	**431,071**	**108,720**	**401,683**	**1,341,750**	**(522,610)**	**1,760,614**
Property, plant and equipment, net	—	73	1,826	321,213	—	323,112
Intangible assets, net	—	171	32	1,103	—	1,306
Operating lease right-of-use assets	—	—	—	76,821	—	76,821
Investment in and amount due from subsidiaries, consolidated VIE and VIE's subsidiaries [2][3]	671,329	219,317	—	—	(890,646)	—
Deferred income tax assets	—	—	—	20,747	—	20,747
Other non-current assets	—	10	—	6,721	—	6,731
Total non-current assets	**671,329**	**219,571**	**1,858**	**426,605**	**(890,646)**	**428,717**
Total assets	**1,102,400**	**328,291**	**403,541**	**1,768,355**	**(1,413,256)**	**2,189,331**
Short-term bank borrowings	—	—	—	100,000	—	100,000
Notes payable	—	—	—	167,283	—	167,283
Accounts payable	—	489	—	575,235	—	575,724
Income taxes payable	—	163	—	1,195	—	1,358
Advances from customers	—	2,905	—	16,400	—	19,305
Deferred revenue—current	—	—	—	41,755	—	41,755
Amounts due to inter-companies [2]	4,564	39,986	10	467,282	(511,842)	—
Accrued expenses and other current liabilities	4,220	4,682	5,323	151,286	—	165,511
Total current liabilities	**8,784**	**48,225**	**5,333**	**1,520,436**	**(511,842)**	**1,070,936**
Deferred revenue—non-current	—	—	—	13,168	—	13,168
Deferred income tax liabilities	—	—	—	2,362	—	2,362
Operating lease liabilities	—	—	—	280	—	280
Other non-current liabilities	—	—	—	8,969	—	8,969
Amounts due to inter-companies [2]	—	120,235	—	—	(120,235)	—
Total non-current liabilities	**—**	**120,235**	**—**	**24,779**	**(120,235)**	**24,779**
Total liabilities	**8,784**	**168,460**	**5,333**	**1,545,215**	**(632,077)**	**1,095,715**
Total shareholders' equity	**1,093,616**	**159,831**	**398,208**	**223,140**	**(781,179)**	**1,093,616**
Total liabilities and shareholders' equity	**1,102,400**	**328,291**	**403,541**	**1,768,355**	**(1,413,256)**	**2,189,331**

The following table presents condensed consolidating schedule of cash flow data for our subsidiaries and the VIE for the years ended presented.

Selected Condensed Consolidating Cash Flows Information

	For the Year Ended December 31, 2024					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
	RMB (In thousands)					
Net cash (used in) provided by operating activities	**(177)**	**(21,089)**	**21,041**	**51,396**	**1,116**	**52,287**
Cash flows from investing activities:						
Cash paid for purchase of property, plant and equipment	—	(7)	(169)	(119,573)	—	(119,749)
Purchase of term deposits	(138,805)	(106,773)	—	(134,178)	—	(379,756)
Cash received from redemption of term deposits	149,126	35,591	—	20,000	—	204,717
Cash paid for purchase of short-term investments	—	(7,830)	—	(2,038,000)	—	(2,045,830)
Cash received from sale of short-term investments	—	7,888	—	2,040,301	—	2,048,189
Other investing activities[5]	(100,011)	—	—	—	100,011	—
Net cash (used in) provided by investing activities	**(89,690)**	**(71,131)**	**(169)**	**(231,450)**	**100,011**	**(292,429)**
Cash flows from financing activities:						
Cash received from exercise of employee stock options	267	—	—	—	—	267
Proceeds from short-term bank borrowings	—	—	—	200,000	—	200,000
Repayment for short-term bank borrowings	—	—	—	(100,000)	—	(100,000)
Other financing activities[5]	—	100,011	—	—	(100,011)	—
Net cash provided by financing activities	**267**	**100,011**	**—**	**100,000**	**(100,011)**	**100,267**
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	4,213	(143)	—	3,098	(1,116)	6,052
Net (decrease) increase in cash, cash equivalents and restricted cash	**(85,387)**	**7,648**	**20,872**	**(76,956)**	**—**	**(133,823)**
Cash, cash equivalents and restricted cash at the beginning of the year	**341,481**	**13,007**	**5,122**	**620,630**	**—**	**980,240**
Cash, cash equivalents and restricted cash at the end of the year	**256,094**	**20,655**	**25,994**	**543,674**	**—**	**846,417**

	For the Year Ended December 31, 2023					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
	RMB (In thousands)					
Net cash provided by (used in) operating activities	**14,393**	**(19,986)**	**4,964**	**93,729**	**635**	**93,735**
Cash flows from investing activities:						
Cash paid for purchase of property, plant and equipment	—	(11)	—	(78,924)	—	(78,935)
Purchase of term deposits	(379,419)	—	—	—	—	(379,419)
Cash received from redemption of term deposits	513,238	—	—	—	—	513,238
Cash paid for purchase of short-term investments	—	—	—	(420,000)	—	(420,000)
Cash received from sale of short-term investments	—	—	—	581,426	—	581,426
Net cash provided by (used in) investing activities	**133,819**	**(11)**	**—**	**82,502**	**—**	**216,310**
Cash flows from financing activities:						
Cash received from exercise of employee stock options	654	—	—	—	—	654
Proceeds from short-term bank borrowings	—	—	—	100,000	—	100,000
Repayment for short-term bank borrowings	—	—	—	(160,000)	—	(160,000)
Net cash provided by (used in) financing activities	**654**	**—**	**—**	**(60,000)**	**—**	**(59,346)**
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	4,035	915	—	4,599	(635)	8,914
Net increase (decrease) in cash, cash equivalents and restricted cash	**152,901**	**(19,082)**	**4,964**	**120,830**	**—**	**259,613**
Cash, cash equivalents and restricted cash at the beginning of the year	188,580	32,089	158	499,800	—	720,627
Cash, cash equivalents and restricted cash at the end of the year	**341,481**	**13,007**	**5,122**	**620,630**	**—**	**980,240**

	For the Year Ended December 31, 2022					
	Niu Technologies	Other Subsidiaries	WFOE	VIE and its Subsidiaries	Eliminations	Consolidated Total
	RMB (In thousands)					
Net cash (used in) provided by operating activities	**(23,565)**	**(29,111)**	**4,550**	**(74,417)**	**687**	**(121,856)**
Cash flows from investing activities:						
Cash paid for purchase of property, plant and equipment	—	(98)	(579)	(134,672)	—	(135,349)
Investments in Other Subsidiaries [5]	(12,263)	—	—	—	12,263	—
Purchase of term deposits	(635,471)	—	—	—	—	(635,471)
Cash received from redemption of term deposits	551,794	—	—	—	—	551,794
Cash paid for purchase of short-term investments	—	(20,000)	—	(2,573,000)	—	(2,593,000)
Cash received from sale of short-term investments	—	50,317	—	3,163,601	—	3,213,918
Prepayment for an investment	—	—	(4,000)	—	—	(4,000)
Net cash (used in) provided by investing activities	**(95,940)**	**30,219**	**(4,579)**	**455,929**	**12,263**	**397,892**
Cash flows from financing activities:						
Proceeds from the parent company [5]	—	12,263	—	—	(12,263)	—
Cash received from exercise of employee stock options	2,203	—	—	—	—	2,203
Proceeds from short-term bank borrowings	—	—	—	340,000	—	340,000
Repayment for short-term bank borrowings	—	—	—	(360,000)	—	(360,000)
Net cash provided by (used in) financing activities	**2,203**	**12,263**	**—**	**(20,000)**	**(12,263)**	**(17,797)**
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	21,972	764	—	7,994	(687)	30,043
Net (decrease) increase in cash, cash equivalents and restricted cash	**(95,330)**	**14,135**	**(29)**	**369,506**	**—**	**288,282**
Cash, cash equivalents and restricted cash at the beginning of the year	283,910	17,954	187	130,294	—	432,345
Cash, cash equivalents and restricted cash at the end of the year	**188,580**	**32,089**	**158**	**499,800**	**—**	**720,627**

(1) The elimination represents the unrealized profit from inter-company sales.
(2) The elimination represents the inter-company balances among our company, our WFOE, other subsidiaries of our company and the VIE and its subsidiaries.
(3) The elimination represents the investment in the VIE and our subsidiaries.
(4) The elimination represents the inter-company technical services, marketing services, research and development services and inter-company sales.
(5) The elimination represents the investment in other subsidiaries from our Company, and the investment in our WFOE from other subsidiaries.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

Investing in the ADSs involves significant risks. You should carefully consider all of the information in this annual report before making an investment in the ADSs. Below please find a summary of the principal risks we face, organized under relevant headings.

Risks Related to Our Business and Industry

Risks and uncertainties related to our business and industry include, but are not limited to, the following:

- Our success depends upon the continued strength of our brand. If we are not able to maintain and enhance our brand, our business and operating results may be adversely affected;
- Our success is dependent on the continued popularity of our existing products and services and our continued innovation and successful launches of new products and services, and we may not be able to anticipate or make timely responses to changes in the preferences of consumers;
- We rely heavily on city partners and franchised stores for sales and distribution of our products and our success depends on our offline distribution network;
- We rely substantially on external suppliers for certain components and raw materials used in our products;
- We may not be able to maintain profitability;
- Our products and services may experience quality problems from time to time, which could result in decreased sales, adversely affect our results of operations and harm our reputation;
- We may be compelled to undertake product recalls or take other actions, which could adversely affect our brand image and results of operations;
- We may face intense competition in the electric two-wheeled vehicles industry;
- Our marketing strategy of appealing to and growing sales to a more diversified group of users may not continue to be successful; and
- We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

Risks Related to Our Corporate Structure

- If the PRC government finds that the agreements that establish the structure for operating some of our operations in mainland China do not comply with the regulations of mainland China relating to the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations;
- Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations; and
- We rely on contractual arrangements with the VIE and its shareholders for a large portion of our business operations, which may not be as effective as direct ownership.

Risks Related to Doing Business in China

- Changes in China's economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations;

- The filing, approval or other administration requirements of the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to complete such filing, obtain such approval or meet such requirements;
- Uncertainties in the interpretation and enforcement of the laws and regulations of mainland China could limit the legal protections available to you and us;
- The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our securities;
- We may be adversely affected by the complexity, uncertainties and changes in the regulation on internet-related businesses and companies in mainland China;
- The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections; and
- Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in mainland China and Hong Kong. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Risks Related to Our ADSs

- The trading price of the ADSs is likely to be volatile, which could result in substantial losses to investors;
- If securities or industry analysts do not publish research or publishes inaccurate or unfavorable research about our business, or if they adversely change their recommendations regarding the ADSs, the market price for our ADSs and trading volume could decline;
- The sale or availability for sale of substantial amounts of the ADSs could adversely affect their market price;
- Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and the ADSs may view as beneficial; and
- The dual-class structure of our ordinary shares may adversely affect the trading market for the ADSs.

Risks Related to Our Business and Industry

We face intense competition in the electric two-wheeled vehicles industry.

We operate in the electric two-wheeled vehicles industry and face intense competition. We expect additional competitors to enter this market. Our future competitors may enjoy competitive advantages, such as (i) greater capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products, (ii) more established relationships with a larger number of suppliers, contract manufacturers and channel partners, (iii) access to larger and broader user bases, (iv) greater brand recognition, (v) greater financial, research and development, marketing, distribution and other resources, (vi) more resources to make investments and acquisitions and (vii) larger intellectual property portfolios. We may face competition from both domestic players and established international electric scooter manufacturers.

Moreover, some of the mass-market electric scooter manufactures have also been adopting lithium-ion battery and app connectivity technologies to enter the electric two-wheeled vehicles market, which further intensifies direct competition. We believe our exclusive focus on smart electric scooters and the benefits we receive by manufacturing in China are the basis on which we can compete in the electric two-wheeled vehicles market in spite of the challenges posed by market competition. We believe that we are strategically positioned in the electric two-wheeled vehicles market, given the quality, performance and unique design of our products. Nonetheless, increasing competition may lead to lower unit sales and the subsequent increase in inventory may result in a further downward price pressure and adversely affect our business, financial condition, operating results and prospects. Our ability to successfully compete in our industry will be fundamental to our future success in existing and new markets and our market share. There can be no assurance that we will be able to compete successfully in our markets. If our competitors introduce new products or services that compete with or surpass the quality, price or performance of our products or services, we may be unable to satisfy existing customers or attract new customers at the prices and levels that would allow us to generate attractive rates of return on our investment.

Our success depends on the continued strength of our brand. If we are not able to maintain and enhance our brand, our business and operating results may be adversely affected.

We believe that our brand has significantly contributed to the success of our business and that maintaining and enhancing the brand is critical to retaining and expanding our customer base. Our marketing, design, research and products are aimed at reinforcing consumer perceptions of our "NIU" brand as a premium smart e-scooter brand. Therefore, failure to protect our brand or to grow the value of our "NIU" brand may have a material adverse effect on our business and results of operations, including losing our customers.

We focus on promoting awareness of our "NIU" brand generally and in particular as a premium brand for high-quality smart e-scooters globally. We seek to maintain and strengthen our brand image through marketing initiatives, including advertising, consumer promotions and trade promotions. Maintaining and strengthening our brand image depends on our ability to adapt to a rapidly changing media environment and preferences of customers to receiving information, including our increasing reliance on social media and online dissemination of advertising campaigns. If we do not continue to improve, maintain and strengthen our brand, we may lose the opportunity to build a critical mass of customers. Additionally, promoting and positioning our brand will likely depend significantly on our ability to provide high-quality products and services and engage with our customers as intended. If we are unsuccessful in doing so, our business, financial condition, results of operations and prospects could be materially and adversely affected.

In addition, we rely heavily on our brand image in selling our products. Negative publicity relating to our products and services, shareholders, management, employees, operations, distributors, business partners, industry or products similar to ours, could materially and adversely affect consumer perceptions of our brand and result in decreased demand for our products. There have been various negative reports regarding our products, our company and our shareholders in the past, in both online and traditional media, and there can be no assurance that we will not experience negative publicity in the future or that such negative publicity will not have a material adverse effect on our business, results of operations, financial condition or prospects.

Our success depends on the continued popularity of our existing products and services and our continued innovation and successful launches of new products and services, and we may not be able to anticipate or make timely responses to changes in the preferences of consumers.

The success of our operations depends on our ability to introduce new or enhanced smart e-scooters, and other new products. Consumer preferences differ across and within each of the regions in which we operate or plan to operate and may shift over time in response to changes in demographic and social trends, economic circumstances and the marketing efforts of our competitors. There can be no assurance that our existing products will continue to be favored by consumers or that we will be able to anticipate or respond to changes in consumer preferences in a timely manner. Our failure to anticipate, identify or react to these particular preferences could adversely affect our sales performance and our profitability. In addition, demand for many of our products, including accessories, are closely linked to customers' purchasing power and disposable income levels, which may be adversely affected by unfavorable economic developments in the countries in which we operate.

We devote significant resources to product development. However, we may not be successful in developing innovative new products, and our new products may not be commercially successful. To the extent that we are not able to effectively gauge the direction of our key markets and successfully identify, develop and manufacture new or improved products in these changing markets, our financial results and our competitive position may suffer. Moreover, there are inherent market risks associated with new product introductions, including uncertainties about marketing and consumer preference, and there can be no assurance that we will be successful in introducing new products. We may expend substantial resources developing and marketing new products that may not achieve expected sales levels.

Additionally, our competitive advantage also depends on the smart features and data services we provide to our users. Our smart e-scooters are connected to our NIU app. By using smart e-scooters' built-in GPS, on-board computer, algorithms and cloud technology, our NIU app enables riders to seamlessly receive real-time data including, among others, anti-theft alerts, daily riding habits and power supply, real-time diagnostics and maintenance and service station directory. We cannot assure you that we will be able to continue to innovate and develop new smart features and data services, which may jeopardize customer experience and affect both our sales of scooters and provision of related services.

We rely heavily on city partners and franchised stores for sales and distribution of our products and our success depends on our offline distribution network.

We have established a distinct omnichannel retail network to sell our products and services to our customers. In China, our offline retail channels consist of city partners and franchised stores, whereas in European and other countries, we rely on overseas distributors. Our "city partner" system plays an important role in our offline sales strategy in China. City partners are our exclusive distributors who either open and operate franchised stores or sign up franchised stores. As of December 31, 2024, we had 499 city partners and 3,735 franchised stores in China. Our offline distribution network plays a crucial role in our omnichannel retail system. We rely on these city partners and franchised stores in China to directly interact with and serve our users, but the interest of city partners and franchised stores may not be entirely aligned with ours or with that of other city partners and franchised stores. There can be no assurance that we will be able to maintain our existing relationships with city partners and franchised stores. Additionally, our existing city partners and franchised stores may not be able to maintain past levels of sales or expand their sales. In addition, as we seek to expand into new regions in China, we cannot assure you that we will be able to successfully establish and maintain relationships with new city partners and franchised stores in these regions on favorable terms or at all.

Furthermore, we manage our franchised stores in a real-time and interactive manner. We closely monitor their sales performance, service levels and activities within the franchised stores through the store level management system that was implemented by us since early 2018. However, we cannot assure you that we will be successful in managing our city partners and franchised stores and detecting inconsistencies with our brand image or values or non-compliance with the provisions of our distribution agreements by them. Any non-compliance by our city partners or franchised stores could, among other things, negatively affect our brand reputation, demands for our products and our relationships with other city partners and franchised stores. Any of these could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We rely substantially on external suppliers for certain components and raw materials used in our products.

We purchase certain key components and raw material, such as batteries, motors, tires, battery chargers and controllers from external suppliers for use in our operations and production of products, and a continuous and stable supply of these components and raw materials that meet our standards is crucial to our operations and production. We normally enter into one-year procurement agreements with our external suppliers and expect to continue to rely on external suppliers for a substantial percentage of our production requirements in the future. We had one supplier accounting for greater than 10% of our total purchases in each of 2022, 2023 and 2024. We cannot assure you that we will be able to maintain our existing relationships with these suppliers and continue to be able to source electric motors, batteries or other key components and raw materials we use in our products on a stable basis and at a reasonable price or at all. For example, our suppliers may increase the prices for the components or materials we purchase and/or experience disruptions in their production of the components or materials.

The supply chain also exposes us to multiple potential sources of delivery failure or component shortages. While we obtain components from multiple sources whenever possible, similar to other scooter manufacturers, some of the components used in our products are purchased by us from a single source. To date, we have not found qualified and cost-efficient alternative sources for most of the single sourced components used in our products and we generally do not maintain long-term agreements with our single source suppliers. We have integrated the suppliers' technologies within our products such that having to change to an alternative supplier may cause significant disruption to our operations. In the event that the supply of key components is interrupted for whatever reason or there are significant increases in the prices of these key components, our business, financial condition, results of operations and prospects may be materially and adversely affected. Additionally, changes in business conditions, force majeure, governmental changes and other factors beyond our control or that we do not presently anticipate could also affect our suppliers' ability to deliver components to us on a timely basis.

We incur significant costs related to procuring components and raw materials required to manufacture and assemble our products. The prices for the components and raw materials fluctuate depending on factors beyond our control including market conditions and demand for these components and materials. Substantial increases in the prices for the components or raw materials we use in producing our products would increase our costs and reduce our margins. Any of the foregoing could materially and adversely affect our results of operations, financial condition and prospects.

We may not be able to achieve or maintain profitability.

We have incurred net losses in the past. Although we had net profits in the past, we had a net loss of RMB49.5 million, RMB271.8 million and RMB193.2 million in 2022, 2023 and 2024, respectively. We had net cash provided by operating activities of RMB93.7 million and RMB52.3 million in 2023 and 2024, respectively, and net cash used in operating activities of RMB121.9 million in 2022. We cannot assure you that we will be able to achieve profitability again and maintain net profits or positive cash flow from operating activities in the future. Our ability to achieve or maintain profitability depends in large part on our ability to increase sales of our products and services, increase cost efficiency and manage operating expenses. We intend to continue to increase our sales of products, improve gross margin, manage and further reduce our operating expenses as a proportion of our total revenues, but there can be no assurance that we will achieve this goal and maintain profitability in the future.

Our products and services may experience quality problems from time to time, which could result in decreased sales, adversely affect our results of operations and harm our reputation.

Our products and services can contain design and manufacturing defects. Sophisticated cloud electric central unit and software, such as those developed by us, often contain "bugs" that can unexpectedly interfere with the software's intended operation. Defects may also occur in components and products that we purchase from third-party suppliers. There can be no assurance we will be able to detect and fix all defects in the hardware, software and services we offer. Failure to do so could result in lost in revenue, significant warranty and other expenses and harm to our reputation.

Additionally, we source and purchase key components or accessories in our operations and production of products from third-party suppliers, such as batteries, motors, tires, battery chargers, helmets and controllers. We cannot assure that the quality and functions of these key components or accessories supplied by third-party suppliers will be consistent with and maintained at our high standard. Any defects or quality issues in these key components or accessories or any non-compliance incidents associated with these third-party suppliers could result in quality issues with our products and hence compromise our brand image and results of operations.

We may be compelled to undertake product recalls or take other actions, which could adversely affect our brand image and results of operations.

Our products may not perform consistently with customers' expectations or with other scooters currently available on the market. Any product defects or any other failure of our products to perform as expected could harm our reputation and result in adverse publicity, lost revenue, delivery delays, product recalls, product liability claims, harm to our brand and reputation, and significant warranty and other expenses, and could have a material adverse impact on our business, financial condition, operating results and prospects.

On November 21, 2019, the State Administration for Market Regulation, or the SAMR, issued the Interim Provisions on the Administration of Recall of Consumer Goods, which became effective on January 1, 2020. Pursuant to such provisions, if a manufacturer is aware of any potential defect in its products or receives such notice from the government authorities, it must investigate in a timely manner and report the results of such investigation to the authorities. Where any defect is found during the investigation, the manufacturer must immediately cease to manufacture, sell or import the relevant products and recall such products. As of the date of this annual report, we have not received any such notice from government authorities, or initiated, voluntarily or involuntarily, any product recalls in accordance with such provisions.

In the future, we may at various times, voluntarily or involuntarily, initiate a recall if any of our products, including any systems or parts sourced from our suppliers, prove to be defective or non-compliant with applicable laws and regulations. Such recalls, whether voluntary or involuntary or caused by systems or components engineered or manufactured by us or our suppliers, could involve significant expense and could adversely affect our brand image in our target markets, as well as our business, prospects, financial condition and results of operations.

Our marketing strategy of appealing to and growing sales to a more diversified group of users may not continue to be successful.

We have been successful in marketing our smart e-scooters in large part by promoting the NIU brand experience and lifestyle. Our marketing, design, research and products are aimed to reinforcing customer perceptions of as a premium smart e-scooter brand. We aim to provide users with a good user experience, including by providing our users with access to a full suite of services conveniently through our NIU app and services stores. In addition, we seek to engage with our users on an ongoing basis using online and offline channels, such as NIU community and clubs. We cannot assure you that our services, including NIU Care and NIU Cover, or our efforts to engage with our users using both our online and offline channels, will be successful, which could impact our revenues as well as our customer satisfaction and marketing.

To sustain and grow our business over the long term, we must continue to be successful in selling products and promoting the NIU brand experience and lifestyle to a broader and more diverse set of users. We must also execute our diversification strategy without adversely impacting the strength of the brand with core users. Failure to successfully increase demand for our smart e-scooters may have a material adverse effect on our business and results of operations.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We consider our copyrights, trademarks, trade names, internet domain names, patents and other intellectual property rights invaluable to our ability to continue to develop and enhance our brand recognition. We have invested significant resources to develop our own intellectual property. Failure to maintain or protect these rights could harm our business. We rely on a combination of patents, patent applications, trade secrets, including know-how, copyright laws, trademarks, intellectual property licenses, contractual rights and any other agreements to establish and protect our proprietary rights in our technology. In addition, we enter into confidentiality and nondisclosure agreements with our employees and business partners. See "Item 4. Information On the Company—B. Business Overview—Intellectual Property." Statutory laws and regulations are subject to judicial interpretation and enforcement and may involve uncertainties. Contractual rights may be breached by counterparties, and there may not be adequate remedies available to us for any such breach.

The measures we take to protect our intellectual property rights may not be sufficient or adequate to prevent infringement on or misuse of our intellectual property. Any unauthorized use of our intellectual property by third parties may adversely affect our current and future revenues and our reputation. Preventing unauthorized uses of intellectual property rights could be difficult, costly and time-consuming. Litigation may be necessary to enforce our intellectual property rights. Initiating infringement proceedings against third parties can be expensive and time-consuming, and divert management's attention from other business concerns. We may not prevail in litigation to enforce our intellectual property rights against unauthorized use. We may have to resort to litigation to protect our intellectual property rights. Failure to adequately protect our intellectual property could harm our brand name and materially affect our business and results of operations.

We may need to defend ourselves against patent, trademark or other proprietary rights infringement claims, which may be time-consuming and would cause us to incur substantial costs.

Companies, organizations or individuals, including our competitors, may hold or obtain patents, trademarks or other proprietary rights that would prevent, limit or interfere with our ability to make, use, develop, sell or market our products, which could make it more difficult for us to operate our business. From time to time, we may receive communications from holders of patents or trademarks regarding their proprietary rights. Companies holding patents or other intellectual property rights may bring suits alleging infringement of such rights or otherwise assert their rights and urge us to take licenses. Our applications and uses of trademarks relating to our design, software or artificial intelligence technologies could be found to infringe upon existing trademark ownership and rights.

Additionally, we may fail to own or apply for key trademarks in a timely fashion, or at all, which may damage our reputation and brand. Additionally, we receive from time to time letters alleging infringement of patents, trademarks or other intellectual property rights by us.

As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively.

As of December 31, 2024, we owned 612 patents, 978 registered trademarks and 31 copyrights relating to various aspects of our operations and two registered domain names, including www.niu.com. Of the 978 registered trademarks, 155 are registered in mainland China and 823 in other countries and regions. As of the same date, we had 211 applications for patents and trademarks pending in mainland China, Europe and other jurisdictions. For our pending applications, we cannot assure you that we will be granted patents pursuant to our pending applications. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented or invalidated in the future.

In addition, the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. The claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others will bar us from licensing and from exploiting any patents that are issued from our pending applications. Numerous patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

We may be subject to product liability or warranty claims that could result in significant direct or indirect costs, or we could experience greater returns from retailers than expected, which could harm our business and operating results.

We may become subject to product liability claims, which could harm our business, prospects, operating results and financial condition. The electric two-wheeled vehicles industry experiences significant product liability claims and we face inherent risk of exposure to claims in the event our products do not perform as expected or malfunction resulting in property damage, personal injury or death. A successful product liability claim against us could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our products and business and inhibit or prevent commercialization of our future products which would have material adverse effect on our brand, business, prospects and operating results. Any insurance coverage might not be sufficient to cover all potential product liability claims. Any lawsuit seeking significant monetary damages may have a material adverse effect on our reputation, business and financial condition.

We generally provide various warranties on different components and parts of our products and across different markets. In China, we mainly provide extended quality warranty for certain key components of electric scooter to our users, with terms varying from twelve months to a lifetime, subject to certain conditions, among others, including that warranty only applies to normal use and quality issues. The occurrence of any material defects in our products could make us liable for damages and warranty claims in excess of our current reserves. In addition, we could incur significant costs to correct any defects, warranty claims or other problems, including costs related to product recalls. Any negative publicity related to the perceived quality of our products could affect our brand image, decrease retailer, distributor and customer demand, and adversely affect our operating results and financial condition. While our warranty is limited to repairs and returns, warranty claims may result in litigation, the occurrence of which could adversely affect our business and operating results.

We may fail to comply with legal or regulatory requirements or to obtain or maintain the licenses, permits, registrations or certificates.

Our manufacturing and other production facilities as well as the packaging, storage, distribution, advertising and labeling of our products, are subject to extensive legal and regulatory requirements. For example, pursuant to the Administration Measures for Access of Motorcycle Manufacturing and the Implementing Rules of the Administration Measures for Access of Motorcycle Manufacturing, enterprises must pass the production access examination and obtain the Motorcycle Production Access Certificate before manufacturing motorcycles in mainland China, and if an enterprise conducts a motorcycle manufacturing consignment, both the consignee and the consignor are required to obtain the Motorcycle Production Access Certificate. Loss of or failure to renew or obtain necessary permits, licenses, registrations or certificates could delay or prevent us from meeting product demand, introducing new products, building new facilities or acquiring new businesses and could materially and adversely affect our operating results. If we are found to be in violation of applicable laws and regulations, we could be subject to administrative punishment, including fines, injunctions, recalls or asset seizures, as well as potential criminal sanctions, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, future material changes in industry standards, laws and regulations, such as increased restrictions on manufacturers, could result in increased operating costs or affect our ordinary operations, which could also have a material adverse effect on our operations and our financial results. See "Item 4. Information on the Company—B. Business Overview—Regulations" for additional details regarding the permits, licenses, registrations and other requirements applicable to us, our subsidiaries and affiliates. We largely rely on our own standards concerning the production and quality control of such products. While we are committed to producing high-quality products, there can be no assurance that our current production or quality control standards will satisfy any applicable laws and regulations that may come into effect in the future.

Our products are subject to safety standards and failure to satisfy such mandated standards would have a material adverse effect on our business and operating results.

Our products must comply with the safety standards of the market where they are sold. In mainland China, electric bicycles and electric motorcycles must meet or exceed all mandated safety standards, including national level and local level standards. It is required under these standards to conduct rigorous testing and use approved materials and equipment.

Electric bicycles shall meet the safety requirements set out in the Safety Technical Specification for Electric Bicycle (GB17761-2018), or the Electric Bicycle Standard, which was jointly issued by the SAMR and the National Standardization Administration of China on May 15, 2018 and came into effect on April 15, 2019. Besides, a technical resolution on the interpretation and implement of the Electric Bicycle Standard was promulgated jointly by an expert group on TC12 motorcycle and component technology of Certification and Accreditation Administration of the PRC and China National Motorcycle Testing Centre (Tianjin) on March 25, 2019, which set some more specific and stricter requirements for the design of the electric bicycles. Although this resolution has not been adopted by the PRC national government as a national regulation, such interpretations that may be promulgated by the government authorities from time to time may still cause uncertainty regarding the compliance of our business. On December 31, 2024, the SAMR and the National Standardization Administration of China jointly issued the updated Safety Technical Specification for Electric Bicycle (GB17761-2024), which will become effective on September 1, 2025 and replace the Electric Bicycle Standard. See "Item 4. Information on the Company —B. Business Overview—Regulations" for further details.

Electric motorcycles, as one type of the power-driven vehicles, shall meet the safety requirements set out in the Technical Specifications for Safety of Power-Driven Vehicles Operating on Roads (GB7258-2017), which was jointly issued by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China, or the AQSIQ, and National Standardization Administration of China on September 29, 2017, and last amended on February 20, 2021. The latest version took effect on January 1, 2022. Furthermore, the Safety Specifications for Electric Motorcycles and Electric Mopeds (GB24155-2020), which issued by the SAMR and the National Standardization Administration of China in May 2020 and became effective on January 1, 2021, also stipulates some specific safety requirements for electric motorcycles.

There is no guarantee that our products will satisfy the standards and requirements for electric bicycles or motorcycles, and we may be required to satisfy additional industry standards and face regulation changes relating to electric bicycle and motorcycle business in the future. If our models were found to be non-compliant with laws and regulations, the models in question would be prohibited from being sold in the Chinese market, which would in turn materially and adversely affect our sales and revenue, and cause damage to our brand and result in liabilities. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Production of E-Scooter—Regulations on Production of Electric Bicycle" and "—Regulations on Qualification of Production of Electric Motorcycle."

Furthermore, the electric bicycles and motorcycles must pass various tests, undergo a certification process and finally be affixed with China Compulsory Certification prior to being delivered from the factory, being sold or being used in any commercial case, and such certification is also subject to periodic renewal. On March 14, 2019, the Opinions of the State Administration for Market Regulation, the Ministry of Industry and Information Technology and the Ministry of Public Security on Intensifying Supervision of the Execution of National Standards for Electric Bicycles was promulgated. The opinions provide that the market supervision department shall strengthen the management of the China Compulsory Certification for electric bicycles, strengthen inspections of certification agencies and manufacture enterprises and only allow vehicles that meet the Electric Bicycle Standards and obtained the China Compulsory Certification flowing into the market. On October 1, 2024, the State Administration for Market Regulation, the Ministry of Industry and Information Technology, the Ministry of Public Security and the National Fire and Rescue Administration jointly issued the Announcement on Strengthening Electric Bicycle Product Access and Industry Standardized Management, emphasizing, among others, that national mandated standards for electric bicycle shall be strictly complied with and the compulsory certification shall be strictly implemented. On October 15, 2024, China Quality Certification Center issued the Notice on Implementation of the New Version of the Standard for CCC Certification of Electric Bicycles. Starting from November 1, 2024, entities seeking electric bicycle certification must follow this 2024 edition of CCC Certification. Certificates issued under the 2023 edition will remain valid, while the valid certifications issued prior to the 2024 edition must complete the certification changes by October 31, 2024, failure to do which will result in temporarily suspension, or even revocation of the certification if the changes are not completed within a one-year transitional period. We have obtained the China Compulsory Certification for all of our current products for sale, and will try to obtain the China Compulsory Certification for our future products. There is no guarantee, however, all series of our products will always comply with the China Compulsory Certification standard and satisfy the requirements of the China Compulsory Certification, or we will be able to renew our current certification or certify timely our new products in the future. If our products were found to be non-compliant with the China Compulsory Certification standard, we would be prohibited from selling such e-scooters in the Chinese market, which would in turn materially and adversely affect our sales and revenue and cause damage to our brand and result in liabilities. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Production of E-Scooter—Regulations on Product Quality."

We retain certain personal information about our users and may be subject to various privacy and consumer protection laws.

We use our NIU Inspire system to log information about each smart e-scooter's use in order to aid us in smart e-scooter diagnostics, repair and maintenance, as well as to help us collect data regarding the user's charge time, battery usage, mileage, efficiency habits and location information. Our users may object to the use of these data, which may harm our business. Possession and use of users' personal information in conducting our business may subject us to regulatory burdens in mainland China and other jurisdictions, such as the European Union, which would require us to obtain users' consent, restrict our use of such personal information and hinder our ability to expand our user base. In the event of a data breach or other unauthorized access to our user data, we may have obligations to notify users about the incident and we may need to provide some form of remedy for the individuals affected by the incident. For example, in May 2018 the European Union's new regulation governing data practices and privacy called the General Data Protection Regulation, or the GDPR, became effective and substantially replaced the data protection laws of the individual European Union member states. The law requires companies to meet more stringent requirements regarding the handling of personal data of individuals in the EU than were required under predecessor EU requirements. In the United Kingdom, a Data Protection Bill that substantially implements the GDPR also became law in May 2018. The law also increases the penalties for noncompliance, which may result in monetary penalties of up to 20.0 million Euros or 4% of a company's worldwide turnover, whichever is higher. In the U.S., various federal, state and foreign legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, information security. For example, California enacted the California Consumer Privacy Act, which, among other things, requires new disclosures to California consumers and afford such consumers new abilities to opt out of certain sales of personal information. Outside of the European Union and the U.S., many countries and territories have laws, regulations or other requirements relating to privacy, data protection, information security and consumer protection, and new countries and territories are adopting such legislation or other obligations with increasing frequency.

If users allege that we have improperly used, released or disclosed their personal information, we could face legal claims and reputational damage. We may incur significant expenses to comply with privacy, consumer protection and security standards and protocols imposed by law, regulation, industry standards or contractual obligations. Additionally, we use third-party cloud services to store the data collected. If third parties improperly obtain and use the personal information of our users, we may be required to expend significant resources to resolve these problems. A major breach of our network security and systems could create serious negative consequences for our businesses and future prospects, including possible fines, penalties, reduced customer demand for our products and harm to our reputation and brand. See "Item 4. Information on the Company—B. Business Overview—Regulations" for further details.

We are subject to a variety of costs and risks due to our continued expansion internationally that may not be successful and could adversely affect our profitability and operating results.

We face challenges and risks associated with expanding our business globally into new geographic markets. Our smart e-scooters have international models that are manufactured for sales and distribution in international markets. International expansion represents a large opportunity to further grow our business and enhance our competitive position, and is one of our core strategies.

We may enter into new geographic markets where we have limited or no experience in marketing, selling, and localizing and deploying our smart e-scooters. International expansion has required and will continue to require us to invest significant capital and other resources and our efforts may not be successful. International sales and operations may be subject to risks such as:

- limited brand recognition (compared with our home market in China);
- costs associated with establishing new distribution networks;
- difficulty to find qualified partners for overseas distribution;
- inability to anticipate foreign consumers' preferences and customs;
- difficulties in staffing and managing foreign operations;
- burdens of complying with a wide variety of local laws and regulations, including personal data protection, battery, motor, packaging and labeling;
- political and economic instability;
- trade restrictions;
- lesser degrees of intellectual property protection;
- tariffs and customs duties and the classifications of our goods by applicable governmental bodies; and
- a legal system subject to undue influence or corruption.

The occurrence of any of these risks could negatively affect our international business and consequently our business and operating results. In addition, the concern over these risks may also prevent us from entering into or releasing certain of our smart e-scooters in certain markets.

We rely on third-party logistic service providers to deliver our online direct sales orders and certain overseas orders.

We typically rely on third-party logistic service providers to deliver our online direct sales orders and certain overseas orders. Damage or disruption to our distribution logistics due to disputes, weather, natural disasters, fire, explosions, terrorism, pandemics, geopolitical turmoil or labor strikes could impair our ability to distribute or sell our products. Inadequate third-party logistics services could also potentially disrupt our distribution and sales and compromise our business reputation. Failure to take adequate steps to mitigate the likelihood or potential impact of such events, or to effectively manage such events if they occur, could adversely affect our business, financial condition and results of operations, as well as require additional resources to restore our supply chain.

Our operations may be interrupted by production difficulties due to mechanical failures, utility shortages or stoppages, fire, natural disaster or other calamities at or near our facilities.

We are reliant on equipment and technology in our facilities for the production and quality control of our products, and our operations are subject to production difficulties such as capacity constraints of our production facilities, mechanical and systems failures and the need for construction and equipment upgrades, any of which may cause the suspension of production or/and reduced output. There can be no assurance that we will not experience problems with our equipment or technology in the future or that we will be able to address any such problems in a timely manner. Problems with key equipment or technology in one or more of our production facilities may affect our ability to produce our products or cause us to incur significant expense to repair or replace such equipment or technology. Also, scheduled and unscheduled maintenance programs may affect our production output. Any of these could have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, we depend on a continuous supply of utilities, such as electricity and water, to operate our production facilities. Any disruption to the supply of electricity or other utilities to our production facilities may disrupt our production. This could adversely affect our ability to fulfill our sales orders and consequently may have an adverse effect on our business and results of operations. In addition, our operations are subject to operational risks. Fire, natural disasters, pandemics or extreme weather, including earthquakes, droughts, floods, typhoons or other storms, or excessive cold or heat could cause power outages, fuel shortages, water shortages, damage to our production facilities, any of which could impair or interfere with our operations. We cannot assure you that similar events will not happen again in the future or that we will be able to take adequate measures to mitigate the likelihood or potential impact of similar events, or to effectively respond to such events if they occur, which could materially and adversely affect our business, financial condition and results of operations.

If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud.

We are subject to reporting obligations under the U.S. securities laws. Among other things, the SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, adopted rules requiring every public company, including us, to include a management report on the company's internal control over financial reporting in its annual report, which contains management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, an independent registered public accounting firm must attest to and report on the effectiveness of the company's internal control over financial reporting.

In connection with the preparation of our financial statements for the fiscal year ended December 31, 2024, we did not identify any material weakness in our internal controls and our financial reporting. Our management has concluded that our internal control over financial reporting was effective as of December 31, 2024. See "Item 15. Controls and Procedures." In the future, however, if we fail to maintain effective internal control over financial reporting, our management may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. A failure to maintain effective internal controls over financial reporting could result in inaccuracies in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, financial condition, results of operations and prospects, as well as the trading price of our ADSs, may be materially and adversely affected. Moreover, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

Furthermore, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the requirements differently from us. In addition, since we have been a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation. If we fail to maintain an effective internal control environment, we could suffer material misstatements in our consolidated financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of the ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our consolidated financial statements for prior periods.

If our suppliers or distributors fail to use ethical business practices and comply with applicable laws and regulations, our brand image could be harmed due to negative publicity.

Our core values, which include developing high-quality smart e-scooters while operating with integrity, are an important component of our brand image, which makes our reputation sensitive to allegations of unethical business practices. We do not control the business practices of our suppliers or distributors. Accordingly, we cannot guarantee their compliance with ethical business practices, such as environmental responsibilities, fair wage practices and compliance with child labor laws, among others. A lack of demonstrated compliance could lead us to seek alternative suppliers or distributors which could increase our costs and result in delayed delivery of our products or other disruptions of our operations.

Violation of labor or other laws by our suppliers or distributors or the divergence of their labor or other practices from those generally accepted as ethical in the markets in which we do business could also attract negative publicity for us and our brand. This could diminish the value of our brand image and reduce demand for our products if, as a result of such violation, we were to attract negative publicity. If we, or other players in our industry, encounter similar problems in the future, it could harm our brand image, business, prospects, results of operations and financial condition.

Any significant cybersecurity incident or disruption of our information technology systems or those of third-party partners could materially damage user relationships and subject us to significant reputational, financial, legal and operation consequences.

We depend on our information technology systems, as well as those of third parties, to develop new products and services, host and manage our services, store data, process transactions, respond to user inquiries, and manage inventory and our supply chain. Any material disruption or slowdown of our systems or those of third parties whom we depend upon could cause outages or delays in our services, particularly in the form of interruption of services delivered by our mobile app, which could harm our brand and adversely affect our operating results. We rely on cloud servers maintained by cloud service providers to store our data, and all of the data we collected are hosted at third-party cloud service providers.

Problems with our cloud service providers or the telecommunications network providers with whom they contract could adversely affect the user experience delivered by us. Our cloud service providers could decide to cease providing us services without adequate notice. Any change in service levels at our cloud servers or any errors, defects, disruptions or other performance problems with our information technology systems could harm our brand and may damage the data of our users. If changes in technology cause our information technology systems, or those of third parties whom we depend upon, to become obsolete, or if our or their information systems are inadequate to handle our growth, we could lose users, and our business and operating results could be adversely affected.

Our success depends on our ability to retain our core management team and other key personnel.

Our performance depends on the continued service and performance of our directors and senior management as they are expected to play an important role in guiding the implementation of our business strategies and future plans. If any of our directors or any members of our senior management were to terminate their service or employment with us, there can be no assurance that we would be able to find suitable replacements in a timely manner, at acceptable cost or at all. The loss of services of key personnel or the inability to identify, hire, train and retain other qualified and managerial personnel in the future may materially and adversely affect our business, financial condition, results of operations and prospects. Additionally, we rely on our research and development personnel for product development and technology innovation. If any of our key research and development personnel were to leave us, we cannot assure you that we can secure equally competent research and development personnel in a timely manner, or at all.

We may not be able to effectively manage our growth or implement our business strategies.

We were formed in September 2014, and we launched our first product, the NQi Series scooter, in June 2015. Despite experiencing significant growth since our inception, we have been facing uncertainties and pressures since 2022 that have affected our growth and results of operations. While our sales resumed growth in 2024, and we expect this growth trend to continue in 2025 with the launches of our new products, our historical growth rate may not be indicative of our future performance.

We believe that our future growth will depend on many factors, including launch of new products, effective marketing, successful entry into other international markets and operating efficiency. You should consider our business and future prospects in light of the risks and challenges we face in our industry, including, among other things, with respect to our ability to:

- produce safe, reliable and quality smart e-scooters;
- build a well-recognized brand;
- establish and expand our customer base;
- successfully market our products and services;
- improve and maintain our operational efficiency;
- develop and protect our core technologies;
- maintain a reliable, secure, high-performance and scalable technology infrastructure;
- attract, retain and motivate talented employees;
- anticipate and adapt to changing market conditions, including technological developments and changes in competitive landscape;
- navigate an evolving and complex regulatory environment; and
- identify suitable facilities to expand manufacturing capacity.

If we fail to address any or all of these risks and challenges, our business may be materially and adversely affected.

We cannot assure you that we will be able to develop or ensure efficient, automated, low-cost manufacturing capability and processes, and reliable sources of component supply that will enable us to meet the quality, price, engineering, design and production standards, as well as the production volumes required to successfully mass-market our currently available products and future scooters. We may not be able to achieve similar results or grow at the same rate as we had in the past. As our business grows, we may adjust our product and service offerings. These adjustments may not achieve expected results and may have a material and adverse impact on our financial conditions and results of operations.

Higher employee costs and inflation may adversely affect our business and our ability to achieve or maintain profitability.

China's overall economy and the average wage in mainland China have increased in recent years and are expected to grow. The average wage level for our employees has also increased in recent years. We expect that our employee costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased employee costs to those who pay for our products and services, our ability to achieve or maintain profitability and our results of operations may be materially and adversely affected.

We outsource our production labor needs to third-party labor service companies. Typically, we enter into agreements with labor service companies, pursuant to which labor service companies send their employees to work on our assembly and production lines. The labor service companies are responsible for entering into labor contracts with their employees and provide, among others, social benefits and bear costs relating to accidents or injuries happened at the work place in accordance with the laws and regulations of mainland China. We may be unable to enter into new agreements or extend existing agreements with them on terms and conditions acceptable to us, and therefore may need to contract with other third parties and incur additional labor costs. Despite our price resilience, the rising employee costs as a result of higher labor cost of our contract manufacturers and operation staff and increasing raw material price cannot be easily passed to end consumers in the form of higher retail prices due to competition in the electric two-wheeled vehicles market. Our ability to achieve or maintain profitability therefore may be adversely affected if labor cost and inflation continue to rise in the future.

We may need additional capital, and financing may not be available on terms acceptable to us, or at all.

We believe our cash and cash equivalents, restricted cash and term deposits will be sufficient to meet our current and anticipated needs for general corporate purposes for at least the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine in the future that our cash requirements exceed the amount of cash and cash equivalents we have on hand, we may seek to issue equity or equity linked securities or obtain debt financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

Our business is subject to seasonal and quarterly fluctuations, and if our sales fall below our forecasts, our overall financial condition and results of operations could be adversely affected.

Our revenues and operating results have fluctuated in the past from quarter to quarter, due to, among others, seasonal factors. Our revenues have been higher in the third quarter each year primarily as a result of ideal weather conditions for riding e-scooters and have been lower in the first quarter each year primarily as a result of poor weather conditions. Accordingly, any shortfall in expected third-quarter revenues would adversely affect our annual operating results. Our advertising and promotion expenses tend to be event-driven. We typically conduct various advertising and promotional events when we launch new products. As a result, the costs relating to such marketing and promotional events may increase significantly in the relevant quarter, which may cause our results of operations and financial performance to fluctuate from quarter to quarter.

We note that, in general, scooter sales tend to decline over the winter season and we anticipate that our sales of currently available e-scooters and the upcoming new products may have similar seasonality. However, our operating results could suffer if we do not generate revenues consistent with our expectations for this seasonal demand because certain of our procurement are based on anticipated levels of annual revenues and past years' pattern of reasonability. Accordingly, yearly or quarterly comparisons of our operating results may not be useful and our operating results in any particular period will not necessarily be indicative of the results to be expected for any future period.

An economic downturn or economic uncertainty may adversely affect consumer discretionary spending and demand for our products and services.

Our products and services may be considered discretionary items for some consumers. Factors affecting the level of consumer spending for such discretionary items include general economic conditions, and other factors, such as consumer confidence in future economic conditions, fears of recession, the availability and cost of consumer credit, levels of unemployment and tax rates. As global economic uncertainty remains, trends in consumer discretionary spending also remain unpredictable and subject to reductions. Unfavorable economic conditions may lead consumers to delay or reduce purchases of our products and services and consumer demand for our products and services may not grow as we expect. Our sensitivity to economic cycles and any related fluctuation in consumer demand for our products and services may have an adverse effect on our operating results and financial condition.

We have limited insurance coverage, which could expose us to significant costs.

We maintain certain insurance policies to safeguard against various risks associated with our business and operations, including mainly property insurance and product liability insurance for models in the international markets and public liability insurance for models in the China market. However, we cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all, which may adversely affect our financial condition and results of operations.

We have granted, and may continue to grant, options and other types of awards under our share incentive plan, which may result in increased share-based compensation expenses.

In January 2016 and September 2018, our shareholders and board of directors approved the 2016 Global Share Incentive Plan and the 2018 Share Incentive Plan, respectively, to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of our business. The maximum aggregate number of ordinary shares that may be issued under the 2016 Global Share Incentive Plan, as amended in March 2018, or the Amended and Restated 2016 Plan, is 5,861,480 Class A ordinary shares. Under the 2018 Share Incentive Plan, the maximum aggregate number of ordinary shares available for issuance is 6,733,703 Class A ordinary shares, subject to certain annual increases. As of December 31, 2024, options to purchase 1,140,400 Class A ordinary shares and nil restricted share units had been granted and were outstanding under the Amended and Restated 2016 Plan, excluding options or restricted share units that were forfeited or canceled after the relevant grant dates. As of December 31, 2024, options to purchase 2,612,928 Class A ordinary shares and 2,753,342 restricted share units had been granted and were outstanding under the 2018 Share Incentive Plan. In 2022, 2023 and 2024, we recorded RMB58.2 million, RMB47.7 million and RMB24.2 million (US$3.3 million) in share-based compensation expenses, respectively.

We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Competition for highly skilled personnel is often intense and we may incur significant costs or be unsuccessful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs.

We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. In addition, if any of our senior management or key personnel joins a competitor or engages in a competing business, we may lose business, knowhow, trade secrets, business partners and key personnel. Furthermore, prospective candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Thus, our ability to attract or retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plans will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees.

We are or may be subject to risks associated with strategic alliances or acquisitions.

We have entered into and may in the future enter into joint research and development agreements, co-branding agreements and strategic alliances with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third party and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffers negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, although we have no current acquisition plans, if appropriate opportunities arise, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. In addition to possible shareholders' approval, we may also have to obtain approvals and licenses from the government authorities for the acquisitions and to comply with any applicable laws and regulations of mainland China, which could result in increased delay and costs, and may derail our business strategy if we fail to do so. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses into our own require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant.

We may face challenges in expanding our business and operations internationally and our ability to conduct business in international markets may be adversely affected by legal, regulatory, political and economic risks.

We face challenges and risks associated with expanding our business and operations globally into new geographic markets and developing diversified sales channels and marketing strategies. Our products are exported to a number of geographical markets, such as Europe, the U.S. and Southeast Asia, and we plan to further expand our overseas sales in the future.

Our expansion into new geographical areas and jurisdictions involves new risks and challenges associated with such new markets, such as obtaining permit to conduct commercial operation in these new geographical areas and jurisdictions. We may also need to adjust our pricing policies to adapt to local economic condition. Furthermore, our expansion into international markets will require us to respond timely and effectively to rapid changes in market conditions in the relevant countries and regions. Our success in international expansion partially depends on our ability to succeed in different legal, regulatory, economic, environmental, social, and political conditions which we have little control over. Our business operations in new geographical areas and jurisdictions may be disrupted by changes in local laws, regulations and policies. We cannot assure that we will be able to execute on our business strategy or that our product and service offerings will be successful in such markets.

The current tensions in international trade and rising international political tensions may adversely affect our business, financial condition, and results of operations.

In recent years, there have been heightened trade and political tensions in international relations, particularly between the United States and China. These tensions have affected both diplomatic and economic ties between the two countries and created uncertainties to the international economy as a whole. Heightened tensions could reduce levels of trade, investments, technological exchanges, and other economic activities between major economies. The existing tensions and any further deterioration in the relationship between the United States and China and between other countries may have a negative impact on the general, economic, political, and social conditions around the globe, United States and China in particular, and thus adversely impact our business, financial condition, and results of operations.

The U.S. government has implemented policies restricting international trade and investment, such as tariffs, export controls, economic or trade sanctions, and foreign investment filing and approval requirements. These actions may materially and adversely affect international trade, global financial markets, and the stability of the global economic condition. In the past, the U.S. government has imposed higher tariffs on certain products imported from China to penalize China for what it characterizes as unfair trade practices. China has responded by imposing higher tariffs on certain products imported from the United States. Recently, the U.S. has imposed or proposed the imposition of new tariffs on products imported into the U.S. from a number of countries, such as China and Canada and could propose additional tariffs or increases to those already in place. As of the date of this annual report, there is still a high degree of uncertainty surrounding U.S. tariff policy, how it will be implemented, and how other countries will react to it. Escalating U.S.-China tariff tensions have triggered a chain reaction of economic and political repercussions, potentially worsening bilateral relations. U.S. legislative and policy initiatives may impose stricter measures on China-based companies listed on U.S. exchanges. Heightened tensions could also reduce levels of trade, investments, technological exchanges, and other economic activities between the two major economies. The existing tensions and any further deterioration in the relationship between the United States and China may have a negative impact on the general, economic, political, and social conditions in both countries and, given our reliance on the Chinese market, adversely impact our business, financial condition, and results of operations.

In addition, the United States government has taken efforts to limit the outbound U.S. investments to China. On August 9, 2023, the Biden administration of the United States released an executive order directing the Department of Treasury to create an outbound foreign direct investment review program that would require reporting on or (in more narrow circumstances) prohibit investments by U.S. persons involving "covered national security technologies and products." On October 28, 2024, the Department of Treasury issued a final rule to implement the executive order, providing details on technical specifications and other aspects of the operative regulations, which came into effect on January 2, 2025. This is referred to as the Outbound Investment Rule. The Outbound Investment Rule imposes investment prohibitions and notification requirements on U.S. persons for a wide range of investments in entities associated with "countries of concern," currently only China, that are engaged in activities relating to (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems. These entities are collectively defined as "Covered Foreign Persons." U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, transactions involving Covered Foreign Persons that are defined as "covered transactions," although the Outbound Investment Rule excludes some investments from the scope of covered transactions, including those in publicly traded securities. The Outbound Investment Rule introduces new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. We do not believe that Niu Technologies would be defined as a Covered Foreign Person under the Outbound Investment Rule because we do not engage in a "covered activity" (as defined in the Outbound Investment Rule) or otherwise meet the definition of Covered Foreign Persons provided in the Outbound Investment Rule. However, there is no assurance that the U.S. Department of Treasury will take the same view as ours. If we were to be deemed a "Covered Foreign Person," and if U.S. persons were to engage in a "covered transaction" (as defined under the Outbound Investment Rule) that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Outbound Investment Rule. In addition, even though U.S. persons' acquisitions of publicly traded securities (such as our ADSs) will be exempted from the scope of covered transactions under the Outbound Investment Rule, the rule could still limit our ability to raise capital or contingent equity capital from U.S. investors given that the relevant laws, regulations, and policies continue to evolve and we cannot rule out the possibility of being deemed a Covered Foreign Person in the future due to different views taken by the U.S. Department of Treasury, potential amendments to the Outbound Investment Rule or the introduction of additional regulations. For example, on February 21, 2025, the White House released President Trump's "America First Investment Policy" memorandum, outlining several initiatives to incentivize investment from U.S. allies and partners while restricting investments involving "foreign adversaries," including China. Among other things, the policy aims to expand the industry sectors covered by the U.S. outbound investment regulations and supplement outbound restrictions through the imposition of sanctions. As of the date of this annual report, the proposed changes under the America First Investment Policy are not implemented, although the proposed restrictions may further deepen the uncertainties for cross-border collaborations, investments, and funding opportunities for China-based issuers including us. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects, and our ADSs may significantly decline in value.

Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities across the globe, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on the demand of our vehicles, and thus negatively affect our business, prospects, financial condition, and results of operations.

Our financial and operating performance may be adversely affected by epidemics or other public health crises.

Our financial and operating performance may be materially and adversely affected by the outbreak of epidemics or other public health crises. For example, during the COVID-19 pandemic between the end of 2019 and the beginning of 2023, government-imposed measures such as travel restrictions, extended holidays and delays of business resumption, interrupted normal operation of businesses and adversely affected and slowed down economic development. Many aspects of our operations and our financial performance were negatively affected as a result. Any prolonged occurrence or recurrence of these health epidemics or other adverse public health developments in China or any of the major markets in which we operate may have a material adverse effect on our business and operations. Our business could also experience a slowdown or temporary suspension in production in geographic locations impacted. To the extent any pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this annual report.

We are subject to changing laws and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are subject to rules and regulations by various governing bodies, including, for example, the SEC, which is charged with the protection of investors and the oversight of companies whose securities are publicly traded, and the various regulatory authorities in China and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

We operate in the electric two-wheeled vehicles industry. We are subject to the laws of mainland China in addition to the laws of the foreign countries in which we operate and to which we sell our products. Changing laws and regulations regarding regulatory matters, corporate governance and public disclosure may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. In addition, we may face operational issues that could have a material adverse effect on our reputation, business and results of operations, if we fail to address certain factors, including but not limited to the following:

- the need for increased resources to manage regulatory compliance across our international businesses;
- compliance with privacy laws and data security laws and compliance costs across different legal systems;
- heightened restrictions and barriers on the transfer of data between different jurisdictions; and
- differing, complex and potentially adverse customs, import/export laws, tax rules and regulations or other trade barriers or restrictions related compliance obligations and consequences of non-compliance, and any new developments in these areas.

If any of our overseas operations, or our associates or agents, violate such laws and regulations, we could become subject to sanctions or other penalties, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our business is subject to complex and evolving Chinese and international laws and regulations regarding data privacy and cybersecurity. Failure to protect confidential information of our customers and network against security breaches could damage our reputation and brand and substantially harm our business and results of operations.

Personally identifiable and other confidential information is increasingly subject to legislation and regulations in China and numerous foreign jurisdictions. The PRC governmental authorities have enacted a series of laws and regulations relating to the protection of personal information and/or the supervision over data processing activities, under which certain information or data processors are required to comply with an array of personal information and data protection requirements, including for example, to clearly indicate the purposes, methods and scope of any information collection and usage, to obtain appropriate user consent and to establish user information protection systems with appropriate remedial measures. However, this regulatory framework for privacy issues in China and worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. For example, on June 10, 2021, the Standing Committee of the PRC National People's Congress issued the Data Security Law to regulate data processing activities and security supervision in mainland China, which came into effect on September 1, 2021. The Data Security Law provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. Moreover, on August 20, 2021, the Standing Committee of the PRC National People's Congress promulgated the Personal Information Protection Law, effective on November 1, 2021, which further detailed the general rules and principles on personal data processing and further increase the potential liability of personal data processor. Given that many of the laws and regulations of mainland China regarding data privacy and cybersecurity are constantly evolving, it is uncertain how they will be interpreted or enforced. For more information, see "Item 4. Information on the Company—B. Business Overview—Regulations."

Furthermore, the PRC government has taken steps to limit the method and manner that the internet companies may apply when using the algorithms. For instance, the CAC, together with eight other government authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithms for Internet Information Services on September 17, 2021, which provides that daily monitoring of data use, application scenarios and effects of algorithms shall be carried out by the regulators, and security assessments of algorithms shall be conducted by the regulators. The guidelines also provide that an algorithm filing system shall be established, and classified security management of algorithms shall be promoted. In addition, on December 31, 2021, the CAC, the Ministry of Industry and Information Technology, or the MIIT, the Ministry of Public Security and the Ministry of State Security promulgated the Administrative Provisions on Internet Information Service Algorithm Recommendation, which came into effect on March 1, 2022. These provisions stipulate that algorithm recommendation service providers shall inform users of their provision of algorithm recommendation services in a conspicuous manner, and publicize the basic principles, purpose intentions and main operating mechanisms of algorithm recommendation services in an appropriate manner. For more information, see "Item 4. Information on the Company—B. Business Overview—Regulations."

In addition, on December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review, or the Cybersecurity Review Measures, which came into effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, besides the procurement of network products and services by critical information infrastructure operators, any data processing activities by network platform operators that affects or may affect national security shall be subject to the cybersecurity review as well. In accordance with the Cybersecurity Review Measures, operators mastering personal information of more than one million users must apply to the Cybersecurity Review Office for cybersecurity review when they seek for listing in a foreign country. However, the Cybersecurity Review Measures and the Regulations on the Network Data Security remain unclear on whether the requirements will be applicable to companies that have been listed in the United States. We cannot predict the impact of the Cybersecurity Review Measures and the Regulations on the Network Data Security, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. Furthermore, on July 7, 2022, the CAC promulgated the Measures on Security Assessment of Cross-border Data Transfer, or the Data Export Measures, which became effective on September 1, 2022. The Data Export Measures require that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information abroad. The security assessment requirement also applies to any transfer of important data outside of China. Additionally, on November 18, 2022, the CAC and the SAMR issued the Implementation Rules for Personal Information Protection Certification, which came into immediate effect. These rules provide important guidance on obtaining a personal information certification for the lawful cross-border transfer of personal information under the Personal Information Protection Law. The CAC also published various regulations in 2023 that offer important guidance on relying on standard contracts for transferring personal information out of the PRC, as well as on the applicable filing requirements. Due to changes in the cross-border data transfer regulatory landscape, we have been required to continuously review our existing data protection compliance framework. This review encompasses conducting data mapping exercises, obtaining separate consents from individuals, applying for security assessments with the CAC, and entering into standard contracts with our overseas affiliates for the transfer of personal information outside of the PRC. The CAC has also issued the First Edition and the Second Edition of Guidelines for Application for Security Assessment of Outbound Data Transfer successively on August 31, 2022 and March 22, 2024, respectively, illustrating the specific requirements for declaration of the cross-border data security assessment, such as methods, processes and materials, and optimizes and simplifies the relevant materials that data processors need to submit.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security, which came into effect on January 1, 2025. The Regulations on Network Data Security stipulate certain requirements on the processing, protecting, and utilizing of network data, and further shed light on the protection of personal information, management of cross-border security of network data, and obligations of network platform service providers. Notably, the requirements therein include that, where network data processing activities carried out by a network data processor affect or may affect national security, national security review shall be conducted in accordance with relevant PRC regulations, without providing further explanation or interpretation for "affect or may affect national security." If we were deemed having carried our any network data processing activities that "affect or may affect national security", we may be subject to the national security review under article 13 of the Regulations on Network Data Security, failing which may subject us to fines, penalties, suspension of relevant business and revocation of relevant business permits, and thus our business operations may be adversely affected.

On February 12, 2025, the CAC published the Personal Information Protection Compliance Audit Management Measures, which will take effect on May 1, 2025. These measures mandate regular compliance audits for personal information handlers, with those handling data of over 10 million individuals required to audit biennially. Audits may be conducted by professional organizations, especially when significant risks or large-scale data breaches occur. Personal information handlers must support the audit process, rectify issues, and report to the competent departments, with additional oversight structures for large internet platforms.

As of the date of this annual report, we have not been involved in any investigations, security assessment or cybersecurity reviews by the CAC, and we had not received any inquiry, notice, warning, or sanction in such respect. If a cybersecurity review for any of our activities is required, we will actively cooperate with the CAC to conduct such cybersecurity review.

Any failure, or perceived failure, by us, our employees or partners to maintain the security of our user data or to comply with applicable PRC or foreign privacy, data security and personal information protection laws, regulations, policies, contractual provisions, industry requirements and other requirements may result in civil or regulatory liability. The ensuing consequences may include governmental or data protection authority enforcement actions and investigations, fines, penalties, enforcement orders requiring us to cease operating in a certain way, revoking our business permits or business licenses, litigation or adverse publicity, which may require us to expend significant resources in responding to and defending allegations and claims. Furthermore, claims or allegations that we have failed to adequately protect our users' data, or otherwise violated applicable privacy and data security laws, regulations, policies, contractual provisions, industry standards or other requirements, may result in damage to our reputation and a loss of confidence in us by our users or our partners, potentially causing us to lose users, other business partners and revenues, which could have a material adverse effect on our business, financial condition and results of operations.

As we gradually expand into international markets, we may be subject to laws and regulations of other countries regarding cybersecurity, information security, privacy and data protection. We strive to comply with local laws and regulations in markets where we have operations. For example, the GDPR of the European Union imposes obligations on companies regarding the handling of personal data and provides certain individual privacy rights to persons whose data is stored. The GDPR requires companies to submit personal data breach notifications to designated European privacy regulator in each country they have business operations, and provides significant penalties for non-compliance with the notification obligation as well as other requirements of the GDPR. For another instance, some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements, which, if adopted and implemented, could increase the cost and complexity of delivering our services. In addition, wherever we operate, we could be subject to new laws or regulations or the interpretation and application of existing consumer and data protection laws or regulations. These new laws, regulations and interpretations are often uncertain and in flux and may be inconsistent with our practices. We cannot guarantee that we will be able to maintain compliance at all times, especially in light of the fact that laws and regulations on cybersecurity and data protection are evolving. Our launch of new products that we may take may also subject us to additional laws, regulations, or other government scrutiny. Complying with these new or additional laws, regulations and requirements could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business.

Risks Related to Our Corporate Structure

If the PRC government finds that the agreements that establish the structure for operating some of our operations in mainland China do not comply with the regulations of mainland China relating to the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership of certain of our businesses including value-added telecommunication services is subject to restrictions under current PRC laws and regulations. For example, foreign investors in general are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider (excluding e-commerce, domestic multi-party communications, data collection and transmission services and call centers).

We are a Cayman Islands exempted company and our mainland China subsidiaries are considered foreign-invested enterprises. Accordingly, none of these PRC subsidiaries is eligible to provide value-added telecommunication services or provide certain other restricted services related to our businesses. As a result, we conduct or will conduct such business activities through the VIE and its subsidiaries in mainland China.

We entered into a series of contractual arrangements with the VIE and its shareholders, which enable us to (i) conduct the business operations of the VIE, (ii) receive substantially all of the economic benefits of the VIE, and (iii) have an exclusive option to or designate any third party to purchase all or part of the equity interests and assets in the VIE to the extent permitted by the laws of mainland China. As a result of these contractual arrangements, we conduct the business operations and are the primary beneficiary of the VIE and hence consolidate its financial results and its subsidiaries into our consolidated financial statements under U.S. GAAP. See "Item 4. Information on the Company—C. Organizational Structure" for further details.

Investors in our ADSs are not purchasing equity interest in the VIE in mainland China but instead are purchasing equity interest in a Cayman Islands holding company. If the PRC government deems that our contractual arrangements with the variable interest entity do not comply with the regulatory restrictions on foreign investment in the relevant industries in mainland China, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations, and our ADSs may decline in value or become worthless, if we are unable to assert contractual control over the assets of the VIE and its subsidiaries which contributes to a majority of our revenues in 2024. Our holding company in the Cayman Islands, the VIE, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the variable interest entity and, consequently, significantly affect the financial performance of the VIE and our company as a group.

In the opinion of our PRC legal counsel, (i) the ownership structures of the VIE in mainland China and our WFOE are not in violation of applicable laws and regulations of mainland China currently in effect; and (ii) the contractual arrangements between our WFOE, the VIE and its shareholders governed by the laws of mainland China are valid, binding and enforceable, and will not result in any violation of applicable laws and regulations of mainland China currently in effect. However, our PRC legal counsel has also advised us that there are uncertainties regarding the interpretation and application of current and future laws, regulations and rules of mainland China. Accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new laws or regulations of mainland China relating to variable interest entity structures will be adopted or, if adopted, what they would provide. If we or the VIE are found to be in violation of any existing or future laws or regulations of mainland China, or fail to obtain or maintain any of the required permits or approvals, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures, including, but not limited to:

- revoking the business license and/or operating licenses of such entities;
- discontinuing or placing restrictions or onerous conditions on our operations;
- imposing fines, confiscating the income from the VIE, or imposing other requirements with which we or the VIE may not be able to comply;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with the VIE and deregistering the equity pledges of the VIE, which in turn would affect our ability to consolidate, derive economic interests from, or conduct the business operations of the VIE; or
- restricting or prohibiting our ability to finance our business and operations in mainland China.

The imposition of any of these penalties would result in a material and adverse effect on our ability to conduct our business. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of the VIE in our consolidated financial statements, if the PRC government authorities were to find our legal structure and contractual arrangements to be in violation of the laws and regulations of mainland China. If the imposition of any of these government actions causes us to lose our right to direct the activities of the VIE or our right to receive the economic benefits and residual returns from the VIE and we are not able to restructure our ownership structure and operations in a satisfactory manner, we would no longer be able to consolidate the financial results of the VIE in our consolidated financial statements. Either of these results, or any other significant penalties that might be imposed on us in this event, would have a material adverse effect on our financial condition and results of operations.

Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations.

On March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, which became effective on January 1, 2020 and replaced the Wholly Foreign-Invested Enterprise Law of the PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC and the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. On December 31, 2019, the State Council published the Implementation Rules of the Foreign Investment Law, which took effect on January 1, 2020.

The Foreign Investment Law embodies an expected regulatory trend in mainland China 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. For example, the Foreign Investment Law removes all references to the terms of "de facto control" or "contractual control" as defined in the draft published in 2015 by the Ministry of Commerce, and adds a catch-all clause to the definition of "foreign investment" so that foreign investment, by its definition, includes "investments made by foreign investors in China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council" without further elaboration on the meaning of "other means." The Implementation Rules of the Foreign Investment Law also remain silent on contractual arrangements. It leaves leeway for the future legislations promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. It is therefore uncertain whether our corporate structure will be seen as violating the foreign investment rules as we are currently leverage the contractual arrangement to operate certain businesses in which foreign investors are prohibited from or restricted to investing.

In addition, the Foreign Investment Law grants national treatment to foreign invested entities, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list." The current Special Administrative Measures for Market Access of Foreign Investment (Negative List) (2024 Edition) was issued by the National Development and Reform Commission, or the NDRC, and the Ministry of Commerce on September 6, 2024 and took effective on November 1, 2024. Furthermore, on December 19, 2020, the NDRC and the Ministry of Commerce jointly issued the Measures for Security Review of Foreign Investment, effective on January 18, 2021, which provides detailed guidance regarding security review of foreign investment that has a potential impact on national security. However, there remain a number of unclear issues under the Measures, including but not limited to its view towards contractual arrangements. As the Measures was only recently issued, there are very few interpretations, implementation guidance or precedents to follow in practice. If future legislations prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangement, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to comply with any of these or similar regulatory compliance requirements could materially and adversely affect our current corporate structure, corporate governance and business operations.

We rely on contractual arrangements with the VIE and its shareholders for a large portion of our business operations, which may not be as effective as direct ownership.

The VIE contributed a majority of our consolidated total revenues in 2022, 2023 and 2024. We have relied and expect to continue to rely on contractual arrangements with the VIE and its shareholders to conduct our business. These contractual arrangements may not be as effective as direct ownership in the VIE. For example, the VIE and its shareholders could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests. The shareholders of the VIE have pledged all of their equity interests in the VIE to our WFOE pursuant to the equity pledge agreement under the contractual arrangements. An equity pledge agreement becomes effective between the parties upon execution. In November 2024, we completed the registration of the equity pledge under the third amended and restated equity pledge agreement with the local office of the State Administration of Market Regulation in accordance with the PRC Civil Codes.

If we had direct ownership of the VIE, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIE and its shareholders of their obligations under the contracts to conduct the business operations of the VIE. However, the shareholders of the VIE may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portions of our business through the contractual arrangements with the VIE. If any disputes relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of law and arbitration, litigation and other legal proceedings in mainland China and therefore will be subject to uncertainties in the PRC legal system. See "— Any failure by the VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business." Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a VIE should be interpreted or enforced by the courts of mainland China. Should legal actions become necessary, we cannot guarantee that the court will rule in favor of the enforceability of the VIE contractual arrangements. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to conduct the business operations of the VIE, and our ability to conduct our business may be materially adversely affected. Therefore, our contractual arrangements with the VIE may not be as effective as direct ownership.

We may lose the ability to use and enjoy assets held by the VIE and its subsidiaries that are important to our business if the VIE and its subsidiaries declare bankruptcy or become subject to a dissolution or liquidation proceeding.

The VIE and its subsidiaries hold assets that are important to our operations, and they contributed a majority of our consolidated total revenues in 2022, 2023 and 2024. Under our contractual arrangements, the shareholders of the VIE may not voluntarily liquidate the VIE or approve it to sell, transfer, mortgage or dispose of its assets or legal or beneficial interests exceeding certain threshold in the business in any manner without our prior consent. However, in the event that the shareholders breach this obligation and voluntarily liquidate the VIE, or the VIE declares bankruptcy, or all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our operations, which would materially and adversely affect our business, financial condition and results of operations. Furthermore, if the VIE or its subsidiaries undergo a voluntary or involuntary liquidation proceeding, their shareholders or unrelated third-party creditors may claim rights to some or all of its assets, hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Any failure by the VIE or its shareholders to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business.

We refer to the shareholders of the VIE as its nominee shareholders because although they remain the holders of equity interests on record in each of the VIE, pursuant to the terms of the power of attorney, each of such shareholders has irrevocably authorized our company to exercise his, her or its rights as a shareholder of the VIE. However, if the VIE or its shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under the laws of mainland China, including seeking specific performance or injunctive relief, and claiming damages, which may not be enforceable under the laws of mainland China. For example, if the shareholders of the VIE refuse to transfer their equity interest in the VIE to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they otherwise act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All of the agreements under our contractual arrangements are governed by the laws of mainland China and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with the laws of mainland China and any disputes would be resolved in accordance with the legal procedures of mainland China. The legal system in the PRC is developing and rapidly evolving. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. See "—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of the laws and regulations of mainland China could limit the legal protections available to you and us." Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a VIE should be interpreted or enforced under the laws of mainland China. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action becomes necessary. In addition, under the laws of mainland China, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in the courts of mainland China through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to conduct the business operations of the VIE, and our ability to conduct our business may be negatively affected.

The shareholders of the VIE may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

Currently, each of Token Yilin Hu, Changlong Sheng and Yi'nan Li holds 89.74%, 5.26% and 5.00% of the equity interest in the VIE, respectively. The shareholders of the VIE may have potential conflicts of interest with us. These shareholders may breach, or cause the VIE to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIE, which would have a material and adverse effect on our ability to conduct the business operations of the VIE and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with the VIE to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the third amended and restated exclusive option agreements with these shareholders to request them to transfer all of their equity interests in the VIE to a mainland China entity or individual designated by us, to the extent permitted by the laws of mainland China. The shareholders of the VIE have executed powers of attorney to appoint our company to vote on their behalf and exercise voting rights as shareholders of the VIE. If we cannot resolve any conflict of interest or dispute between us and the shareholders of the VIE, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

The shareholders of the VIE may be involved in personal disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in the VIE and the validity or enforceability of our contractual arrangements with its shareholders. For example, in the event that any of the shareholders of the VIE divorces his or her spouse, the spouse may claim that the equity interest of the VIE held by such shareholder is part of their community property and should be divided between such shareholder and his or her spouse. If such claim is supported by the court, the relevant equity interest may be obtained by the shareholder's spouse or another third party who is not subject to obligations under our contractual arrangements, which could affect our ability to conduct the business operations of the VIE. Similarly, if any of the equity interests of the VIE is inherited by a third party with whom the current contractual arrangements are not binding, we could lose our ability to conduct the business operations of the VIE or have to maintain such ability by incurring unpredictable costs, which could cause significant disruption to our business and operations and harm our financial condition and results of operations.

Although under our current contractual arrangements, (i) the spouse of each of the shareholders of the VIE has executed a spousal consent letter, under which the spouse agrees that he or she will not raise any claims against the equity interest, and will take every action to ensure the performance of the contractual arrangements, and (ii) it is expressly provided that the rights and obligations under the contractual agreements shall be equally effective and binding on the heirs and successors of the parties thereto, and the VIE shall not assign or delegate its rights and obligations under the contractual agreements to third parties without our prior consent, we cannot assure you that these undertakings and arrangements will be complied with or effectively enforced. In the case any of them is breached or becomes unenforceable and leads to legal proceedings, it could disrupt our business, distract our management's attention and subject us to substantial uncertainties as to the outcome of any such legal proceedings.

Contractual arrangements in relation to the VIE may be subject to scrutiny by the PRC tax authorities and they may determine that we or the VIE owes additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable laws and regulations of mainland China, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the VIE contractual arrangements were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable laws, rules and regulations of mainland China, and adjust the income of the VIE in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by the VIE for mainland China tax purposes, which could increase our tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on the VIE for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if the VIE's tax liabilities increase or if it is required to pay late payment fees and other penalties.

If the chops of our mainland China subsidiaries and the VIE are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised.

In mainland China, a company chop or seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally registered company in mainland China is required to maintain a company chop, which must be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of our mainland China subsidiaries and the VIE are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. To the extent those chops are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised and those corporate entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so. In addition, if the chops are misused by unauthorized persons, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve while distracting management from our operations.

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material and adverse effect on our business and results of operations.

Most of our revenues are expected to be derived in mainland China in the near future and most of our operations, including all of our manufacturing, is conducted in mainland China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and legal developments in China. China's economy differs from the economies of most developed countries in many respects, including with respect to the level of development, growth rate, control of foreign exchange and allocation of resources. The PRC government has significant authority to exert influence on the ability of a China-based company, such as us, to conduct its business. Therefore, investors of our company and our business face potential uncertainty from China.

COVID-19 had a severe and negative impact on the Chinese and the global economy from 2020 through early 2023, and the global macroeconomic environment still faces numerous challenges. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Although mainland China's economy has grown significantly in the past decades, growth has been uneven, both geographically and among various sectors of the economy. Some of the government measures aim to benefit the overall Chinese economy, but may unexpectedly have a negative effect on us. For example, our financial condition and results of operations may be affected by government control over capital investments or changes in tax regulations. Some of the stimulus measures designed to boost the Chinese economy may unexpectedly cause higher inflation, which could affect our results of operations and financial condition. For example, certain operating costs and expenses, such as employee compensation and office operating expenses, may increase as a result of higher inflation. Additionally, because a substantial portion of our assets consists of cash and cash equivalents, restricted cash and short-term investments, high inflation could significantly reduce the value and purchasing power of these assets.

The filing, approval or other administration requirements of the CSRC or other PRC government authorities may be required in connection with our offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to complete such filing, obtain such approval or meet such requirements.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, adopted by six PRC regulatory agencies in 2006 and amended in 2009, or the M&A Rules, require an overseas special purpose vehicle formed for listing purposes through acquisitions of mainland China domestic companies and controlled by mainland China persons or entities to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission of such approval if obtained by us, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in mainland China, restrictions or limitations on our ability to pay dividends outside of mainland China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On February 17, 2023, the CSRC promulgated the Overseas Listing Trial Measures, which became effective on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the existing regulatory regime for overseas offering and listing of mainland China domestic companies' securities and regulate both direct and indirect overseas offering and listing of mainland China domestic companies' securities by adopting a filing-based regulatory regime.

According to the Overseas Listing Trial Measures, (i) a mainland China domestic company that seeks to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and report certain information to the CSRC; if a mainland China domestic company fails to complete the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such company may be subject to administrative penalties, such as rectification orders, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (ii) if such company meets both of the following conditions, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a mainland China domestic company: (a) any of the total assets, net assets, revenues or profits of the domestic operating entities of the company in the most recent fiscal year account for more than 50% of the corresponding figure in the company's audited consolidated financial statements for the same period; (b) its major operational activities are carried out in mainland China or its main places of business are located in mainland China, or the senior managers in charge of operation and management of the company are mostly PRC citizens or have their usual place(s) of residence located in mainland China. The Overseas Listing Trial Measures require subsequent reports to be filed with the CSRC upon the occurrence of material events, such as change of control or voluntary or forced delisting of the companies which have completed overseas offerings and listings.

On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies, which, among others, clarifies that (i) prior to the effective date of the Overseas Listing Trial Measures, mainland China domestic companies that have already completed overseas listing shall be regarded as "existing companies", which are not required to fulfill filing procedure immediately but shall be required to complete the filing if such existing companies conduct refinancing in the future; and (ii) the CSRC will solicit opinions from the regulatory authorities and complete the filing of the overseas listing of companies with contractual arrangements which duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize two markets and two kinds of resources. However, since the Overseas Listing Trial Measures was recently promulgated, their interpretation, application and enforcement remain unclear.

Given the substantial uncertainties surrounding the latest CSRC filing requirements at this stage, we cannot assure you that we will be able to complete the filings and fully comply with the new rules on a timely basis, if at all.

Relatedly, on September 6, 2024, the NDRC and the Ministry of Commerce jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version), or the 2024 Negative List, which became effective on November 1, 2024. Pursuant to such Special Administrative Measures, if a domestic company engaging in the prohibited business stipulated in the 2024 Negative List seeks an overseas offering and listing, it shall obtain the approval from the competent government authorities. Besides, foreign investors of the company shall not be involved in the company's operation and management, and their shareholding percentage shall be subject, mutatis mutandis, to the regulations on the domestic securities investments by foreign investors. There remain uncertainties as to the interpretation and implementation of the 2024 Negative List, and it is unclear as to whether and to what extent listed companies like us will be subject to these new requirements. If we are required to comply with these requirements and fail to do so on a timely basis, if at all, our business operation, financial conditions and business prospect may be adversely and materially affected.

In addition, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us. If it is determined in the future that approval and filing from the CSRC or other regulatory authorities or other procedures, including the cybersecurity review under the enacted version of the revised Measures for Cybersecurity Review and the Regulations on the Network Data Security, are required for our offshore offerings, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures and any such approval or filing could be rescinded or rejected. Any failure to obtain or delay in obtaining such approval or completing such filing procedures for our offshore offerings, or a rescission of any such approval or filing if obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or filing or other government authorization for our offshore offerings. These regulatory authorities may impose fines and penalties on our operations in mainland China, limit our ability to pay dividends outside of mainland China, limit our operating privileges in mainland China, delay or restrict the repatriation of the proceeds from our offshore offerings into mainland China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our listed securities. The CSRC or other PRC regulatory authorities also may take actions requiring us, or making it advisable for us, to halt our offshore offerings before settlement and delivery of the securities offered. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our prior offshore offerings, 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 or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our listed securities.

Uncertainties in the interpretation and enforcement of the laws and regulations of mainland China could limit the legal protections available to you and us.

The legal system of mainland China is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

Our mainland China subsidiaries are foreign-invested enterprises and are subject to laws and regulations applicable to foreign-invested enterprises as well as various laws and regulations of mainland China generally applicable to companies incorporated in mainland China. However, since these laws and regulations are developing and the legal system of mainland China continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since administrative and court authorities of mainland China have discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of such administrative and court proceedings. Furthermore, the legal system of mainland China is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of any 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, and any failure to respond to changes in the regulatory environment in mainland China could materially and adversely affect our business and impede our ability to continue our operations.

The PRC government's significant oversight over our business operation could result in a material adverse change in our operations and the value of our ADSs.

We conduct our business primarily in mainland China. Our operations in mainland China are governed by the laws and regulations of mainland China. The PRC government has significant oversight over the conduct of our business, and may intervene or influence our operations as the government deems appropriate to advance regulatory and societal goals and policy positions, which could result in a material adverse change in our operations, and our ordinary shares and ADSs may decline in value or become worthless. The PRC government has recently published new policies that significantly affected certain industries and we cannot rule out the possibility that it will in the future release regulations or policies that directly or indirectly affect our industry or require us to seek additional permission to continue our operations, which could result in a material adverse change in our operation and/or the value of our ADSs. Also, the PRC government has recently promulgated certain regulations and rules to exert more oversight and control over offerings that are conducted overseas and foreign investment in mainland China-based issuers. Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors, and our ordinary shares and ADSs may decline in value or become worthless. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

We may be adversely affected by the complexity, uncertainties and changes in the regulation on internet-related businesses and companies in mainland China.

We design, manufacture and sell high-performance electric motorcycles, mopeds, bicycles, as well as kick-scooters and e-bikes. Certain aspects of our business operations may be deemed as providing value-added telecommunication services, which is subject to regulation by the PRC government. For example, the PRC government imposes foreign ownership restriction and the licensing and permit requirements for companies in the internet industry. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Foreign Investment" and "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Value-Added Telecommunication Services." These laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

In addition, our mobile app is also regulated by the Administrative Provisions on Mobile Internet Applications Information Services promulgated by the CAC. According to these provisions, providers of mobile apps shall not create, copy, publish or distribute information and content prohibited by laws and regulations. However, we cannot assure you that all the information and content displayed on, retrieved from or linked to our mobile app comply with the requirements under these provisions at all times. If our mobile app were found to be violating these provisions, we may be subject to administrative penalties, including warning, service suspension or removal of our mobile app from the relevant mobile app store, which may materially and adversely affect our business and operating results.

The interpretation and application of the existing laws, regulations and policies of mainland China and possible new laws, regulations or policies of mainland China relating to the internet industry have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities of, internet businesses in mainland China, including our business. We cannot assure you that we have obtained all the permits or licenses required for conducting our business in mainland China or will be able to maintain or renew our existing licenses or obtain new ones.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in mainland China and Hong Kong in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of mainland China and Hong Kong that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we and investors in our ADSs would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in the ADSs to lose confidence in the audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in mainland China and Hong Kong. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Pursuant to the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we were not identified as a Commission-Identified Issuer under the HFCAA after we filed our annual report on Form 20-F for the fiscal year ended December 31, 2023 and do not expect to be so identified after we file this annual report on Form 20-F for the fiscal year ended December 31, 2024.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. For U.S. single listing issuer: If our shares and ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

We may rely on dividends and other distributions on equity paid by our mainland China subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our mainland China subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

Niu Technologies is a holding company, and may rely on dividends and other distributions on equity paid by our mainland China subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. Current regulations of mainland China permit our mainland China subsidiaries to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of the statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our mainland China subsidiaries is required to set aside at least 10% of its accumulated profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. For a detailed discussion of applicable regulations of mainland China governing distribution of dividends, see "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Dividend Distribution." Additionally, if our mainland China subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. Furthermore, the PRC tax authorities may require our WFOE to adjust its taxable income under the contractual arrangements it currently has in place with the variable interest entity in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us. See "—Risks Related to Our Corporate Structure—Contractual arrangements in relation to the VIE may be subject to scrutiny by the PRC tax authorities and they may determine that we or the VIE owes additional taxes, which could negatively affect our financial condition and the value of your investment."

Any limitation on the ability of our mainland China subsidiaries 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. See "—If we are classified as a mainland China resident enterprise for mainland China income tax purposes, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders or ADS holders."

Mainland China's regulation of loans to and direct investment in entities in mainland China by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our offshore offerings to make loans to or make additional capital contributions to our mainland China subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Under the laws and regulations of mainland China, we are permitted to utilize the proceeds of any financing outside of mainland China to fund our mainland China subsidiaries by making loans to or additional capital contributions to our mainland China subsidiaries, subject to applicable government registration, statutory limitations on amount and approval requirements. The amount of capital contributions that we may make to the WFOE is RMB220.0 million, without obtaining approvals from State Administration of Foreign Exchange, or SAFE, or other government authorities. Additionally, the WFOE may increase its registered capital to receive additional capital contributions from us and currently there is no statutory limit to increasing its registered capital, subject to satisfaction of applicable government registration and filing requirements. Pursuant to the regulations of mainland China, we may provide loans to the WFOE up to the larger amount of (i) the balance between the registered total investment amount and registered capital of the WFOE, or (ii) twice the amount of the net assets of the WFOE calculated in accordance with PRC GAAP, and we may provide loans to the VIE up to twice the amount of the net assets of the VIE calculated in accordance with PRC GAAP, each subject to satisfaction of applicable government registration or approval requirements. For any amount of loans that we may extend to the WFOE or the VIE, such loans must be registered with the local counterpart of SAFE. Medium- or long-term loans extended by our company to the VIE must also be approved by the NDRC. For more details, see "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Foreign Exchange—Regulations on Foreign Currency Exchange." These laws and regulations of mainland China may significantly limit our ability to use Renminbi converted from the net proceeds of any financing outside of mainland China to fund the establishment of new entities in mainland China by our mainland China subsidiaries, to invest in or acquire any other mainland China companies through our mainland China subsidiaries, or to establish new variable interest entities in mainland China. Moreover, we cannot assure you that we will be able to complete the necessary registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our mainland China subsidiaries or future capital contributions by us to our mainland China subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we received or expect to receive from our offshore offerings and to capitalize or otherwise fund our operations in mainland China may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

On December 26, 2017, the NDRC issued the Management Rules for Overseas Investment by Enterprises, or the NDRC Order 11. On January 31, 2018, the Catalog on Overseas Investment in Sensitive Industries (2018 Edition) was promulgated. "Overseas investment" as defined in the NDRC Order 11 refers to the investment activities conducted by an enterprise located in the territory of mainland China either directly or through an overseas enterprise under its control by making investment with assets and equities or providing financing or guarantee in order to obtain overseas ownership, control, management rights and other related interests. Overseas investment by a Chinese individual through overseas enterprises under his/her control is also subject to the NDRC Order 11. According to the NDRC Order 11, (i) direct overseas investment by Chinese enterprises or indirect overseas investment by Chinese enterprises or individuals in sensitive industries or sensitive countries and regions requires prior approval by the NDRC; (ii) direct overseas investment by Chinese enterprises in non-sensitive industries and non-sensitive countries and regions requires prior filing with the NDRC; and (iii) indirect overseas investment of over US$300 million by Chinese enterprises or individuals in non-sensitive industries and non-sensitive countries and regions requires reporting with the NDRC. Uncertainties remain with respect to the application of the NDRC Order 11. We are not sure if we were to use a portion of the proceeds raised from our financing activities to fund investments in and acquisitions of complementary business and assets outside of mainland China, such use of U.S. dollars funds held outside of mainland China would be subject to the NDRC Order 11. There are very few interpretations, implementation guidance or precedents regarding NDRC Order 11 to follow in practice. We will continue to monitor any new rules, interpretation and guidance promulgated by the NDRC and communicate with the NDRC and its local branches to seek their opinions, when necessary. If it turns out that the NDRC Order 11 applies to our use of proceeds from the offering mentioned above and we fail to obtain the approval, complete the filing or report our overseas investment using the offering proceeds, as the case may be, in a timely manner as provided under the NDRC Order 11, we may be forced to suspend or cease our investment, or be subject to penalties or other liabilities, which may materially and adversely affect our business, financial condition and prospects.

Governmental control of currency conversion may limit our ability to utilize our revenues effectively and affect the value of your investment.

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency out of mainland China. Under the existing foreign exchange regulations of mainland China, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as the repayment of loans denominated in foreign currencies. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Foreign Exchange—Regulations on Foreign Currency Exchange."

The PRC government has tightened its foreign exchange policies again and stepped up scrutiny of major outbound capital movement. More restrictions and a substantial vetting process have been put in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may also restrict access in the future to foreign currencies for current account transactions, at its discretion. We receive substantially all of our revenues in RMB. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of the ADSs.

Regulations of mainland China relating to offshore investment activities by mainland China residents may limit our mainland China subsidiaries' ability to increase their registered capital or distribute profits to us or otherwise expose us or our mainland China resident beneficial owners to liability and penalties under the laws of mainland China.

SAFE requires mainland China residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such mainland China residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes certain material events. According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment released on February 13, 2015 by SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Foreign Exchange—Regulations on Foreign Currency Exchange."

If our shareholders who are mainland China residents or entities do not complete their registration with the local SAFE branches, our mainland China subsidiaries may be prohibited from distributing their profits and any proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted from contributing additional capital to our mainland China subsidiaries. Moreover, failure to comply with SAFE registration requirements could result in liability under the laws of mainland China for evasion of applicable foreign exchange restrictions. Mr. Yi'nan Li, Mr. Token Yilin Hu and Ms. Yuqin Zhang who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as mainland China residents have completed the initial foreign exchange registrations and have updated their registrations required in connection with our corporate restructuring.

However, we may not be informed of the identities of all the mainland China residents or entities holding direct or indirect interests in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are mainland China residents or entities have complied with, or will in the future make or obtain any applicable registrations or approvals required by, SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our mainland China subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our mainland China subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

Mainland China's M&A Rules and certain other regulations of mainland China establish complex procedures for certain acquisitions of mainland China companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in mainland China.

A number of laws and regulations in mainland China have established procedures and requirements that could make merger and acquisition activities in mainland China by foreign investors more time consuming and complex. In addition to the Anti-monopoly Law itself, these include M&A Rules adopted in 2006 and amended in 2009, and the Rules of the Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the Security Review Rules, promulgated in 2011. These laws and regulations impose requirements in some instances that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor takes control of a mainland China domestic enterprise. In addition, the Anti-Monopoly Law requires that the Ministry of Commerce be notified in advance of any concentration of undertaking if certain thresholds are triggered. Moreover, the Security Review Rules specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the Ministry of Commerce, and prohibit any attempt to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with these requirements could be time consuming, and any required approval processes, including approval from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

It may be difficult for overseas regulators to conduct investigation or collect evidence within mainland China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in mainland China. For example, in mainland China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside of mainland China. Although the authorities in mainland China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of mainland China and without the consent by the Chinese securities regulatory authorities and the other competent governmental agencies, no entity or individual may provide documents or materials related to securities business overseas. In addition, the Data Security Law and the Personal Information Protection Law provide that no entity or individual within the territory of mainland China shall provide any foreign judicial body and law enforcement body with any data or any personal information stored within the territory of mainland China without the approval of the competent PRC government authority. While detailed interpretation of or implementation rules under these laws have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within mainland China, and restrictions on the provision of documents, materials, data and personal information by mainland China entities and individuals to an overseas securities regulator, foreign judicial body or foreign law enforcement body may further increase difficulties faced by you in protecting your interests.

Any failure to comply with the regulations of mainland China regarding the registration requirements for employee stock incentive plans may subject the mainland China plan participants or us to fines and other legal or administrative sanctions.

Under SAFE regulations, mainland China residents who participate in a stock incentive plan in an overseas publicly listed company are required to register with SAFE or its local branches and complete certain other procedures. See “Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Foreign Exchange—Regulations on Stock Incentive Plans.” We and our mainland China resident employees who participate in our share incentive plans have been subject to these regulations when our company became publicly listed in the United States in 2018. If we or any of these mainland China resident employees fail to comply with these regulations, we or such employees may be subject to fines and other legal or administrative sanctions. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under the laws of mainland China.

Failure to make adequate contributions to various employee benefit plans as required by the regulations of mainland China may subject us to penalties.

Companies operating in mainland China are required to participate in various government-sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate our businesses. The requirement of employee benefit plans has not been implemented consistently by the local governments in mainland China given the different levels of economic development in different locations. We have previously received payment notices from the government authorities for inadequate contribution to employee benefit plans, and we have made the payments and penalty. We may be required to make up the contributions for these plans as well as to pay late fees and fines. If we are subject to late fees or fines in relation to the underpaid employee benefits, our financial condition and results of operations may be adversely affected. Going forward, we will comply with the regulations of mainland China and distribute the outstanding employee benefit payment accordingly.

Enforcement of stricter labor laws and regulations of mainland China may adversely affect our business and our profitability.

We have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law and its implementation rules, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employee’s probation and unilaterally terminating labor contracts. In the event that we decide to terminate the employment with some of our employees or otherwise change our employment or labor practices, the PRC 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.

Companies registered and operating in mainland China are required under the Social Insurance Law and the Regulations on the Administration of Housing Funds to apply for social insurance registration and housing fund deposit registration within 30 days of their establishment and to pay for their employees different social insurance including pension insurance, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to the extent required by law. We could be subject to orders by the competent labor authorities for rectification and failure to comply with the orders may further subject us to administrative fines.

As the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practices do not and will not violate labor-related laws and regulations in mainland China, which may subject us to labor disputes or government investigations. We cannot assure you that we have complied or will be able to comply with all labor-related law and regulations including those relating to obligations to make social insurance payments and contribute to the housing provident funds. If we are deemed to have violated the labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations will be adversely affected.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your investment.

Our operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which we operate and to which we sell our products. We sell our products to various countries, and therefore, our revenues have significant exposure to the relative movements of currencies of those countries. Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. For example, to the extent that we need to convert U.S. dollars we receive into Renminbi to make capital contributions or pay our operating expenses, appreciation of Renminbi against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our ADSs.

The conversion of Renminbi into foreign currencies is based on rates set by the People's Bank of China. The value of Renminbi against foreign currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against foreign currencies in the future.

Very limited hedging options are available in mainland China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by the exchange control regulations of mainland China that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Discontinuation of any of the government subsidies or imposition of any additional taxes and surcharges could adversely affect our financial condition and results of operations.

Our mainland China subsidiaries have received various financial subsidies from PRC local government authorities. The financial subsidies result from discretionary incentives and policies adopted by PRC local government authorities. Local governments may decide to change or discontinue such financial subsidies at any time. The discontinuation of such financial subsidies or imposition of any additional taxes could adversely affect our financial condition and results of operations.

If we are classified as a mainland China resident enterprise for mainland China income tax purposes, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of mainland China with a "de facto management body" within mainland China is considered a mainland China resident enterprise. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise incorporated offshore is located in mainland China. Although Circular 82 only applies to offshore enterprises controlled by mainland China enterprises or mainland China enterprise groups, not those controlled by mainland China individuals or foreigners like us, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a mainland China enterprise or a mainland China enterprise group will be regarded as a mainland China tax resident by virtue of having its "de facto management body" in mainland China and will be subject to mainland China enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in mainland China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in mainland China; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in mainland China; and (iv) at least 50% of voting board members or senior executives habitually reside in mainland China.

We believe that none of our entities incorporated outside of mainland China is a mainland China resident enterprise for mainland China tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that we are a mainland China resident enterprise for enterprise income tax purposes, we will be subject to the enterprise income tax on our global income at the rate of 25% and we will be required to comply with mainland China enterprise income tax reporting obligations. In addition, gains realized on the sale or other disposition of the ADSs or our Class A ordinary shares may be subject to mainland China tax, at a rate of 10% in the case of non-mainland China enterprises or 20% in the case of non-mainland China individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from mainland China sources. It is unclear whether non-mainland China shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and mainland China in the event that we are treated as a mainland China resident enterprise. Any such tax may reduce the returns on your investment in the ADSs.

Any failure or perceived failure by us to comply with the anti-monopoly and anti-unfair competition laws and regulations may result in governmental investigations or enforcement actions, litigation, or claims or fines against us, and could have an adverse effect on our business, financial condition and results of operations.

The PRC government has adopted a series of anti-monopoly and anti-unfair competition laws and regulations and has recently enhanced its enforcement of such laws and regulations. The PRC Anti-monopoly Law (revised in 2022) and the implementing rules (i) require that where the concentration of undertakings reaches the filing threshold stipulated by the State Council, a filing must be made with the anti-monopoly authority before the parties implement the concentration, but even if the concentration of undertakings fails to meet the filing threshold, if there is any evidence that the concentration of undertakings has or may have the effect of eliminating or restricting competition, the anti-monopoly authority may require the parties to file, (ii) prohibit a business operator with a dominant market position from abusing such position, such as by selling commodities at unfairly high prices or buying commodities at unfairly low prices, selling products at prices below cost without any justifiable cause, or refusing to trade with a trading party without any justifiable cause, and (iii) prohibit business operators from entering into monopoly agreements, which refer to agreements that eliminate or restrict competition with competing business operators or transaction counterparties, such as by boycotting transactions, fixing or changing the price of commodities, limiting the output of commodities or fixing the price of commodities for resale to third parties, unless the agreements satisfy certain exemptions under the PRC Antimonopoly Law. Furthermore, in February 2021, the Anti-monopoly Commission of the State Council promulgated the Anti-Monopoly Guidelines for the Internet Platform Economy Sector, which prohibit certain monopolistic acts of internet platforms so as to protect market competition and safeguard the interests of users and undertakings participating in the internet platform economy. These acts include prohibiting platforms with a dominant position from abusing their market dominance such as discriminating against customers in terms of pricing and other transactional conditions using big data and analytics, coercing counterparties into exclusivity arrangements, using technology to block competitors' interfaces, favorable positioning in search results of goods displays, using bundle services to sell services or products and compulsory collection of unnecessary user data. In addition, these guidelines also reinforce antitrust merger review for internet platform related transactions to safeguard market competition. Meanwhile, on March 10, 2023, the SAMR issued a series of provisions, which came into effect on April 15, 2023, to implement the Anti-Monopoly Law of the PRC, and further strengthen the anti-monopoly legal system. As these provisions and guidelines were newly promulgated, it is still uncertain how they will impact on our business, financial condition, results of operations and prospects.

According to the PRC Anti-unfair Competition Law, unfair competition, which refers to the production and operating activities where the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the PRC Anti-unfair Competition Law, shall be prohibited. Pursuant to the PRC Anti-unfair Competition Law, operators shall abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the PRC Anti-unfair Competition Law may be subject to civil, administrative or criminal liabilities depending on the specific circumstances.

Since its inception in 2018, the SAMR has continued to strengthen anti-monopoly enforcement. In December 2018, the SAMR issued the Notice on Anti-monopoly Enforcement Authorization, which authorizes SAMR's provincial branches to conduct anti-monopoly enforcement within their respective jurisdictions. In September 2020, the SAMR issued Anti-monopoly Compliance Guideline for Operators, which requires operators to establish anti-monopoly compliance management systems to prevent anti-monopoly compliance risks. In particular, the PRC regulators have been increasingly focused on inspection and regulation on potential noncompliance with anti-unfair competition and anti-monopoly related laws recently. We have been conducting necessary internal inspection and rectifications in accordance with such guidance and are working on some of the rectification procedures, such as concentration notification for past deals. We cannot guarantee you that we will not be subject to more similar or even stricter rectification requests from the government authorities or that we will fully comply with all applicable rules and regulations at all times. As a result of the regulators' focus on anti-monopoly and anti-unfair competition compliance and enhanced regulation of platform enterprises, our business practice and expansion strategy may be subject to heightened regulatory scrutiny. In order to comply with existing laws and regulations and new laws and regulations that may be enacted in the future, we may need to devote significant resources and efforts, including restructuring affected businesses and adjusting investment activities, which may adversely affect our business operation, growth prospects and reputation. In addition, we cannot assure you that our efforts are sufficient to comply with all the applicable laws and regulations on anti-monopoly and anti-unfair competition and the authorities' requirements in all respects. Any anti-monopoly or anti-unfair competition related lawsuit, regulatory investigations or administrative proceedings initiated against us could also result in our being subject to regulatory actions and constraints on our investments and acquisitions, which could include forced termination of any agreements or transactions, required divestitures, limitations on certain pricing and business practices or significant fines. As a result, we may be subject to significant difficulties in operating our current business and pursuing our investment and acquisition strategy.

We may not be able to obtain certain benefits under the tax treaty on dividends paid by our mainland China subsidiaries to us through our Hong Kong subsidiary.

Niu Technologies is a holding company incorporated under the laws of the Cayman Islands and as such rely on dividends and other distributions on equity from our mainland China subsidiaries to satisfy part of our liquidity requirements. Pursuant to the PRC Enterprise Income Tax Law, a withholding tax rate of 10% currently applies to dividends paid by a mainland China "resident enterprise" to a foreign enterprise investor, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with mainland China that provides for preferential tax treatment. Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, effective from December 8, 2006, such withholding tax rate may be lowered to 5% if a Hong Kong resident enterprise owns no less than 25% of a mainland China enterprise. According to the Announcement of the State Administration of Taxation on Issues concerning the "Beneficial Owner" in Tax Treaties, which became effective in April 2018, whether a resident enterprise is a "beneficial owner" that can apply for a low tax rate under tax treaties depends on an overall assessment of several factors, which may bring uncertainties to the applicability of preferential tax treatment under the tax treaties. Furthermore, the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties, which became effective on January 1, 2020, require non-resident taxpayers (including non-resident enterprises and individuals) to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file certain report and materials with the tax authorities. Where a non-resident taxpayer self-assesses and concludes that it/he/she satisfies the criteria for claiming preferential tax treatment, it/he/she may enjoy treaty benefits at the time of tax declaration or at the time of withholding through the withholding agent, simultaneously gather and retain the relevant materials for future inspection, and accept follow-up administration by the tax authorities. There are also other conditions for enjoying the reduced withholding tax rate according to other tax rules and regulations. See "Item 5. Operating and Financial Review and Prospects—Taxation." In the future we intend to re-invest all earnings, if any, generated from our mainland China subsidiaries for the operation and expansion of our business in mainland China. Should our tax policy change to allow for offshore distribution of our earnings, we would be subject to a significant withholding tax. We cannot assure you that our determination regarding our qualification to enjoy the preferential tax treatment will not be challenged by the tax authority or we will be able to complete the necessary filings with the tax authority and enjoy the preferential withholding tax rate of 5% under the arrangement with respect to dividends to be paid by our mainland China subsidiaries to our Hong Kong subsidiary.

We face uncertainty with respect to indirect transfers of equity interests in mainland China resident enterprises by their non-mainland China holding companies.

In February 2015, the State Administration of Taxation issued the Public Notice Regarding Certain Corporate Income Tax Matters on Indirect Transfer of Properties by Non-Resident Enterprises, or SAT Public Notice 7. SAT Public Notice 7 extends its tax jurisdiction to not only indirect transfers but also transactions involving transfer of other taxable assets, through the offshore transfer of a foreign intermediate holding company. In addition, SAT Public Notice 7 provides certain criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Public Notice 7 also brings challenges to both the foreign transferor and transferee (or other person who is obligated to pay for the transfer) of the taxable assets. Where a non-resident enterprise conducts an "indirect transfer" by transferring the taxable assets indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise being the transferor, or the transferee, or the mainland China entity which directly owned the taxable assets may report to the tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring mainland China tax. As a result, gains derived from such indirect transfer may be subject to mainland China enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a mainland China resident enterprise. On October 17, 2017, the State Administration of Taxation issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Nonresident Enterprise Income Tax at Source, or SAT Bulletin 37, which came into effect on December 1, 2017, and was last amended on June 15, 2018. The SAT Bulletin 37 further clarifies the practice and procedure of the withholding of nonresident enterprise income tax.

We face uncertainties on the reporting and consequences of future private equity financing transactions, share exchanges or other transactions involving the transfer of shares in our company by investors that are non-mainland China resident enterprises. The PRC tax authorities may pursue such nonresident enterprises with respect to a filing or the transferees with respect to withholding obligation, and request our mainland China subsidiaries to assist in the filing. As a result, we and non-resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under SAT Public Notice 7 and SAT Bulletin 37, and may be required to expend valuable resources to comply with them or to establish that we and our non-resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

If the custodians or authorized users of controlling non-tangible assets of our company, including our corporate chops and seals, fail to fulfill their responsibilities, or misappropriate or misuse these assets, our business and operations could be materially and adversely affected.

Under the laws of mainland China, legal documents for corporate transactions are executed using the chops or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the relevant branch of the Administration of Industry and Commerce.

Although we usually utilize chops to enter into contracts, the designated legal representatives of each of our mainland China subsidiaries, the VIE and its subsidiaries have the apparent authority to enter into contracts on behalf of such entities without chops and bind such entities. All designated legal representatives of our mainland China subsidiaries, the VIE and its subsidiaries are members of our senior management team who have signed employment agreements with us or our mainland China subsidiaries, the VIE and its subsidiaries under which they agree to abide by various duties they owe to us. In order to maintain the physical security of our chops and chops of our mainland China entities, we generally store these items in secured locations accessible only by the authorized personnel in the legal or finance department of each of our subsidiaries, the VIE and its subsidiaries. Although we monitor such authorized personnel, there is no assurance such procedures will prevent all instances of abuse or negligence. Accordingly, if any of our authorized personnel misuse or misappropriate our corporate chops or seals, we could encounter difficulties in maintaining control over the relevant entities and experience significant disruption to our operations. If a designated legal representative obtains control of the chops in an effort to obtain control over any of our mainland China subsidiaries, the VIE or its subsidiaries, we or our mainland China subsidiaries, the VIE and its subsidiaries would need to pass a new shareholder or board resolution to designate a new legal representative and we would need to take legal action to seek the return of the chops, apply for new chops with the authorities, or otherwise seek legal redress for the violation of the representative's fiduciary duties to us, which could involve significant time and resources and divert management attention away from our regular business. In addition, the affected entity may not be able to recover corporate assets that are sold or transferred out of our control in the event of such a misappropriation if a transferee relies on the apparent authority of the representative and acts in good faith.

Our leased property interest may be defective and our right to lease the properties may be affected by such defects challenged, which could cause significant disruption to our business.

Under the laws of mainland China, all lease agreements are required to be registered with the local housing authorities. We presently lease four premises in China, and the landlords of these premises have not completed the registration of their ownership rights or the registration of our leases with the authorities. Failure to complete these required registrations may expose our landlords, lessors and us to potential monetary fines. If these registrations are not obtained in a timely manner or at all, we may be subject to monetary fines or may have to relocate our offices and incur the associated losses.

Risks Related to Our ADSs

The trading price of the ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of the ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. The securities of some of these companies, including internet-based companies, have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in their trading prices. The trading performances of other Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in the United States in general and consequently may impact the trading performance of the ADSs, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for the ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our revenues, earnings and cash flow;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new offerings, solutions and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our services or our industry;
- additions or departures of key personnel;
- release of lockup or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which the ADSs will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

If securities or industry analysts do not publish research or publishes inaccurate or unfavorable research about our business, or if they adversely change their recommendations regarding the ADSs, the market price for our ADSs and trading volume could decline.

The trading market for the ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade the ADSs or publishes inaccurate or unfavorable research about our business, the market price for the ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for the ADSs to fall.

The sale or availability for sale of substantial amounts of the ADSs could adversely affect their market price.

Sales of substantial amounts of the ADSs in the public market, or the perception that these sales could occur, could adversely affect the market price of the ADSs and could materially impair our ability to raise capital through equity offerings in the future. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of the ADSs. As of February 28, 2025, we had 155,927,944 ordinary shares issued and outstanding, comprising of (i) 139,385,924 Class A ordinary shares, and (ii) 16,542,020 Class B ordinary shares, among which 96,203,982 Class A ordinary shares are in the form of ADSs, which are freely transferable without restriction or additional registration under the Securities Act. The remaining Class A ordinary shares outstanding and the Class B ordinary shares will be available for sale, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Certain holders of our ordinary shares may cause us to register under the Securities Act the sale of their shares, subject to the applicable lock-up period. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of our ADSs to decline.

Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and the ADSs may view as beneficial.

We have a dual-class ordinary share structure. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares will be entitled to four votes per share. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any direct or indirect sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof or the direct or indirect transfer or assignment of the voting power attached to such number of Class B ordinary shares through voting proxy or otherwise to any person or entity that is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into an equal number of Class A ordinary shares.

All of the 6,615,000 ordinary shares held by ELLY Holdings Limited, an entity wholly owned by Dr. Yan Li, the chairman of our board of directors and our chief executive officer, and the 9,927,020 ordinary shares held by Niu Holding Inc., an entity 82.7% owned by Mr. Token Yilin Hu, our former director and vice president, and 17.3% owned by Mr. Carl Chuankai Liu, are Class B ordinary shares. Messrs. Yan Li, Token Yilin Hu and Carl Chuankai Liu collectively beneficially own an aggregate of 16,542,020 Class B ordinary shares, which represented 32.2% of our total voting power as of February 28, 2025. Therefore, Messrs. Yan Li, Token Yilin Hu and Carl Chuankai Liu have significant influence over matters requiring shareholders' approval, including election of directors and significant corporate transactions, such as a merger or sale of our company or our assets. This concentration in voting power will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of our Class A ordinary shares and the ADSs may view as beneficial.

Because we do not expect to pay dividends in the foreseeable future, you must rely on a price appreciation of the ADSs for a return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in the ADSs as a source for any future dividend income.

Our board of directors has discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in the ADSs will likely depend entirely upon any future price appreciation of our ADSs. There is no guarantee that the ADSs will appreciate in value or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in the ADSs, and you may even lose your entire investment in the ADSs.

There can be no assurance that we will not be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. holders of the ADSs or our Class A ordinary shares.

A non-U.S. corporation will be classified as a passive foreign investment company, or PFIC, for any taxable year if either (i) at least 75% of its gross income for such year consists of certain types of "passive" income; or (ii) at least 50% of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce passive income or are held for the production of passive income. Although the law in this regard is unclear, we intend to treat the VIE (and its subsidiaries) as being owned by us for United States federal income tax purposes, not only because we conduct the business operations of such entity but also because we are entitled to substantially all of its economic benefits, and, as a result, we consolidate its result of operations in our consolidated financial statements. Assuming that we are the owner of the VIE (including its respective subsidiaries, if any) for United States federal income tax purposes, we do not believe we were a PFIC for the taxable year ended December 31, 2024.

Since the value of our assets for purposes of the asset test may be determined by reference to the market price of the ADSs, fluctuations in the market price of the ADSs may cause us to become a PFIC for the current or subsequent taxable years. In particular, recent declines in the market price of the ADSs and Class A ordinary shares significantly increased our risk of becoming a PFIC. In addition, the composition of our income and assets will also be affected by how, and how quickly, we use our liquid assets. If we determine not to deploy significant amounts of cash for active purposes or if it were determined that we do not own the stock of the VIE for United States federal income tax purposes, our risk of being a PFIC may substantially increase. Because PFIC status is a factual determination made annually after the dose of each taxable year, there can be no assurance that we will not be a PFIC for the current taxable year or any future taxable year.

If we are a PFIC in any taxable year during which a U.S. Holder (as defined in "Item 10. Additional Information—E. Taxation—United States Federal Income Tax Considerations") holds the ADSs or our Class A ordinary shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. See "Item 10. Additional Information—E. Taxation—Passive Foreign Investment Company Considerations."

Our sixth amended and restated memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our Class A ordinary shares and ADSs.

Our sixth amended and restated memorandum and articles of association contain certain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions, including a provision that grants authority to our board of directors to establish and issue from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series, any or all of which may be greater than the rights associated with our Class A ordinary shares in the form of ADSs. These provisions could have the effect of depriving our shareholders of the opportunity to sell their shares at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our sixth amended and restated memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands have a less developed body of securities laws than the United States. In addition, with respect to Cayman Islands companies, plaintiffs may face special obstacles, including but not limited to those relating to jurisdiction and standing, in attempting to assert derivative claims in state or federal courts of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association and any special resolutions passed by such companies, and the registers of mortgages and charges of such companies) or to obtain copies of lists of shareholders of these companies. Our directors have discretion under our articles of association, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but our directors are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of our board of directors or our controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Certain judgments obtained against us and our directors and officers by our shareholders may not be enforceable.

We are a Cayman Islands exempted company and all of our assets are located outside of the United States. Substantially all of our current operations are conducted in mainland China. As a result, it may be difficult or impossible for you to bring an action against us in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of mainland China may render you unable to enforce a judgment against our assets.

In addition, some of our directors and officers reside within China or are PRC nationals. As a result, it may also be difficult or impossible for you to bring an action against our directors and officers in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of mainland China may render you unable to enforce a judgment against the assets of our directors and officers.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of written arrangement with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts 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 laws 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.

You may experience dilution of your holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of the ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;

- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the SEC. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC is less extensive and less timely than that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the Nasdaq listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with such corporate governance listing standards.

As a Cayman Islands exempted company listed on the Nasdaq Stock Market, we are subject to the Nasdaq listing standards. Rule 5620(a) requires that each company listing common stock or voting preferred stock, and their equivalents, must hold an annual meeting of shareholders no later than one year after the end of the company's fiscal year-end. However, the Nasdaq Stock Market Rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. We have informed Nasdaq that we will follow home country practice, that is, the provisions of our Sixth Amended and Restated Memorandum and Articles of Association, with respect to the annual meeting of shareholders, which provides that our company may (but shall not be obliged to) in each calendar year hold a general meeting as our annual general meeting. Our shareholders may be afforded less protection than they would otherwise enjoy under the Nasdaq listing standards applicable to U.S. domestic issuers given our reliance on the home country practice exception.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct how the Class A ordinary shares which are represented by your ADSs are voted.

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of the ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights that are carried by the underlying Class A ordinary shares represented by your ADSs indirectly in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will try, as far as is practicable, to vote the underlying Class A ordinary shares represented by your ADSs in accordance with your instructions. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary shares unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting.

Under our articles of association, the minimum notice period required to convene a general meeting is seven calendar days. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to withdraw the underlying Class A ordinary shares represented by your ADSs and become the registered holder of such shares to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the underlying Class A ordinary shares represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver voting materials to you. We have agreed to give the depositary at least 30 days' prior notice of shareholder meetings. Nevertheless, we cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying Class A ordinary shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct how the underlying Class A ordinary shares represented by your ADSs are voted, and you may have no legal remedy if the underlying Class A ordinary shares represented by your ADSs are not voted as you requested.

We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, or to terminate the deposit agreement, without the prior consent of the ADS holders.

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depositary may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depositary. In the event that the terms of an amendment impose or increase fees or charges (other than in connection with foreign exchange control regulations, and taxes and other governmental charges, delivery and other such expenses) or materially prejudice an existing substantial right of the ADS holders, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to terminate the ADS facility at any time for any reason. For example, terminations may occur when we decide to list our shares on a non-U.S. securities exchange and determine not to continue to sponsor an ADS facility or when we become the subject of a takeover or a going-private transaction. If the ADS facility will terminate, ADS holders will receive at least 30 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is disadvantageous to ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying common shares, but will have no right to any compensation whatsoever.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiffs' in any such action.

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, the federal or state courts in the City of New York have non-exclusive jurisdiction to hear and determine claims arising under the deposit agreement and in that regard, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our Class A ordinary shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and / or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver provision is not enforced, to the extent a court action proceeds, it would proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

The depositary for the ADSs will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect your interests.

Under the deposit agreement for the ADSs, if you do not vote, the depositary will give us a discretionary proxy to vote our Class A ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting may have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that if you do not vote at shareholders' meetings, you cannot prevent our ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

Item 4. Information on the Company

A. History and Development of the Company

We commenced operations in September 2014 through Beijing Niudian, and launched our NQi-series smart e-scooters in June 2015.

In November 2014, we incorporated Niu Technologies in the Cayman Islands as our offshore holding company to facilitate financing and offshore listing. Shortly following its incorporation, Niu Technologies established a wholly-owned subsidiary in Hong Kong, Niu Technologies Group Limited.

In May 2015, Niu Technologies Group Limited established a wholly-owned subsidiary in mainland China, Niudian Information.

Due to the legal restrictions on foreign ownership in companies in mainland China that provide value-added telecommunications services in mainland China, we operate our NIU app, our website www.niu.com and other related business through Beijing Niudian, a mainland China company in which the equity interests are held by mainland China citizens. In May 2015, we began to conduct the business operations of Beijing Niudian and its subsidiaries through Niudian Information by entering into a series of contractual arrangements with Beijing Niudian and its shareholders.

We refer to Niudian Information as our WFOE, and to Beijing Niudian as the VIE in this annual report. Our contractual arrangements with the VIE and its shareholders allow us to (i) conduct the business operations of the VIE, (ii) receive substantially all of the economic benefits of the VIE, and (iii) have an exclusive option to purchase or designate any third party to purchase all or part of the equity interests in and assets of the VIE when and to the extent permitted by the laws of mainland China.

As a result of our direct ownership in our WFOE and the contractual arrangements with the VIE, we are regarded as the primary beneficiary of the VIE, and we treat the VIE as the consolidated variable interest entity under U.S. GAAP, which generally refers to an entity in which we do not have any equity interests but whose financial results are consolidated into our consolidated financial statements in accordance with U.S. GAAP because we have a controlling financial interest in, and thus are the primary beneficiary of, that entity. We have consolidated the financial results of the VIE and its subsidiaries in our consolidated financial statements in accordance with U.S. GAAP.

On October 19, 2018, the ADSs representing our Class A ordinary shares commenced trading on Nasdaq under the symbol "NIU." We raised from our initial public offering approximately US$55.2 million in net proceeds after deducting underwriting commissions and discounts and the offering expenses payable by us.

B. Business Overview

We currently design, manufacture and sell high-performance electric motorcycles, mopeds, bicycles, as well as kick-scooters and e-bikes. We have a diversified product portfolio that caters to the various demands of our users and addresses different urban travel scenarios. Currently, we offer two model lineups, comprising a number of different vehicle types. These include (i) the electric motorcycle, moped and bicycle series, including the NQi, MQi, UQi, FQi series and others, and (ii) the micro-mobility series, including the kick-scooter series KQi and the e-bike series BQi. We have adopted an omnichannel retail model, integrating the offline and online channels, to sell our products and provide services to users. We sold 924,340 units e-scooters in 2024. The number of units sold in China market and international markets were 759,094 and 165,246, respectively. We sell and service our products through our "city partner" system in China, which consisted of 499 city partners with 3,735 franchised stores in 293 cities in China, and 57 distributors in 53 countries overseas as of December 31, 2024, as well as on our own online store and third-party e-commerce platforms.

Our award-winning products represent style, freedom and technology. Our brand "NIU" has inspired many followers and has enabled us to build a loyal user base. We offer the NIU app as an integral part of the user experience and will continue to develop new features within the app to enhance user loyalty. NIU fan clubs are established in 43 cities in China, where fans actively organize NIU scooter-related events. Capitalizing on our premium brand, we have also been able to sell lifestyle accessories, which are well received by customers.

We have adopted a user-centric philosophy to design our products. We collect user feedback and product performance data to develop new products or functionalities to satisfy the unmet demand. All of our products are designed to embody the themes of style, freedom and technology through their unique design languages. We have built our smart e-scooters based on our advanced and innovative technologies, including smart technologies, powertrain and battery technologies and automotive inspired functionalities.

To meet the diversified market demand, in 2021 we entered the category of micro-mobility through kick-scooter and e-bike products in the international markets. Our kick-scooters and e-bikes product portfolio are designed to cover a wide range of urban mobility needs from last-mile commuting to entertainment purposes. Since the launch of the first kick-scooter product, we have strategically rolled out micro-mobility products to cover a wide range of market needs.

We provide connectivity solutions and value-added services to our users. Our NIU app synchronizes with the smart e-scooters and communicates with our cloud system. Through the app, our users receive real-time information relating to their smart e-scooters. We use the data collected to provide smart maintenance and services, and guide the users on when and how to properly maintain our products to extend their service life and achieve better performance. We also analyze this data to help us improve our products and create new services. In addition, we collect and analyze user behavioral data from our NIU app and our website, from which we derive insights to further engage our customers and strengthen brand loyalty.

Our Products

We have a diversified product portfolio that caters to the various demands of our users and addresses different urban travel scenarios. Currently, we offer two model lineups, comprising a number of different vehicle types. These include (i) the electric motorcycle, moped and bicycle series, including the NQi, MQi, UQi, FQi series and others, and (ii) the micro-mobility series, including the kick-scooter series KQi and the e-bike series BQi.

For our product offerings in China, we built our product portfolio around the classic NQi, MQi, UQi and subsequently introduced FQi series, and rolled out diversified products catering to different market needs such as the previously launched high-performance RQi and the high-end SQi electric bicycle, as well as the newly launched XQi electric motorcycle.

NQi Series

Our NQi series smart e-scooters mainly consists of the NX, NXT, NT, and N Play models. The NQi series is built to be high-performance, well balanced, and with a minimalistic aesthetic. Its design language is modem and minimalistic. The NQi series is equipped with advanced powertrain consisting of the removable lithium-ion battery pack with our proprietary BMS, the BOSCH motor or NIU motor, and our proprietary FOC system that controls the electric motors. The NQi series utilizes an industry-leading lithium-ion battery pack that achieves extended range with light weight. The NQi series utilizes high quality cells such as Panasonic lithium-ion cells, which are connected in series to form a robust core battery pack, and ensures the integrity and safety of the entire battery pack through the introduction of positive temperature coefficient, or the PTC technology and PACK technology. The NQi series is equipped with a BMS system that monitors the voltage, current, and temperature of the battery in real time to mediate power consumption and achieve smarter protection.

MQi Series

Our MQi series smart e-scooters mainly consists of the MT, Ms, and MQiL models. The MQi series is a cool and fresh-looking smart e-scooter designed for young urban users. Most of the MQi series models are smaller, lighter and more agile when cruising through urban traffic than that of the NQi series. The MQi series carries the NIU design language that puts a modem twist on the classic e-scooter design. The MQi series is designed to be ergonomic, bolstering natural and comfortable sitting posture and intuitive dashboard and switches layout.

UQi Series

Our UQi series smart e-scooters mainly consists of the U Max, U and UQi+ models. The UQi series is smaller and lighter than the NQi series and MQi series and carries the same NIU design language. The UQi series is designed to be ultra-light and ultra-compact.

FQi Series

The FQi series is a new popular series that quickly becomes a well-known style besides the classic halo light NMU series, mainly with the FX, FXT, F400T, F200 and F100 products. The FQi series draws inspiration from fighter jets and seamlessly incorporates NIU's essential smart functionalities.

For our product offerings in overseas, we have two main categories: (i) electric motorcycles and mopeds, and (ii) electric micro-mobility products. While the electric motorcycle and moped category includes some key products from the China market, the micro-mobility product category mainly focuses on kick-scooters and e-bikes.

XQi Series

In December 2024, we announced the launch of our lineup of off-road and on-road dirt bikes - the XQi3 Wild and XQi3 Street. The XQi3 offers the ideal blend of stability and comfort for users tackling rugged off-road trails and cruising through city streets. Designed as an electric dirt bike that excels in any environment, it gives you the freedom to enjoy every moment of your ride. The advanced suspension and durable build of the XQi3 ensure a smooth, controlled experience, even on the toughest terrains. Meanwhile, XQi's ergonomic design minimizes fatigue, allowing users to explore longer and push further with ease.

KQi Series

The KQi series offers a wide range of products in the electric kick-scooter category. It includes the KQi Air, a high-end innovatively designed scooter, the KQi3 and KQi300, the high-performance products, and the KQi2, KQi1 and KQi100, which are entry-level options. This diverse lineup lays a strong foundation to cater to a broad spectrum of users' need.

Accessories and spare parts

In addition to our e-scooters, urban commuter electric motorcycles, and performance bicycle series, we also offer a comprehensive line of NIU-branded accessories and spare parts.

Scooter Accessories. Our scooter accessories include riding gears, such as raincoats, gloves, and knee pads and accessories to be installed on our e-scooters to expand functionalities, such as storage baskets and tail boxes, smart phone holders, backrests and locks.

Lifestyle accessories. Our NIU POWER line of lifestyle accessories includes branding apparel, such as t-shirts, coats, jeans, hats, bags, and jewelry, and souvenirs such as notebook, badges, key chain and mugs.

Performance Upgrades. Our NIU POWER Performance line of high-performance upgrade components include upgraded wheels, shock absorbers, brake calipers, and carbon fiber body panels.

Our NIU App

Our NIU app serves as an integrated platform and supplemental tool to our smart e-scooters. The app includes a suite of functions that primarily focus on the connection with our smart e-scooters as well as other services and value propositions. Depending on vehicle models and geographical areas, the App includes:

NIU Dashboard

Through communications with the Cloud ECU, multiple sensors, positioning module and communication modules onboard each smart e-scooter, the NIU app presents various key information about the smart e-scooter on the dashboard, including:

- scooter status, such as the location of the scooter and anti-theft alerts;
- historical riding data such as past routes and riding statistics; and
- key diagnostics, such as the real-time status of the battery and the battery health score.

The dashboard features a card-based interface to present the most useful and relevant information to the users based on users' preferences, which is both intuitive and has great potential for customization and expandability.

NIU Services

Through the NIU app, users can access a variety of services.

- Online repair request. Users can request repair services with one click, after which the app will intelligently recommend the nearest service station for the services.
- Smart check. The function checks common failures which may occur in various components. Users can directly seek solutions through the fault tags.
- Service station locator. Users can access comprehensive information about nearby service stations.
- NIU Cover. Users can query and activate NIU Cover insurance services within the app.
- Smart service. Users can check the status of the smart connection services and can renew the service.
- Theft reporting. Users can report theft of the smart e-scooter and battery within the app.

NIU Store

We have established a built-in e-commerce platform in our NIU app, where our users can purchase our e-scooters and NIU-branded accessories.

NIU Social

The social tab is the forum for NIU users to post photos, chat, set up a gathering, and share fun in riding and daily life.

NIU Points

It is a user loyalty program designed to enhance user engagement and activity. The NIU Points are earned through joining special events, purchasing specific accessories, publishing original content, interacting with other users, among others. NIU users can redeem the earned points for exclusive NIU badges, NIU accessories, and coupons.

Our NIU Brand

Our brand represents style, freedom and technology. We design and market our products purposefully to reinforce consumer perception of "NIU" as a premium smart e-scooter brand.

We conduct various marketing and branding activities to establish NIU as a premium brand. We actively participated in global exhibitions and roadshows in various countries, such as the Electrify Expo in New York and EICMA in Milan, where we unveiled an innovative product lineup, including dirt bikes, electric motorcycles and advanced micro-mobility solutions. These initiatives reinforce our technological leadership and boost NIU's brand visibility. To elevate our global brand recognition, we expanded our retail presence through strategic partnerships with premier retail brands such as Best Buy in the United States and MediaMarkt in Europe. Additionally, we implemented a comprehensive marketing strategy on platforms like Douyin and REDnote through coordinated livestreaming and short video campaigns with over 2,000 stores, achieving simultaneous growth in both brand exposure and GMV.

We also collaborated with a diverse range of brands and trendy groups, including Alipay, Amaps, Pizza Hut, 360 and The North Face, to organize marketing activities aimed at promoting our brand. Targeting younger demographics, we collaborated with JD Gaming, a top League of Legends team, in February 2024 to launch the NXT model, sparking discussions among premium consumers and young esports enthusiasts. Additionally, we collaborated with Razer, the world's top gaming hardware brand, to host a nationwide university esports championship, which received widespread recognition and praise within the gaming community and on social media. Furthermore, we deepened our collaboration with the popular game "Game for Peace" and launched the special edition FX model. On Earth Day, we launched the global "Green Riding" cycling campaign both online and offline, mobilizing users worldwide to promote environmentally friendly travel and waste recycling, contributing to sustainable development and fulfilling our social responsibility as a leading provider of smart urban mobility solutions.

Capitalizing on our premium NIU brand, we have also launched various lifestyle accessories, such as apparel, which are well received by customers.

NIU Community

We have cultivated a highly dedicated and growing base of NIU fans. Our users are proud owners of NIU smart e-scooters with high engagement. Based on the e-scooter activity data we collected, more than 72% of our users rode their e-scooters on a monthly basis in 2024. We endeavor to build an interactive and dynamic social community to further convey and brand image as a fashionable urban lifestyle. NIU clubs are one of the core components of NIU community, and there were over 100 of NIU clubs as of December 31, 2024. Formed and run by the enthusiastic NIU fans, these NIU clubs organize various events, such as new product test drives, riding for good causes, and scooter parades. We support the NIU clubs with products, designs and announcement channels. To further expand the NIU community and increase brand loyalty, we have facilitated our users to create virtual NIU communities via social media, such as WeChat, to bring together our users from all walks of life. We have a dedicated user interaction team, which closely monitors and actively participates in different interest groups such as photography group, accessories group, social responsibility group, etc. and interacts with users online.

In these groups, our users share user-generated content, such as video clips or pictures. To boost the content contribution from our users, our city partners through their distribution network reward them with discounts from local businesses such as restaurants. Owning a NIU scooter thus opens up opportunities for users to participate in more local interest groups and local businesses discounts, leading to a truly better urban life. Our virtual community and NIU clubs create a beneficial network effect for the brand.

Data Analytics—NIU Big Data

We have developed our user and scooter data analytics capabilities, which enable us to collect and analyze massive relevant data to deepen our understanding of the smart e-scooter performance, user behavior and operational insights.

We have accumulated massive amount of data from multiple sources. We currently collect 462 types of data points covering 72 dimensions such as humidity, lighting and temperature, from our Cloud ECU and up to 32 sensors installed on each smart e-scooter. As of December 31, 2024, our NIU app had been connected with approximately 3,610,000 smart e-scooters, which had accumulated approximately 27.8 billion kilometers of riding distance of data. We also collect data from our NIU app, company's websites, e-commerce platforms, as well as through providing repair and maintenance services.

Our cloud system utilizes a robust, multilayer database structure that can handle over a million persistent connections concurrently. Our parallel database servers to support quick multiple queries in a TB level database. Our cloud system monitors the servers and automatically regenerates a new virtual server if any server goes offline. The above features ensure that our smart e-scooters maintain constant, reliable, and responsive connections with our cloud. In addition, our cloud's open API platform allows connection with third parties to support functions such as fleet management and smart e-scooter sharing program.

Our data analytics team leverages our proprietary big data platform and analytical tools, NIU Inspire to analyze the collected data to deepen our understanding of user behavior and product performance and gain operational insights, enabling us to: (i) guide the upgrade of the existing models and development of new ones; (ii) fine tune the firmware in our existing scooters to improve performance, such as the self-adaptive state of charge algorithms for better battery utilization or the FOC controller software for better electric motor efficiency; (iii) achieve more intelligent retail and service shop planning; (iv) generate scooter diagnosis reports and provide smart maintenance suggestions; and (v) conduct accurate targeted marketing.

We collect user-related data after receiving users' consent. Users in Europe have the option to choose whether or not to send the GPS related data to us due to different data privacy regulations in these regions.

After-Sales Services

We offer comprehensive after-sale services including value-added services. Our warranty is complemented by value-added services such as NIU Care and NIU Cover, which can be conveniently ordered through NIU app, service hotline, or at our franchised stores. In addition, we provide various value-added services through our NIU app, including DIY repairs and location of our service centers, and theft reporting. Furthermore, we have been gradually implementing a more intelligent battery maintenance and fault prediction system. By analyzing factors such as user charging habits, driving distance, and environmental temperature, we create personalized user profiles that, when combined with adaptive battery management technologies, enable more efficient and intelligent battery maintenance. Additionally, we are incorporating artificial intelligence to learn from and analyze historical fault data, providing intelligent support for predictive maintenance. We believe all these services together will create a satisfying user experience throughout the e-scooter life cycle. Through these services, we aim to make ownership "worry free" and allow our users to truly enjoy riding and owning our e-scooters.

Warranty Policy

We provide limited warranty to our users for terms that vary from three months to five years, subject to certain conditions, such as normal use. For certain key components of e-scooters, we mainly provide quality warranty varying from twelve months to a lifetime. For lithium-ion battery packs, we mainly provide a 24-month or 20,000-kilometer warranty or a 60-month or 40,000-kilometer warranty, depending on the model.

For other components of the e-scooters, we provide quality warranty varying from three months to three years depending on the parts. We are responsible for replacing or repairing the faulty products during their respective warranty terms. The warranty on certain parts of our e-scooters is covered by our suppliers' back-to-back warranty and thus we are entitled to have the suppliers replace or repair the faulty parts.

NIU Care

Our e-scooters are primarily serviced through our franchised stores and our authorized service centers, which provide repair, maintenance and bodywork services.

We launched our NIU Care program in August 2018 to provide regular after-sales maintenance service to our e-scooters. Our regular maintenance services include scooter exterior check, mechanical structure service, motor system check, electrification service, battery maintenance service, tire pressure check and cleaning services. Based on user's driving behavior and mileage.

NIU Cover

In November 2015, we launched NIU Cover to facilitate the sale of insurance coverage provided by third-party insurance companies relating to accident injury, loss of scooters and third-party liability.

Technologies

Behind our lineup of smart, efficient and high-performance smart e-scooters are the suite of advanced technologies we have developed or adopted, such as NIU Energy smart power technology, the Cloud ECU, electric motors, FOC, advanced braking systems, driver assistance and system integration, among others. We also continue to explore and leverage the latest AI technologies and applications in the electric two-wheel section, aiming to offering increasingly intelligent, eco-friendly and efficient mobility solutions for our users. For example, in February 2025, we announced the full deployment of DeepSeek's AI model—a globally leading, low-compute, high-efficiency platform—on our e-scooters, advancing AI-driven functionalities such as rider assistance, safety enhancements, and voice interaction, demonstrating our commitment to driving innovation in the electric two-wheel industry.

NIU Energy Smart Power Technology

Our NIU Energy smart power technology, currently in its seventh generation, combines reliable and proven cell components, innovative hardware system design and an intelligent BMS. We adapted the technology to create a portable, lightweight, safe and reliable battery pack that is suitable for e-scooters. We analyze the riding data from our smart e-scooters to locate and refine the critical point of discharge within the safe range of the battery, develop our proprietary energy efficiency matrix PACK, dynamically calibrate the intelligent BMS chips, optimize the charging dynamic balance algorithms, and integrate our EBS kinetic energy recovery system, motor, and power control unit.

Hardware Component and Design

We use the Lithium-ion battery cells as the building blocks of our battery pack. A matrix of battery cells is connected in parallel to produce a robust battery pack.

Our battery packs incorporate PACK technology, which is adopted by automakers globally. The PACK technology protects the battery cells from impact and regulates battery temperature, and use voltage, temperature, current, or PTC technology to protect each cell, thereby ensuring the integrity of the battery pack.

Our battery packs can be charged either standalone or when installed on the e-scooter, both of which can be through a home wall plug. They use proprietary charging connectors and ports for simultaneous safe charging and BMS data communications. We have also developed our proprietary NIU Flash Charger that effectively doubles the charging speed of our battery pack as compared to regular chargers.

BMS

In addition to robust hardware, our battery packs feature an intelligent battery management system, or BMS. The BMS monitors the voltage, current and temperature of the battery in real-time, and regulates power consumption.

The core of our proprietary BMS is the self-adaptive SoC algorithms that optimizes the balance between performance and battery life, provides accurate range predictions based on the data and analysis of the riding behavior of the users and the discharging characteristics of the battery cells.

Cloud Electronic Control Unit

At the core of each NIU smart e-scooter lies the Cloud Electronic Control Unit, or the Cloud ECU. The Cloud ECU serves as both a control center and communications center for the smart e-scooter. In particular, the Cloud ECU serves a wide range of functions including, among others, scooter control, motion monitoring, positioning, connectivity and data transmission from the smart e-scooter to our cloud server.

Scooter Control. The Cloud ECU serves as the smart e-scooter's master control center, coordinating the smart e-scooter's complex systems. The Cloud ECU controls, among others, the smart e-scooter battery, electric motor, Field Oriented Control system, electronic lock and light systems.

Motion Monitoring. The Cloud ECU monitors various physical aspects of our smart e-scooters with its built-in triaxial gyro sensor. The gyro sensor detects acceleration and changes in rotational motion or orientation. Thus, the Cloud ECU is able to monitor the posture and dynamics of the smart e-scooter in real-time and accordingly adjust the motor's power output, ensuring the smart e-scooter's performance and efficiency.

Positioning. The Cloud ECU currently supports two major global satellite geolocation systems: (1) the American Global Positioning System, or the GPS, (2) the Chinese COMPASS, also known as the BeiDou Navigation Satellite System. Together, these systems constitute the technical backbone of our position-based anti-theft systems as well as functions such as riding map and smart e-scooter sharing, which are capable of detecting unauthorized movements of our smart e-scooters.

Connectivity and Data Transmission. The Cloud ECU facilitates the connectivity of our smart e-scooters, which are able to access the complete spectrum of mobile network standards. Via these mobile networks, the Cloud ECU upload data about a smart e-scooter's position and its condition every 3 to 15 seconds, depending on the smart e-scooter's start up conditions. The transmittance of this data also serves as the foundation of our Assisted Global Positioning System, or the AGPS, that, when coupled with our GPS systems, allows for precise geolocation of our smart e-scooters. In addition, our smart e-scooters are also equipped with dual-mode Bluetooth chips, which allow owners of our smart e-scooters to use their smartphones to directly communicate with our e-scooters. Owners can, among others, query the smart e-scooter's status and change certain settings such as adjusting the sensitivity level of the anti-theft alert.

Intelligent Interaction. The Cloud ECU supports remote interaction with vehicles through IoT, as well as interaction between smartphones and vehicles via Bluetooth Low Energy (BLE) in the absence of a wireless network. Additionally, it supports NFC card swiping for powering on and off, and is capable of learning user driving habits to calculate estimated mileage.

OTA Updates. Our smart e-scooters are the first in the industry with OTA update capability, which is normally only seen on high-end electric cars. The OTA update is supported by the Cloud ECU and rewriteable firmware of various electronic components. The OTA allows users to effortlessly update the e-scooters to the most recent firmware updates, so the users can benefit from all future performance improvements and feature enhancements on a regular basis.

In addition to constantly improving and upgrading our Cloud ECU, we have developed our own System-on-Chip module, which to our knowledge is the first chip module specially designed and customized for smart urban mobility products. We have applied the C35 System-on-Chip module to the latest V35 version of Cloud ECU to replace the current version of Cloud ECU since August 2019, which provides higher performance and better reliability with lower power consumption and more compact packaging. In addition, the customized chip module will make it more difficult for competitors to replicate our Cloud ECU. In the meantime, we are adopting Long-Term Evolution Category 1 (LTE Cat-1) data connection technology and applying to mass production since July 2021. Compared with Narrowband IoT (NB-IoT), LTE Cat-1 supports higher bandwidth needs since it offers better performance and much lower latency than its counterpart.

Motors

We purchase motors from various suppliers and we have also designed our NIU motors, which are energy efficient and cost-efficient. We have been constantly increasing the conversion ratio and refining the calibration of the FOC of the motors.

Field Oriented Control

Using big data analytics, we have developed the proprietary FOC system that controls the electric motors. The FOC is the intelligence behind the powertrains of our entire lineup of smart e-scooters, and helps our smart e-scooters strike the balance between performance and power consumption.

The FOC controls the motor in real-time by recognizing riding conditions and continuously adjusting the torque of the motor for optimal performance. The FOC taps into the performance of a vector controller, which is superior to the square-wave controllers common on the market because a vector controller controls the power and torque output of the motor as opposed to simply adjusting the revolutions per minute, achieving a much smoother ride.

Braking System

Our smart e-scooters are equipped with hydraulic disc brakes made from special alloys. The brake discs are slotted to extend the life of the system. The hardware of the brakes is complemented by the Electronic Braking System, or the EBS, which provides for intelligent braking and recycling kinetic energy. Certain of our models also employ the combined braking system, or CBS, which intelligently splits braking force between the front and rear discs to shorten the braking distance at higher speeds. Additionally, some of our premium models are fitted with advanced Anti-lock Braking System, or ABS, to offer users enhanced braking performance and safety.

Driver Assistance

We have developed various driver assistance technologies to enhance the rider experience of our smart e-scooters such as automatic headlights, automatic return indicators, cruise control and smart self-diagnosis systems.

We continue to look for ways to enhance user experience. We have developed adaptive responses to road conditions, active safety systems, and applied them to our latest version of Cloud ECU. We are currently working on the development of, among others, active safety systems, self-balancing systems and L2 autonomous driving systems. These advanced systems are developed in tandem with the new product series.

System Integration

The NIU systems draw from a diverse range of industries and technologies. For example, we use gyroscope, satellite navigation and mobile communication chipsets that originate from the mobile phone industry; temperature sensors, humidity sensors and communication protocols that originate from the industrial control systems; and cloud and big data technologies that originate from internet industry. These diverse technologies and components operate under diverse conditions, such as different working electrical currents and temperatures. We have developed a system that uses a single master control with multi-channel protocols to ensure that all components in the vehicle can be upgraded to the latest version.

Design and Engineering

We have significant in-house design and engineering capabilities, which cover all areas of scooter engineering from concept to completion.

User-Centric Philosophy

We adopt a user-centric approach in our product design and development. All of our products are designed based on the quantitative data and qualitative feedback we collect from the smart e-scooters and users. We have developed an instant user feedback loop based on our continuous connection with smart e-scooters and proactive interaction with users, and achieved an agile product development process. We collect and analyze large amounts of product performance data and user behavioral data generated by the smart e-scooters running on the road and collected from our NIU app and website. We also conduct comprehensive surveys and collect feedback and comments from online virtual communities to understand the drawbacks of existing scooters and aim to develop new products and functionalities to satisfy the user demand. Utilizing the insights gained from the data and feedback collected, we have developed various new products and functionalities, such as cruise control and automatic headlight. We also utilize the data and feedback to provide updates to our firmware regularly over-the-air (OTA) to fine-tune the performance of our smart e-scooters and improve overall user experience.

Our research and development team comprise motorcycle enthusiasts with years of motor biking experience. Their enthusiasm, experience and expertise, together with our user-centric product development philosophy, have allowed us to design and deliver high-performance smart e-scooters and made us the pioneer in urban mobility solutions we are today.

Platform-based Engineering System

We have developed a platform-based engineering system, which is based on the same in-scooter control and data connection systems. Accordingly, we can develop different product lines with the same voltage requirement. As a result, our existing production lines can be easily adapted to new products. For example, our MQi and UQi series, which are all based on the 48V platform, adopt the same battery pack solution, BMS, FOC, BOSCH motor and EBS. By doing so, we can shorten our design timeline, accelerate time-to-market and lower manufacturing costs.

Industrial Design

Industrial design plays a crucial role at NIU. Utilizing the power of design and design thinking, the team is able to identify critical pain points from users and then to provide the best solutions to daily urban commute.

Our well-designed product lines speak a distinctive and consistent family design language. Our industrial design philosophy combines minimalist aesthetics with thoughtful functionality. Under that philosophy, we desire to create an exceptional riding experience while maintaining a smart and simple design. For example, the iconic "Halo" headlamp, equipped on all of our smart e-scooters integrates a daytime running light with our LED head lamps, providing an ultra-wide arc of light for improved vision and safety at night. Another example is the MQi series—a cool and fresh-looking smart e-scooter designed for young urban users. Slim, modem, chic and intuitive are the core design attributes of MQi series from inside out. We believe a good design should bring people joyful experience. Therefore, the team has done intensive testing and mock-ups for ergonomics study, as a result of which the MQi series features a comfortable and ergonomic seating posture as well as intuitive and easy-to-use control layout. The hidden shock absorber and the high strength aluminum alloy swing arm not only speak the same minimalistic design language, but also ensure excellent riding experience as well as safety and comfort.

NIU Innovation Lab

Our NIU Innovation Lab hosts our research and development teams of 161 members, which include, among others, our user experience design team, smart electronic research team, powertrain design team, industrial design team and product planning team.

The Lab focuses on industrial design, structural design, smart electronics research, power electronics research, user data analysis, business intelligence system development and user experience research. The Lab and our research and development team played a crucial role in the creation of the 612 patents we held as of December 31, 2024. We also entered into a definitive Development Collaboration Agreement in March 2019 with one of the world's leading automobile manufacturers regarding joint development of Micro-mobility solutions, which was carried out by the Lab.

Global R&D and Manufacturing Base

Our new global R&D and manufacturing base commenced operation in December 2019. Located in Changzhou, China, the new facility hosts, among others, our proprietary R&D laboratories for our BMS intelligent battery management system, FOC magnetic field-oriented control system, EBS electronic brake system, Cloud ECU intelligent central controller and NIU Inspire big data analysis system, as well as a quality laboratory for comprehensive and standardized testing of the raw materials and vehicles.

Manufacturing and Fulfillment

We design, manufacture and sell high-performance electric motorcycles, mopeds, bicycles, as well as kick-scooters and e-bikes. We view the manufacturers and suppliers we work with as key partners through our product development process and leverages their industry expertise to ensure that each product that we produce meets our strict quality standards.

Production facility

We keep the majority of the assembly of our electric bicycles,electric motorcycles and electric kick-scooters in our own production facility, while cooperating with a motorcycle manufacturer with required qualifications to manufacture the certain electric motorcycles models. We operate two manufacturing facilities in Changzhou, China. Our global R&D and manufacturing base includes two phases of construction. Phase I facility commenced operation in December 2019, and covers around 50,000 square meters. Phase I layout includes four semi-automatic assembly lines, a highly efficient double-decker logistics facility, a products showroom, and a dedicated quality control laboratory. The designed production capacity under Phase I is 700,000 units per annum, which increased our total production capacity to over 1,000,000 units per annum. Phase II facility covers around 61,000 square meters and started production from September 2021, which increased our total production capacity to over 2,000,000 units per annum.

Supply Chain Management

We purchase key components from our suppliers, such as batteries, motors, tires, battery chargers and controllers. We strategically select our suppliers to avoid over-concentration, control our cost and maintain a good relationship with our suppliers.

To avoid over-concentration of supply and manage costs and product quality, we generally engage more than two suppliers for each of our key components. For example, we source motors from other suppliers in addition to BOSCH, and source battery cells from multiple suppliers. We select our suppliers based on a variety of criteria, including, among others, production capacity, technological sophistication, quality assurance, professional certification, manpower adequacy, financial position and environmental compliance. In addition, we review the performance of our suppliers quarterly, and make necessary adjustments to our supply chain, including termination of under-performing suppliers. We have been able to maintain good and long-lasting relationships with our suppliers.

We also have strong bargaining power on procuring raw materials, which enables us to effectively defend ourselves against price increases and fluctuations. We diversify our source of each type of raw material from at least two suppliers. Typically, we enter into a supply framework agreement with each of our raw material suppliers, under which our procurement price is generally set as the predefined standard cost of the supplier plus a specified mark-up, subject to quarterly or semi-annual renegotiation.

We have been able to effectively manage our inventory level. We formulate holistic plans for our production, warehousing and logistics, by tracking a variety of factors, including, among others, historical sales data, sales forecasts and customization requests. With smooth turnover between production and logistics, we are able to maintain an optimal inventory level, to fulfill our orders and avoid over-stock at the same time. Our inventory turnover days were 50, 73 and 71 for 2022, 2023 and 2024, respectively. Inventory turnover days for a given period are equal to average of the balances of inventories, at the beginning and the end of the period divided by cost of revenues during the period and multiplied by the number of days during the period.

Quality Control

We believe that the quality of our products is crucial to our growth. We place great emphasis on quality control, set up dedicated team and implemented stringent monitoring and quality control systems to manage our operations.

Our quality control system starts from procurement. Before entering our production flow, the raw materials must be certified for quality. We also perform quality reexaminations and unannounced inspections on raw materials in the mass production flow. We review the performance of our suppliers based on the defective percentage of their supplies, and adjust the amount of procurement from them accordingly. We typically enter into a quality control agreement with each of our suppliers, under which we may seek remedies against our suppliers, such as damages and rectification, in the event the supplies fall below the quality standard or exceed minimum defective percentage.

Our quality control system covers each stage of our production process. When we establish or adapt an assembly line for a new product or model, we trial-run the assembly line to produce a sample for quality examination. The assembly line can start mass production only if the produced sample is of adequate quality. When the in-progress product moves from one section to another along the assembly line, it must be checked for quality by the responsible assembly specialists in both sections. After completion of assembly, our quality control personnel will perform overall quality inspection and road-test on the products in accordance with relevant protocols. A product may be shipped out of manufacturing facility only after it passes all quality control examinations and is properly documented as such. We also track the acceptance status of our products when they reach our distributors or customers. By logging and breaking down the pass rates along our products in the production process, we are able to identify our quality control weak spots, and improve our operation accordingly.

Our new global R&D and manufacturing base includes a dedicated quality control laboratory equipped with full-automatic and semi-automatic instruments for components testing, and proprietary inspection systems for battery cell quality testing.

We have not experienced any massive product recall, massive refunds or other quality control outbreak since we started to sell e-scooters.

Fulfilment

Leveraging our excellent production and big data capabilities, we are able to achieve fast turnaround time fulfilling orders placements. We ship our products generally 7 to 15 days following placement of order and receipt of payment from our city partners in China. For overseas distributors, delivery generally takes 30 to 60 days following the receipt of down payment under FOB terms, or 5 days fulfilled from our overseas warehouses. Orders from niu.com or other e-commerce platforms are faster to fulfill, usually within five days.

Through proactive planning, we are able to estimate the distribution of orders in a certain period of time and improve the predictability of our order fulfillment. For example, our franchised stores must timely submit their revolving order plans for the period of the following two weeks and following three months. We incorporate such order plans, in addition to other information, into our holistic planning of production, warehousing and logistics, which in turn helps us achieve fast turnaround to fulfill order placements. Similarly, in a one-year time span, we take into consideration of the capacity constraint of the factories and frontload the productions ahead of the peak sales season.

We have different shipping methods for our finished products depending on the type of the distribution channel: (i) for our offline domestic distribution channels, our city partners and franchised stores are responsible for logistics from the moment products are rolled out of the factory; (ii) for local distributors in international markets, we ship our products mainly under FOB or DDP terms; and (iii) for online shopping platforms such as our official website and third-party platforms such as JD.com and Tmall, we ship our products through third-party delivery services.

Omnichannel Retail Model

We have established a distinct omnichannel retail model network to sell our products and provide service to our customers. As of December 31, 2024, we sold our products through 3,735 franchised stores in 293 cities in China and 57 distributors in 53 countries overseas, as well as on our own online store and third-party leading e-commerce platforms. We also leverage our omnichannel retail network to deliver peripheral services such as maintenance and repair, and to collect data for business insights.

Offline Distribution Network

City partners and franchised stores

In China, our offline retail channels consist of city partners and franchised stores. Our "city partner" system plays an important role in our offline sales strategy. City partners are our exclusive distributors who either open and operate franchised stores or sign up franchised stores. Leveraging our data analytics and their local knowledge, the city partners select store location and manage the franchised stores. The city partner system allows us to optimize store location selection, manage stores efficiently, and maintain our inventory at a low level.

To become our city partner and run our franchised stores, a potential business partner must meet certain qualifications and possess the prerequisite capabilities specified in the standard franchise agreement, including, among others, adequate and relevant experience, minimum working capital and sound knowledge of local business environment. The stores also have to meet certain requirements that we formulate and adjust from time to time, such as being in a location reasonably accessible and convenient for our targeted users, having adequate square footage, having at least two years of lease term if under leasehold, and having a layout and decorative style that conform to the architectural specifications.

Our city partners and franchised stores are an extension of our brand. Our franchised stores adopt a consistent design and layout, provide consistent shopping experience. We enter into a standard distribution agreement with each of our city partners. Each city partner may only offer such products and services, in the specified region and manner, as provided under its respective distribution agreement. The city partners also have to comply with our internal policies regarding performance review, branding and confidentiality. To ensure orderly allocation of customer resources between the city partners, we maintain a zoning segregation system, under which all the city partners must sell at or above the guidance retail price we set, and may not cross-sell to other regions allocated to other city partners. The city partners purchase the products from us, and are responsible for the logistics, warehousing, and distribution to franchised stores. We do not charge any initial fees or continuing fees to our city partners or franchised stores.

We closely monitor the sales performance, service level and activities within the franchised stores through the store level management system that was implemented in early 2018. We will continue to upgrade such system to collect more store operation data such as consumer traffic flow and traffic flow sources, test drive frequencies and sales conversion rate. We also use data collected by other means to improve the performance of our stores. This information helps us adjust store-specific retailing and marketing strategies, thereby increasing per store sales.

In addition to offering smart e-scooters, our stores also serve as our service stations to provide after-sales services such as inspection, maintenance and repair services. Under our standard franchise agreement with the city partners and franchised stores, if a customer requests a franchised store to repair one of our products within the term of the warranty, we will reimburse the franchised store for all reasonable labor cost incurred from the repair and also provide them with the necessary spare parts. By offering after-sales services, we aim to establish one-stop solution experience for our customers, continue to increase traffic flow to our stores and enhance user loyalty.

The majority of our city partners make full payments upfront for their orders, which helps us improve cash flow management.

Overseas Distribution

We export our products to distributors in over 50 countries overseas, with the United States being our largest export market. We manufacture and customize our products based on the requirements of our international customers and we ensure our exported products are in compliance with the standards of the local markets.

In international markets, we establish our sales network by engaging with local distributors, retail partners, and by setting up local entities. A potential business partner must meet certain qualifications and possess certain prerequisite capabilities, including, among others, preexisting business presence in motorcycles or consumer electronics and established comprehensive sales and service network to be eligible as our local distributor. In addition, our local distributors must share our vision in the promising future of smart and eco-friendly transportation products, and embrace our innovative marketing models.

Typically, we enter into a distribution agreement with each of our local distributors, under which the local distributor will commit to a minimum annual purchase amount from us, for a period of one to three years. Our shipping arrangements with local distributors mainly under FOB or DDP terms.

We position our products as fashionable, premium urban mobility tools in international markets. Our distributors sell our products primarily in the following three types of stores in international markets:

- branded flagship stores, which are located in the core business areas in major cities, have a space of over 100 square meters, and carry our smart e-scooters exclusively.
- shop-in-shop stores, which are located in downtowns in major cities, where the entire store has a space of over 100 square meters, and have a designated section for our smart e-scooters with a space of over 30 square meters.
- other point of sales, which are licensed to carry our smart e-scooters on a non-exclusive basis.

In our micro-mobility product category, we have established offline sales channels by engaging with our retail partners, such as Best Buy in the United States and MediaMarkt in Europe. Through these retail partners, we were able to place our products in over 1,000 physical locations in the United States and Europe as of the end of 2024.

Online Distribution Network

We sell smart e-scooters and accessories online through third-party e-commerce platforms and on our own online store.

We have adopted the online to offline model, seamlessly integrating the online and offline networks to provide a seamless, consistent experience for our customers. These online platforms act as conduits for influencing customers and directing sales to physical stores. Our customers can conveniently place orders online and pick up their scooters at the franchised stores.

We entered into standard cooperation agreements with third-party e-commerce platforms, pursuant to which the e-commerce platforms provide us sales and price settlement services, and charge us commission fees and technical support annual fees. We are responsible for the logistics, customer services and after-sale services for the products sold on these platforms.

Marketing

We focus on promoting awareness of our brand generally and in particular as a lifestyle brand with high-quality smart e-scooters globally. Our brand and our e-scooters are marketed to retail customers through digital and experiential activities as well as through more traditional promotional and advertising activities. We aim to engage in cost-effective marketing activities by taking advantage of social media and to build an online and offline ecosystem of users that will promote awareness of our brand. To a lesser extent, we engage out-of-home advertising, such as through billboard advertising in cities and advertising on buses. Our marketing efforts include the following:

Profile-based online marketing

Leveraging our sophisticated data analytics capabilities, we are able to gain a deep understanding of our target customer profiles, such as demographics and interests. With this knowledge, we precisely direct our marketing efforts through targeted online channels to efficiently reach new customers with matching profiles or existing customers for repeat purchases. We conduct online marketing through channels such as search portals, social media, online video platforms, and e-commerce platforms. We also leverage the key major media popular with our target groups to regularly publish news and updates about our company, such as our product launch events. We conduct joint marketing activities with other brands. We also utilize our official bulletin board system (BBS), the NIU app and our social media accounts to distribute original content to, and interact with, our followers and existing users. Through the right channels, we deliver the right key messages and original contents to achieve effective marketing.

Location-based offline marketing

We conduct offline marketing and advertising through LCD billboard ads, elevators ads, bus ads, product roadshows, subway stations, exhibitions in music festivals, among others. To achieve higher efficiency on offline marketing, we leverage riding data collected from our smart e-scooters. For example, in each city, we have a heat map showing anonymously where NIU users ride and park our e-scooters, a good indicator of locations of where potential users concentrate. The heat map allows us to select the optimal offline ads locations (such as LCD billboard, or bus routes or residential buildings) to reach our targeted consumer groups, or organize product roadshows in the most relevant venue.

Viral marketing

Leveraging our excellent product quality, fashionable brand image and strong customer loyalty, we are able to utilize viral marketing strategies to establish NIU as a premium brand. For example, we actively participated in global exhibitions and roadshows, including the AIMExpo in Las Vegas, IFA in Berlin, EICMA in Milan, and the electric exhibitions in various countries, which significantly boosted the visibility of our NIU brand. Additionally, we collaborated with a diverse range of brands and trendy groups, including Alipay, Amaps, Pizza Hut, 360 and The North Face, to organize marketing activities aimed at promoting our brand. In August 2022, our SQi series collaborated with Razer, the world's top gaming hardware brand, on a joint product event that received widespread recognition and praise in the gaming community and on social media, especially among the younger demographic. This collaboration was further solidified in 2024 through substantial support provided by us for the Valorant Collegiate Challenge Event, showcasing our commitment to engaging with dynamic communities and reinforcing our brand's innovative spirit. Throughout 2024, we executed a large-scale marketing campaign on platforms like Douyin and REDnote, collaborating with over 2,000 retail partners to synchronize livestreaming and short video promotions. This strategy drove growth in both brand exposure and GMV. Furthermore, we tapped into youth culture by teaming up with JD Gaming, a top League of Legends esports team and Game for Peace. These initiatives enabled deep penetration into youth demographics, strengthening our brand recognition among next-generation audiences.

Event-driven marketing

In addition to our day-to-day marketing operation, we organize event-driven marketing activities, such as new product launches, company key milestone media events and monthly offline marketing events.

New product launches are typically our largest events of the year. Starting in 2015, we have organized product launch events every year, joined by a large group of live audience including our users and partners, with extensive media coverage. In November 2021, we unveiled an electric scooter, the MQi-GT EVO, along with two kick scooters, the KQi2 and KQi3 Max, and an e-bike, BQi, at the 2021 EICMA show. Throughout 2022, we introduced a range of new products, including the SQi, UQi+. In 2023, we launched the MQiL and the new F series, among others, and unveiled a diversified portfolio of new electric scooter, XQi3, RQi, F600 and F650 at the 2023 EICMA show. In 2024, we launched a new generation of models in the NQi series, including electric motorcycles NX and electric bicycles NXT.

We actively participate in exhibitions and roadshows, collaborating with leading lifestyle brands such as the North Face Mountain Festival, Sneaker Con, G-Fusion Game Fest, and Designer Toy Expo. These events provide us with valuable opportunities to showcase our products and enhance our brand presence. We also maintain a strong online presence through strategic communication and marketing campaigns, primarily on short video platforms like REDnote and Douyin.

In 2023, we embarked on impactful cross-brand collaborations, such as our partnership with the globally recognized IP Kumamon and the launch of the NIU x Kumamon scooters. Additionally, we sponsored a premier esports team, JD Gaming.

In 2024, we established a close collaboration with the popular game "Peacekeeper Elite" by becoming an industry partner of the 2024 Peacekeeper Elite Professional League and launching co-branded electric scooters FX and MT featuring special designs like soldier flame camouflage patterns and customized voice commands from the game.

In addition, we sponsor and participate in non-profit social activities such as marathons, through which we exemplify green and lifestyle, and it has been positively received by runners and spectators nationwide.

Overseas marketing

We invest in overseas marketing with a view to raise our brand awareness in the international markets. We adopted a dynamic marketing strategy that combines traditional public relations, tactical digital marketing, and strategic retail and event marketing.

Our active participation in global exhibitions and roadshows, including the AIMExpo in Las Vegas, IFA in Berlin, EICMA in Milan, and the Electric Expo in various countries, has significantly elevated the NIU brand's visibility.

We have engaged leading consumer technology public relations firms to assist us in building trust, awareness and thought leadership in the e-mobility space.

Competition

We operate in the battery-powered electric two-wheeled vehicles market, which is a segment of the electric two-wheeled vehicles market. The segment is growing rapidly, and we believe we maintain competitive advantages in a number of areas, including brand, product design and quality, smart features, omnichannel retail model, customer satisfaction, and a loyal customer base.

See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may face intense competition in the electric two-wheeled vehicles industry."

Intellectual Property

Our success depends, at least in part, on our ability to protect our core technology and intellectual property. We rely on a combination of patents, patent applications, trade secrets, including know-how, copyright laws, trademarks, intellectual property licenses and other contractual rights to establish and protect our proprietary rights in our technology. In addition, we enter into confidentiality and non-disclosure agreements with our employees and business partners. The agreements we entered into with our employees also provide that all software, inventions, developments, works of authorship and trade secrets created by them during the course of their employment are our property.

Our intellectual property rights are critical to our business. As of December 31, 2024, we owned 612 patents, 978 registered trademarks and 31 copyrights relating to various aspects of our operations and two registered domain names, including www.niu.com. Of the 978 registered trademarks, 155 are registered in mainland China and 823 in other countries and regions. As of the same date, we had 211 applications for patents and trademarks pending in mainland China, Europe and other jurisdictions.

Regulations

This section sets forth a summary of the most significant laws, regulations and rules that affect our business activities in mainland China and our shareholders' rights to receive dividends and other distributions from us.

Regulations on Production of Electric Bicycles

On July 9, 2005, the State Council of the PRC promulgated the Regulation of the PRC on the Administration of Production License for Industrial Products, or the Production License Regulations, which was last amended on July 20, 2023 to take effective on the same date. On April 21, 2014, the General Administration of Quality Supervision, Inspection and Quarantine, or the AQSIQ, issued the Measures for the Implementation of the Regulations of the PRC Administration of Production Licenses for Industrial Products, or the Measures, which was revised by the SAMR on September 29, 2022. The latest version took effect on November 1, 2022. According to the Production License Regulations and the Measures, any enterprise that has not obtained a production license for a product listed in the Announcement of the Product Catalog Implementing the Production Licensing System, or the Production Catalog, which was issued by the General Administration of Quality Supervision, Inspection and Quarantine (abolished), or the AQSIQ on November 20, 2012, must not produce the relevant product. An enterprise must file an application to the provincial administration of quality and technology supervision for the license of producing the products listed in the Production Catalog. Otherwise, the authorities can impose fines and other administrative sanctions, and serious violations may result in criminal liabilities. According to the Production Catalog, most of our products are classified as electric bicycles, which are industrial products that fall within the scope of Production License Regulations and Measures. Thus, we have obtained the appropriate production license thereof. On June 24, 2017, the State Council issued the Decision on Adjusting the Catalog for the Administration of Production Permits for Industrial Products and on Trying out the Simplification of Approval Procedures, or the Decision. Pursuant to the Decision, the production license for electric bicycle was canceled and was changed to implement mandatory product certification management. According to Announcement on the Issuance of Administrative Arrangements for the Transformation of Electric Bicycle Products from Licensing to Compulsory Product Certification by the SAMR and the National Standardization Management Committee on July 2, 2018, the transition period from production license management of electric bicycle to China Compulsory Certification management was from August 1, 2018 to April 14, 2019. The Safety and Technical Specification for Electric Bicycle (GB 17761-2018), or the Electric Bicycle Standard, promulgated by the SAMR and the National Standardization Management Committee on May 15, 2018 and effective on April 15, 2019, is the main national standards governing electric bicycles. The Electric Bicycle Standard replaced the General Technical Requirements for Electric Bicycles (GB 17761-1999), or the Old Standard, which were issued by the Quality and Technology Supervision Bureau on May 28, 1999 and became effective from October 1, 1999, and will be replaced by the updated Safety Technical Specification for Electric Bicycle (GB17761-2024), which will become effective on September 1, 2025. On October 1, 2024, the State Administration for Market Regulation, the Ministry of Industry and Information Technology, the Ministry of Public Security and the National Fire and Rescue Administration jointly issued the Announcement on Strengthening Electric Bicycle Product Access and Industry Standardized Management, emphasizing, among others, that national mandated standards for electric bicycle shall be strictly complied with and the compulsory certification shall be strictly implemented. On October 15, 2024, China Quality Certification Center issued the Notice on Implementation of the New Version of the Standard for CCC Certification of Electric Bicycles. Starting from November 1, 2024, entities seeking electric bicycle certification must follow this 2024 edition of CCC Certification. Certificates issued under the 2023 edition will remain valid, while the valid certifications issued prior to the 2024 edition must complete the certification changes by October 31, 2024, failure to do which will result in temporarily suspension, or even revocation of the certification if the changes are not completed within a one-year transitional period. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our products are subject to safety standards and failure to satisfy such mandated standards would have a material adverse effect on our business and operating results." Furthermore, on April 21, 2023, the MIIT issued certain recommended industrial standards on the production and design standards of electric bicycles and spare parts, including the Technical Specifications for Handlebar of Bicycles (QB/T 1715-2023), the Specifications and Dimensions of Lithium-ion Battery for Electric Bicycles (QB/T 4428-2023), the General Technical Specifications for Electric Bicycles (QB/T 5869-2023), and the General Technical Specifications for Electric Bicycles' Electronic Control Units (QB/T 5870-2023), all of which came into effect on November 1, 2023, for enterprises' reference.

Regulations on Qualification of Production of Electric Motorcycles

Pursuant to the Administration Measures for Access of Motorcycle Manufacturing, or the Motorcycle Manufacturing Measures, issued on November 30, 2002 and the Implementing Rules of the Administration Measures for Access of Motorcycle Manufacturing, or the Motorcycle Manufacturing Rules, issued on December 31, 2002, enterprises must pass the production access examination and obtain the Motorcycle Production Access Certificate before manufacturing motorcycles in mainland China, and if an enterprise conducts a motorcycle manufacturing consignment, both the consignee and the consignor are required to obtain the Motorcycle Production Access Certificate. Pursuant to the General Specifications for Electric Motorcycles and Electric Mopeds, or the General Specifications, which was issued on June 25, 2009 and effective on January 1, 2010, the General Specifications applies to electric motorcycles and electric mopeds. On January 14, 2010, the MIIT, issued the Circular on Matters Related to Electric Motorcycle Production Enterprises and Product Access Management, or the Circular, which imposes production restrictions on enterprises who currently produce or intend to produce electric motorcycles. Such enterprises must satisfy the MIIT's access requirements and be on the list of the Announcement on Vehicle Manufacturers and Products before continuing or commencing production. On November 27, 2018, the MIIT promulgated the Administration Measures for Access of the Road Motor Vehicle Manufacturing Enterprises and Products, which became effective on June 1, 2019 and replaced the Motorcycle Manufacturing Measures and the Motorcycle Manufacturing Rules. According to the Administration Measures for Access of the Road Motor Vehicle Manufacturing Enterprises and Products, the authorities will continue to implement a classified access administration of enterprises engaged in the manufacturing of road motor vehicles and road motor vehicle products, and road motor vehicle design enterprises are encouraged to cooperate with or consign to licensed road motor vehicle manufacturing enterprises in manufacturing process. We entered into a manufacturing cooperation agreement with a motorcycle manufacturer with required qualifications to manufacture certain models classified as electric motorcycles. Besides, Jiangsu Xiaoniu has been listed in the Road Motor Vehicle Manufacturers and Products List (batch 327) issued by MIIT on January 13, 2020 as an enterprise permitted to manufacture motorcycles and we have obtained the World Manufacturer Identifier (WMI) and Vehicle Identification Number (VIN). See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Our products are subject to safety standards and failure to satisfy such mandated standards would have a material adverse effect on our business and operating results."

Regulations on Registration of Electric Bicycles

Pursuant to the Road Traffic Safety Law of the PRC (Revised in 2021), a non-motorized vehicle which ought to be lawfully registered shall be deemed street-illegal until it has been registered with the local traffic administrative department. In addition, the categories of such non-motorized vehicles shall be determined by provincial governments in light of their respective actual local situation and shall consist of technical standards in terms of overall weight, braking performance, overall size and reflectors, which all non-motorized vehicles should abide by. We have obtained the production license for electric bicycles according to applicable regulations. We will adjust the technical standards of our e-scooters to be sold at local markets until the technical standards meet local requirements and our e-scooter is listed on the local catalog which indicates the e-scooters on it are permitted to be lawfully registered.

Pursuant to the Circular on Strengthening the Management of Electric Bicycles, jointly promulgated by the State Administration for Industry and Commerce, the AQSIQ, the Ministry of Public Security and the MIIT on March 18, 2011, any non-compliant vehicle may not be registered as a non-motorized vehicle, which in turn means it shall be deemed street-illegal.

Therefore, some PRC local governments issued restrictive provisions on electric bicycles. Some local governments (such as Beijing, Shanghai, Anhui province, Jiangsu province, Guangxi province, Zhejiang province and Gansu province) implemented a catalog management system requiring (i) restricting and prohibiting sales and/or use of electric two-wheeled vehicles that do not meet the required standards; and/or (ii) end users to register electric two-wheeled vehicles. For example, on October 20, 2013, the Shanghai Municipal People's Congress promulgated the Measures for the Management of Non-motorized Vehicles in Shanghai, which stipulates that any non-motorized vehicle that is sold in Shanghai must be registered with relevant department. Most of our products have obtained sales approval in Beijing, Shanghai, Anhui province, Jiangsu province, Guangxi province, Zhejiang province, Gansu province and other major provinces and cities. In addition, we will cooperate with local governments that require us to obtain approval of sales. On the other hand, several local municipal governments (such as Xiamen, Shenzhen and Dongguan) have promulgated rules and regulations prohibiting the riding of electric bicycles/electric scooters in specific districts, and also restricting the use of registered electric two-wheeled vehicles. Due to the limited number of such districts, which are not our major source of revenue, the regulations of prohibiting and restricting do not have substantial effect on our revenue.

Regulations on Registration of Motorcycles

Pursuant to the Provisions on the Registration of Motor Vehicles of the PRC promulgated on May 27, 2008, amended on December 17, 2021 and came into effect on May 1, 2022, the owner of a motor vehicle, including motorcycles, shall apply for registration of such motor vehicle after obtaining the certificate of qualified motor vehicle safety technical inspection from a local motor vehicle safety technical inspection institution. On October 18, 2014, the Circular of the Ministry of Industry and Information Technology and the Ministry of Public Security on Strengthening the Production and Registration Management of Minibuses and Motorcycles was issued, which reiterates that motorcycles must be registered, and in order to simplify the motorcycle registration procedures in rural areas, motorcycles may gradually be sold with license, and motorcycle sales enterprises may be entrusted to register motorcycles before motorcycles are sold.

In recent years, in order to control the number of motor vehicles on the road, certain local governments have issued restrictions on the issuance of vehicle license plates, but these restrictions generally do not apply to the issuance of license plates for new energy vehicles, which makes it easier for purchasers of new energy vehicles to obtain automobile license plates. For example, pursuant to the Implementation Measures on Encouraging Purchase and Use of New Energy Vehicles in Shanghai, local authorities will issue new automobile license plates to qualified purchasers of new energy vehicles without requiring such qualified purchasers to go through certain license-plate bidding processes and to pay license-plate purchase fees.

Regulations on Production Safety

Pursuant to the Production Safety Law of the PRC, or the Production Safety Law, which took effect on November 1, 2002 and was amended on August 31, 2014 and June 10, 2021, the entities that are engaged in production and business operation activities must implement national industrial standards which guarantee the production safety and comply with production safety requirements provided by the laws, administrative regulations and national or industrial standards. An entity must take effective measures for safety production, maintain safety facilities, examine the safety production procedures, educate and train employees and take any other measures to ensure the safety of its employees and the public. An entity or its relevant persons-in-charge which has failed to perform such safety production liabilities will be required to make amends within a time limit or face administrative penalties. If it fails to amend within the prescribed time limit, the production and business operation entity may be ordered to suspend business for rectification, and serious violations may result in criminal liabilities. Our production behaviors are compliant with the Production Safety Law so far.

Regulations on Product Quality

The Product Quality Law of the PRC, or the Product Quality Law, was adopted on February 22, 1993 and amended on July 8, 2000, August 27, 2009 and December 29, 2018. The Product Quality Law applies to anyone who manufactures or sells any product within the territory of mainland China. It is prohibited from producing or selling counterfeit products in any form, including counterfeit brands, or providing false information about the product manufacturers. Violation of national or industrial standards may result in civil liability and administrative penalties such as compensation, fines, suspension of business and confiscation of illegal income, and serious violations may result in criminal liabilities. We are in compliance with any of provisions of the Product Quality Law.

Under the Application Scope of the First Batch of Products Implementing Mandatory Product Certification Catalogue effective on July 1, 2002, motorcycles and bicycles with gasoline and other engines were within the product catalogue that must apply the compulsory product certification. The Administrative Regulations for Compulsory Product Certification was promulgated on July 3, 2009, amended on September 29, 2022, and took effect on November 1, 2022, pursuant to which that several specified products must not be delivered, sold, imported or used in other business activities until they complete the compulsory product certification and be labeled with certification mark. However, on June 24, 2017, the State Council issued the Decision on Adjusting the Catalog for the Administration of Production Permits for Industrial Products and on Trying out the Simplification of Approval Procedures, or the Decision. Pursuant to the Decision, the production license for electric bicycle was canceled and was changed to implement mandatory product certification management. According to Announcement on the Issuance of Administrative Arrangements for the Transformation of Electric Bicycle Products from Licensing to Compulsory Product Certification by the SAMR and the National Standardization Management Committee on July 2, 2018, the transition period from production license management of electric bicycle to China Compulsory Certification management was from August 1, 2018 to April 14, 2019. On March 14, 2019, the Opinions of the SAMR, the MIIT and the Ministry of Public Security on Intensifying Supervision of the Execution of National Standards for Electric Bicycles, or the Opinions, was promulgated. The Opinions provides that the market supervision department shall strengthen the management of China Compulsory Certification for electric bicycles, strengthen inspections of certification agencies and manufacture enterprises, and shall only allow vehicles that meet the Electric Bicycle Standard and obtained China Compulsory Certification flowing into the market. We have obtained China Compulsory Certification for all of our current for-sale products, and will try to obtain China Compulsory Certification for our future products. See "Item 3. Key Information— D. Risk Factors—Risks Related to Our Business and Industry—Our products are subject to safety standards and failure to satisfy such mandated standards would have a material adverse effect on our business and operating results."

Pursuant to the Civil Code of the PRC, promulgated by the National People's Congress on May 28, 2020 and effective on January 1, 2021, in the event of damages caused to other party due to product defect, the infringed party may seek compensation from the manufacturer of the products or from the seller of the products and shall have the right to request the manufacturer and the seller to bear tortious liability such as cessation of infringement, removal of obstruction, elimination of danger, etc.

Regulations Relating to Product Recall

The SAMR issued the Interim Provisions on the Administration of Recall of Consumer Goods on November 21, 2019, which took effect on January 1, 2020. Our products, accordingly, as one kind of customer goods, are subject to the requirements set out thereunder. Pursuant to the Interim Provisions on the Administration of Recall of Consumer Goods, if a manufacturer is aware of any potential defect in its products, or receive such notice from the government authorities, it must investigate in a timely manner and report the results of such investigation to the authorities. Where any defect is found during the investigation, the manufacturer must immediately cease to manufacture, sell, or import the relevant products and recall such products. We have not received any such notice from authorities, or initiated, voluntarily or involuntarily, any product recalls in accordance with such provisions. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We may be compelled to undertake product recalls or take other actions, which could adversely affect our brand image and results of operations."

Regulations Relating to Foreign Trade

Pursuant to the Foreign Trade Law of the PRC, promulgated on May 12, 1994 and amended on April 6, 2004, November 7, 2016, and December 30, 2022, and the Measures for the Record Filing and Registration of Foreign Trade Business Operators promulgated by the Ministry of Commerce on June 25, 2004, effective on July 1, 2004, and amended on August 18, 2016, November 30, 2019 and May 10, 2021, foreign trade operators engaged in the import and export of goods or the import and export of technology must register with the Ministry of Commerce or its authorized institution. In addition, if an entity imports or exports goods as consignee or consignor, it shall file with customs according to the Provisions of the People's Republic of China on the Administration of Recordation of Customs Declaration Entities, promulgated on November 19, 2021 and came into effect on January 1, 2022. We have made filings with authorities pursuant to the applicable provisions.

Regulations Relating to Foreign Investment

Pursuant to the Special Administrative Measures for Market Access of Foreign Investment (Negative List) (2024 Edition), or the 2024 Negative List, jointly issued by the NDRC and the Ministry of Commerce on September 6, 2024 and enforced on November 1, 2024, the foreign investment related to design, manufacture and sale of electricity bicycles does not fall within the category of industries in which foreign investment is restricted or prohibited. The 2024 Negative List enumerates the restricted industries and the prohibited industries in relation to foreign investment, and the industries which do not fall within the 2024 Negative List, shall be administered under the principle of equal treatment to domestic and foreign investment. On March 15, 2019, the Foreign Investment Law of PRC was issued by the National People's Congress and took effect on January 1, 2020, which also provides that the industries in which foreign investment is not restricted and prohibited shall be administered under the principle of equal treatment to domestic investment. On December 26, 2019, the State Council published the Implementation Rules of the Foreign Investment Law, which took effect on January 1, 2020. Furthermore, on December 19, 2020, the NDRC and the Ministry of Commerce jointly issued the Measures for Security Review of Foreign Investment, effective on January 18, 2021, which provides detailed guidance regarding security review of foreign investment that has a potential impact on national security. On July 25, 2023, the State Council issued the Opinions on Further Optimizing the Foreign Investment Environment and Increasing Efforts to Attract Foreign Investment, which provides certain policy supports aimed at vigorously attracting and utilizing foreign investment.

Foreign investment in telecommunications companies in mainland China is governed by the Provisions on Administration of Foreign-Invested Telecommunications Enterprises, or the Foreign-Invested Telecommunications Enterprises Provisions, which were promulgated by the State Council on December 11, 2001, and amended on September 10, 2008 and February 6, 2016. The Foreign-Invested Telecommunications Enterprises Provisions prohibits a foreign investor from holding over 50% of the total equity interest in any value-added telecommunications service business in mainland China. On March 29, 2022, the State Council published the Decision of the State Council to Amend and Repeal Certain Administrative Regulations, among which the Foreign-Invested Telecommunications Enterprises Provisions is further amended. The latest version removes certain requirements for foreign-invested telecommunications enterprises and came into effect on May 1, 2022. We operate our website www.niu.com and our NIU app through Beijing Niudian and sell our e-scooters and peripheral products on the website.

Regulations Relating to Overseas Investment

On December 26, 2017, the NDRC issued the Management Rules for Overseas Investment by Enterprises, or the NDRC Order 11. As defined in the NDRC Order 11, "overseas investment" refers to the investment activities conducted by an enterprise located in the territory of mainland China, either directly or through an offshore enterprise under its control, by making investment with assets and equities or providing financing or a guarantee in order to acquire overseas ownership, control, management rights and other related interests. Furthermore, overseas investment by a Chinese individual through overseas enterprises under his/her control is also subject to the NDRC Order 11. According to the NDRC Order 11, (i) direct overseas investment by Chinese enterprises or indirect overseas investment by Chinese enterprises or individuals in sensitive industries or sensitive countries and regions requires prior approval by the NDRC; (ii) direct overseas investment by Chinese enterprises in non-sensitive industries and non-sensitive countries and regions requires prior filing with the NDRC; and (iii) indirect overseas investment of over US$300 million by Chinese enterprises or individuals in non-sensitive industries and non-sensitive countries and regions requires reporting with the NDRC. Uncertainties remain with respect to the application of the NDRC Order 11. We are not sure if we were to use a portion of the proceeds raised from our financing activities to fund investments in and acquisitions of complementary business and assets outside of mainland China, such use of U.S. dollars funds held outside of mainland China would be subject to the NDRC Order 11. There are very few interpretations, implementation guidance or precedents to follow in practice. We will continue to monitor any new rules, interpretation and guidance promulgated by the NDRC and communicate with the NDRC and its local branches to seek their opinions, when necessary.

Regulations Relating to Foreign Debt

On January 8, 2003, the NDRC, Ministry of Finance and SAFE promulgated the Interim Provisions on the Management of Foreign Debts, which was amended on July 26, 2022 and became effective on September 1, 2022, pursuant to which the summation of the accumulated medium-term and long-term debts borrowed by foreign-invested entities and the balance of short-term debts shall not exceed the surplus between the total investment in projects approved by the verifying departments and the registered capital, or the Surplus Limit. Within the range of the Surplus Limit foreign-invested entities may borrow foreign loans at their own will. If the loans exceed the Surplus Limit, the total investment in projects shall be reexamined by the original examination and approval departments. In addition, on January 11, 2017, People's Bank of China promulgated the Notice of the People's Bank of China on Full-coverage Macro-prudent Management of Cross-border Financing, or PBOC Circular 9, which sets out an upper limit for mainland China entities, including foreign-invested entities and domestic-invested entities, regarding their foreign debts, or the Financing Limit. Pursuant to PBOC Circular 9, the Financing Limit for entities shall be calculated based on the following formula: the Financing Limit = net assets * cross-border financing leverage ratio * macro-prudent regulation parameter. As to net assets, entities shall take the net assets value stated in their respective latest audited financial statement in calculation; the cross-border financing leverage ratio for enterprises is two (2); the macro-prudent regulation parameter is one (1). PBOC Circular 9 does not supersede the Interim Provisions on the Management of Foreign Debts. PBOC Circular 9 stipulates a one-year transitional period, or Transitional Period, from its promulgation date for foreign-invested entities, during which they could choose the calculation method of foreign debt upper limit based on either (i) the Surplus Limit, or (ii) the Financing Limit. After the Transition Period, the method applicable to foreign-invested entities shall be determined by the People's Bank of China and SAFE separately. On March 11, 2020, the People's Bank of China and SAFE issued the Notice of Adjusting the Macro-prudent Regulation Parameter for Full-covered Cross-border Financing, which adjusted the macro-prudent regulation parameter as set forth in the Circular 9 from 1 to 1.25. However, although the Transitional Period ended on January 10, 2018, as of December 31, 2024, the People's Bank of China or SAFE has not issued any new regulations regarding the application calculation method of foreign debt upper limit for foreign-invested entities. As to domestic-invested entities, they are only subject to the Financing Limit from the date of promulgation of PBOC Circular 9 regardless of the Transitional Period. On January 5, 2023, the NDRC issued the Administrative Measures for the Examination and Registration of Medium and Long-term Foreign Debts of Enterprises, which took effect on February 10, 2023, setting out regulatory standards and procedures for enterprises when issuing foreign debts that over one year.

Regulations Relating to Internet Information Security and Privacy Protection

Internet information in mainland China is heavily regulated and restricted as a national security issue. The SCNPC enacted the Decisions on Maintaining Internet Security in December 2000, as further amended in August 2009, which impose criminal liabilities on persons or entities that: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights. The Ministry of Public Security has promulgated measures that prohibit the use of the internet in ways that would result in the leakage of state secrets or dissemination of socially destabilizing content. If an internet information service provider violates these measures, the Ministry of Public Security and the local security bureaus may revoke its operating license and shut down its websites.

Under the Several Provisions on Regulating the Market Order of Internet Information Services issued by the MIIT in December 2011, an internet information service provider may not collect any user's personal information or provide any such information to third parties without that user's consent. It must also expressly inform that user of the method, content and purpose of the collection and processing of such user's personal information and may only collect such information as necessary for the provision of its services. In addition, pursuant to the Decision on Strengthening the Protection of Online Information issued by the SCNPC in December 2012 and the Order for the Protection of Telecommunication and Internet User's Personal Information issued by the MIIT in July 2013, any collection and use of a user's personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scopes.

In November 2016, the SCNPC promulgated the Network Security Law of the PRC, or the Network Security Law, which took effect on June 1, 2017. Pursuant to the Network Security Law, a network operator, including, without limitation, internet information service providers, must take technical measures and other necessary measures in accordance with the provisions of applicable laws and regulations as well as the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of networks, effectively respond to network security incidents, prevent illegal and criminal activities and maintain the integrity, confidentiality and availability of network data. Any violation of the provisions and requirements under the Network Security Law may subject an internet service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancelation of filings, closedown of websites or even criminal liabilities. On December 28, 2021, the CAC, together with other twelve government authorities, jointly released the Cybersecurity Review Measures, which came into effect on February 15, 2022. The Measures require operators of critical information infrastructure to go through cybersecurity review when purchasing any network products and services with a potential impact on national security. On March 17, 2023, the SAMR and the National Standardization Administration Committee announced the issuance of the National Standards of the People's Republic of China (No. 1 of 2023), which contains 12 sets of national standards on cybersecurity under the National Technical Security Standardization Committee of China, or TC260, including the Information Security Technology - Basic Requirements for Competence of Cybersecurity Workforce (GB/T 42446-2023).

On April 26, 2023, the amended Counterespionage Law of the People's Republic of China was promulgated which came into effect on July 1, 2023, establishing a close connection between data security and national security. It provides, among others, that engaging in the unauthorized provision of data or conducting cyberattacks against specific authorities is categorized as acts falling within the scope of espionage, and unlawfully acquiring or possessing documents, data, materials, or items that qualify as state secrets is strictly forbidden.

On May 29, 2023, the Secretariat of the National Information Security Standardization Technical Committee published the Practice Guidelines for Cybersecurity Standards - Implementation Guidelines for Cyber Data Security Risk Assessment, implementing the requirements of the Data Security Law on data security risk assessment, which outlines the approach, workflow and key components of the data security risk assessment, including data security management, data processing activities, data security technology, and personal information protection. On December 8, 2023, the CAC promulgated the Administrative Measures for the Reporting of Cybersecurity Incidents (for public comments), which imposed obligations on network platform operators to report to the in-charge cyberspace administration when an incident that might endanger network security occurred.

In November 2019, the Secretariat of the CAC, the General Office of the MIIT, the General Office of the Ministry of Public Security and the SAMR jointly promulgated the Circular on Issuing the Methods for Identifying Unlawful Collection and Use of Personal Information of Applications, which defines actions that may be regarded as violating the Network Security Law and other personal information protection related regulations, including, among other things, failure to publicize the rules for collection and use of personal information, failure to expressly state the purpose, manner and scope of collecting and using personal information, collection and use of personal information without consent of users, provision of personal information to others without consent, and failure to provide the function of deleting or correcting personal information as required by law. Furthermore, on August 20, 2021, the SCNPC promulgated the Personal Information Protection Law, which came into effect on November 1, 2021. The Personal Information Protection Law integrates the scattered rules with respect to personal information rights and privacy protection and aims at protecting the personal information rights and interests, regulating the processing of personal information and promoting the reasonable use of personal information. Personal information, as defined in the Personal Information Protection Law, refers to information related to identified or identifiable natural persons and recorded by electronic or other means, but excluding the anonymized information. The Personal Information Protection Law provides the circumstances under which a personal information processor could process personal information, which include but not limited to, where the consent of the individual concerned is obtained and where it is necessary for the conclusion or performance of a contract to which the individual is a contractual party. It also stipulates certain specific rules with respect to the obligations of a personal information processor, such as to inform the purpose and method of processing to the individuals, and the obligation of the third party who has access to the personal information by way of co-processing or delegation.

The Data Security Law of the People's Republic of China, or the Data Security Law, was passed on June 10, 2021 and came into effect on September 1, 2021. The Data Security Law requires the data processor to establish and improve a whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to safeguard data security. In conducting data processing activities by using the internet or any other information network, the data processor shall perform the above data security protection obligations on the basis of the hierarchical cybersecurity protection system. Any violation of the provisions and requirements under the Data Security Law may subject a data processor to rectifications, warnings, fines, suspension of the related business, revocation of licenses or even criminal liabilities.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review, or the Cybersecurity Review Measures, which came into effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, besides the procurement of network products and services by critical information infrastructure operators, any data processing activities by network platform operators that affects or may affect national security shall be subject to the cybersecurity review as well. In accordance with the Cybersecurity Review Measures, operators mastering personal information of more than one million users must apply to the Cybersecurity Review Office for cybersecurity review when they seek for listing in a foreign country. However, the Cybersecurity Review Measures and the Regulations on the Network Data Security remain unclear on whether the requirements will be applicable to companies that have been listed in the United States.

Furthermore, the Data Export Measures were released by the CAC on July 7, 2022 and came into effect on September 1, 2022. The Data Export Measures require that any data processor which processes or exports personal information exceeding certain volume threshold under such measures shall apply for security assessment by the CAC before transferring any personal information abroad. The security assessment requirement also applies to any transfer of important data outside of China.

In December 2022, the MIIT released the Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation), which came into effect on January 1, 2023. The Administrative Measures for Data Security in the Field of Industry and Information Technology (for Trial Implementation) requires the data processor in the field of industry and information technology to review data on a periodical basis, identify important data and core data in accordance with the relevant standards and specifications, and form its specific catalogue.

On February 22, 2023, the CAC issued the Measures for the Standard Contract for the Outbound Transfer of Personal Information, or the Standard Contract Measures, which took effect on June 1, 2023. The Standard Contract Measures apply to the provision of personal information to overseas recipients through standard contract and set out detailed criteria relating to the formality and terms of such contracts. The Standard Contract Measures also requires the personal information processor to file such contract with the authorities within 10 business days after the contract is effective. To regulate the application of the outboard transfer of personal information through standard contact, the CAC has promulgated the First Edition and the Second Edition of Guidelines for the Recordation of the Standard Contracts for the Outbound Transfer of Personal Information on May 30, 2023 and March 22, 2024.

On March 16, 2023, the TC260 released the draft national standards entitled Information Security Technology - Certification Requirements for Cross-border Transmission of Personal Information, for public comments, which sets out the basic principles and requirements for the protection of the rights and interests of personal information subjects in the cross-border transmission of personal information, and outlines the standards for the third-party certification of companies engaged in the cross-border transfer.

On August 3, 2023, the CAC has issued the Measures for the Administration of Personal Information Protection Compliance Audits (for Public Comments), which stipulates that companies that process personal information of subjects in China shall undergo regular compliance audits. On August 8, 2023, the CAC released the Provisions on Security Management of the Application of Face Recognition Technology (for Trial Implementation), for public comments, which aimed at enhancing the oversight and responsible use of face recognition technology and stipulates, among others, that that face recognition technology can only be used when there is a specific purpose and sufficient necessity, and strict protection measures must be implemented.

On February 24, 2023, the CSRC released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises, which took effect on March 31, 2023. These provisions require, among others, that mainland China domestic enterprises that seek to offer and list securities in overseas markets, either directly or indirectly, complete approval and filing procedures with the competent authorities, if such enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government authorities to certain securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. These provisions further stipulate that providing or publicly disclosing documents and materials which may adversely affect national security or public interests shall be subject to applicable procedures. We may be required to complete approval or filing procedures under these provisions or expend additional resources to comply with the provisions if we are found to fall within any of the foregoing circumstances.

On September 28, 2023, the CAC released the Notice on Seeking Public Comments on the Provisions on Regulating and Promoting Cross-border Data Flow (Exposure Draft) of the PRC, which specifies the circumstances under which it is not required to apply for a security assessment for data to be provided abroad, to conclude a standard contract for personal information to be provided abroad, or to pass the certification for personal information protection. On March 22, 2024, the CAC formally issued the Regulations on Promoting and Regulating the Cross-border Data Flow, which clarifies the obligations of data processors with cross-border transfer of personal information, such as notification, obtaining individual consent, and conducting personal information protection impact assessments in accordance with laws and administrative regulations, and also sets out several exemptions, including cross-border data transfer (i) for concluding or performing a contract to which an individual is a party, (ii) for the cross-border HR management purpose according to the applicable internal labor rules and a collective contract entered into with the employees, (iii) to safeguard an individual's life, health or property in the event of an emergency, and (iv) if the handler is not classified as a critical information infrastructure operator, involving less than 100,000 people's non-sensitive personal information from January 1 of the current year.

On September 24, 2024, the State Council promulgated the Regulations on Network Data Security, which came into effect on January 1, 2025. The Regulations on Network Data Security stipulate certain requirements on the processing, protecting, and utilizing of network data, and further shed light on the protection of personal information, management of cross-border security of network data, and obligations of network platform service providers. Notably, the requirements therein include that, where network data processing activities carried out by a network data processor affect or may affect national security, national security review shall be conducted in accordance with relevant PRC regulations, without providing further explanation or interpretation for "affect or may affect national security."

On February 12, 2025, the CAC published the Personal Information Protection Compliance Audit Management Measures, which will take effect on May 1, 2025. These measures mandate regular compliance audits for personal information handlers, with those handling data of over 10 million individuals required to audit biennially. Audits may be conducted by professional organizations, especially when significant risks or large-scale data breaches occur. Personal information handlers must support the audit process, rectify issues, and report to the competent departments, with additional oversight structures for large internet platforms.

Regulations Relating to Value-Added Telecommunication Services

Pursuant to the Telecommunications Regulations of the PRC, or the Telecommunications Regulations, promulgated by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, telecommunication service providers must obtain an operating license prior to the commencement operations. The Telecommunications Regulations categorize telecommunication services into basic telecommunication services and value-added telecommunication services. According to the Catalog of Telecommunications Business, attached to the Telecommunications Regulations, information services provided via fixed network, mobile network and internet fall within value-added telecommunication services.

In July 2017, the MIIT promulgated the Administrative Measures on Telecommunications Business Operating Licenses. Under these regulations, a commercial operator of value-added telecommunication services must first obtain a license for value-added telecommunications business, known as ICP License, from the MIIT or its provincial level counterparts. The VIE, Beijing Niudian, the main operating entity which sells our products to third-parties, has obtained an ICP License for information service business.

Regulations Relating to Mobile Internet Applications Information Services

In addition to the Telecommunications Regulations and other regulations above, mobile app information service providers are especially regulated by the Administrative Provisions on Mobile Internet Applications Information Services, or the App Provisions, which were promulgated by the CAC on June 28, 2016 and amended in 2022. The latest version became effective on August 1, 2022.

Under the App Provisions, mobile app information service providers are required to obtain the qualifications prescribed by laws and regulations, take responsibility for the supervision and administration of mobile app information as required by laws and regulations and implement the information security management responsibilities.

On July 21, 2023, the MIIT issued the Notice of Carrying out the Filing of Mobile Internet Applications, which proposes the requirements that holders of Apps engaged in internet information services within the PRC must fulfill the filing formalities in accordance with the relevant regulations and such holders shall not engage in the App internet information service without completion of such filing.

We have implemented the necessary programs in our mobile app, including programs for data collection notification and for preventing data breach, damage and loss, to make sure the collection, protection and preservation of user information are in compliance with the App Provisions in all material aspects. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Business and Industry—We retain certain personal information about our users and may be subject to various privacy and consumer protection laws."

Regulations Relating to Intellectual Property Rights

Mainland China has adopted comprehensive legislation governing intellectual property rights, including copyrights, patents, trademarks and domain names.

Regulations on Copyright

Pursuant to the Copyright Law of the PRC revised by the Standing Committee of the National People's Congress on November 11, 2020 and came into effect on June 1, 2021, copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the right of production and that of distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law of the PRC, constitutes an infringement of copyright. The infringer shall, among others, according to the circumstances of the case, undertake to cease the infringement, take remedial action, offer an apology and pay damages. We have registered our copyright on 31 sets of software codes regarding our BMS and other control or management systems.

Regulations on Patent

The Patent Law of the PRC promulgated by the Standing Committee of the National People's Congress on October 17, 2020 and effective on June 1, 2021, the Detailed Rules for the Implementation of the Patent Law of the PRC (revised in 2023) promulgated by the State Council provide for patentable inventions, utility models and designs, which must meet three conditions: novelty, inventiveness and practical applicability. The State Intellectual Property Office under the State Council is responsible for examining and approving patent applications. The duration of a patent right is respectively 10 years for utility model, 15 years for design, and 20 years for invention, all of which shall commence from the date of application.

Regulations on Trademark

Pursuant to the Trademark Law of the PRC promulgated by the Standing Committee of the National People's Congress on August 23, 1982 and amended on February 22, 1993, October 27, 2001, August 30, 2013 and April 23, 2019, and the Regulation on the Implementation of the Trademark Law of the PRC (revised in 2014) promulgated by the State Council on August 3, 2002 and amended on April 29, 2014, the right to the exclusive use of a registered trademark is limited to trademarks which have been approved for registration and to goods for which the use of such trademark has been approved. The period of validity of a registered trademark is ten years, counted from the day that the registration is approved. According to this law, using a trademark that is identical to or similar to a registered trademark in connection with the same or similar goods without the authorization of the owner of the registered trademark constitutes an infringement of the exclusive right to use a registered trademark. The infringer shall, in accordance with the regulations, undertake to cease the infringement, remedial action, or pay damages. We have implemented various measures, including legal actions, to protect and defend our trademarks and intellectual property rights and address third-party trademark infringement cases as they are discovered from time to time. See "Item 3. Key Information— D. Risk Factors—Risks Related to Our Business and Industry—We may need to defend ourselves against patent, trademark or other intellectual property rights infringement claims, which may be time-consuming and would cause us to incur substantial costs."

Regulations on Domain Name

Internet domain name registration and related matters are primarily regulated by the Measures on Administration of Internet Domain Names promulgated by the MIIT on August 24, 2017 and effective on November 1, 2017, and the Implementing Rules of China ccTLD Registration issued by China Internet Network Information Center on June 18, 2019. Domain name registrations are handled through domain name service agencies established under the applicable regulations, and the applicants become domain name holders upon successful registration.

Regulations Relating to Employment

Pursuant to the Labor Law of the PRC, the Labor Contract Law of the PRC, or the Labor Contract Law, and the Implementing Regulations of the PRC Labor Contract Law, labor relationships between employers and employees must be executed in written form. Wages may not be lower than the local minimum wage. Employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant education to their employees. Employees are also required to be able to work in safe and sanitary conditions.

According to the Social Insurance Law of the PRC, promulgated by the SCNPC and effective from July 1, 2011 and amended on December 29, 2018, the Regulation of Insurance for Work-Related Injury, the Provisional Measures on Insurance for Maternity of Employees, the Regulation of Unemployment Insurance, and the Interim Regulation on the Collection and Payment of Social Insurance Premiums, an employer is required to contribute social insurance for its employees in mainland China, including basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance and injury insurance. Under the Regulations on the Administration of Housing Funds, promulgated by the State Council on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, an employer is required to make contributions to a housing fund for its employees. See "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Enforcement of stricter labor laws and regulations of mainland China may adversely affect our business and our profitability."

Regulations Relating to Foreign Exchange

Regulations on Foreign Currency Exchange

SAFE promulgated the Circular on Issues Relating to the Administration of Foreign Exchange of Offshore Investment and Financing through Special Purpose Vehicles and Round-Tripping Investment by mainland China Resident, or SAFE Circular 37, on July 4, 2014, which replaced the former circular commonly known as "SAFE Circular 75." SAFE Circular 37 requires mainland China residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of offshore investment and financing, with such mainland China residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 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 mainland China residents, share transfer or exchange, merger, division or other material event. In the event that a mainland China shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the mainland China 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 mainland China subsidiaries. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under the laws of mainland China for evasion of foreign exchange controls.

Regulations on Stock Incentive Plans

In February 2012, SAFE promulgated the Circular on Foreign Exchange Administration of PRC Residents Participating in Share Incentive Plans of Offshore Listed Companies, or the Stock Option Rules, replacing the previous rules issued by SAFE in March 2007. Under the Stock Option Rules and other rules and regulations, mainland China residents who participate in a stock incentive plan in an overseas publicly-listed company are required to register with SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are mainland China residents must retain a qualified mainland China agent, which could be a mainland China subsidiary of the overseas publicly-listed company or another qualified institution selected by the mainland China subsidiary, to conduct SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the mainland China agent is required to amend SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the mainland China agent or the overseas entrusted institution or other material changes. The mainland China agents must, on behalf of the mainland China residents who have the right to exercise the employee share options, apply to SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the mainland China residents' exercise of the employee share options. The foreign exchange proceeds received by mainland China residents from the sale of shares under the stock incentive plans granted and dividends distributed by overseas listed companies must be remitted into the bank accounts in mainland China opened by mainland China agents before distribution to such mainland China residents. In addition, the Circular of the State Administration of Foreign Exchange on Issues concerning Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles promulgated on July 4, 2014 provides that mainland China residents who participate in a share incentive plan of an overseas unlisted special purpose company must register with SAFE or its local branches before exercising such rights.

Regulations Relating to Dividend Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises include the PRC Company Law, the Foreign Investment Law and the Implementation Rules of the Foreign Investment Law. Under these laws and regulations, foreign-invested enterprises in mainland China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, foreign-invested enterprises in mainland China are required to allocate 10% of their respective after-tax profits as the statutory common reserve when it distributes its after-tax profit for the current fiscal year, if any, to fund certain reserve funds until these reserves have reached 50% of the registered capital of the enterprises.

Regulations Relating to Taxation

Regulations on Enterprise Income Tax

Under the Enterprise Income Tax Law of the PRC, which was promulgated on March 16, 2007, amended on February 24, 2017 and December 29, 2018, and its implementing rules, enterprises are classified as resident enterprises and non-resident enterprises. Mainland China resident enterprises typically pay enterprise income tax at the rate of 25%, while non-mainland China resident enterprises without any branches in mainland China pay an enterprise income tax in connection with their income from mainland China at the tax rate of 10%. An enterprise established outside of mainland China but with its "de facto management body" located within mainland China is considered a "resident enterprise," which means that it is treated in a manner similar to a mainland China domestic enterprise for enterprise income tax purposes. The implementing rules of the Enterprise Income Tax Law define "de facto management body" as a managing body that in practice exercises "substantial and overall management and control over the production and operations, personnel, accounting and properties" of the enterprise.

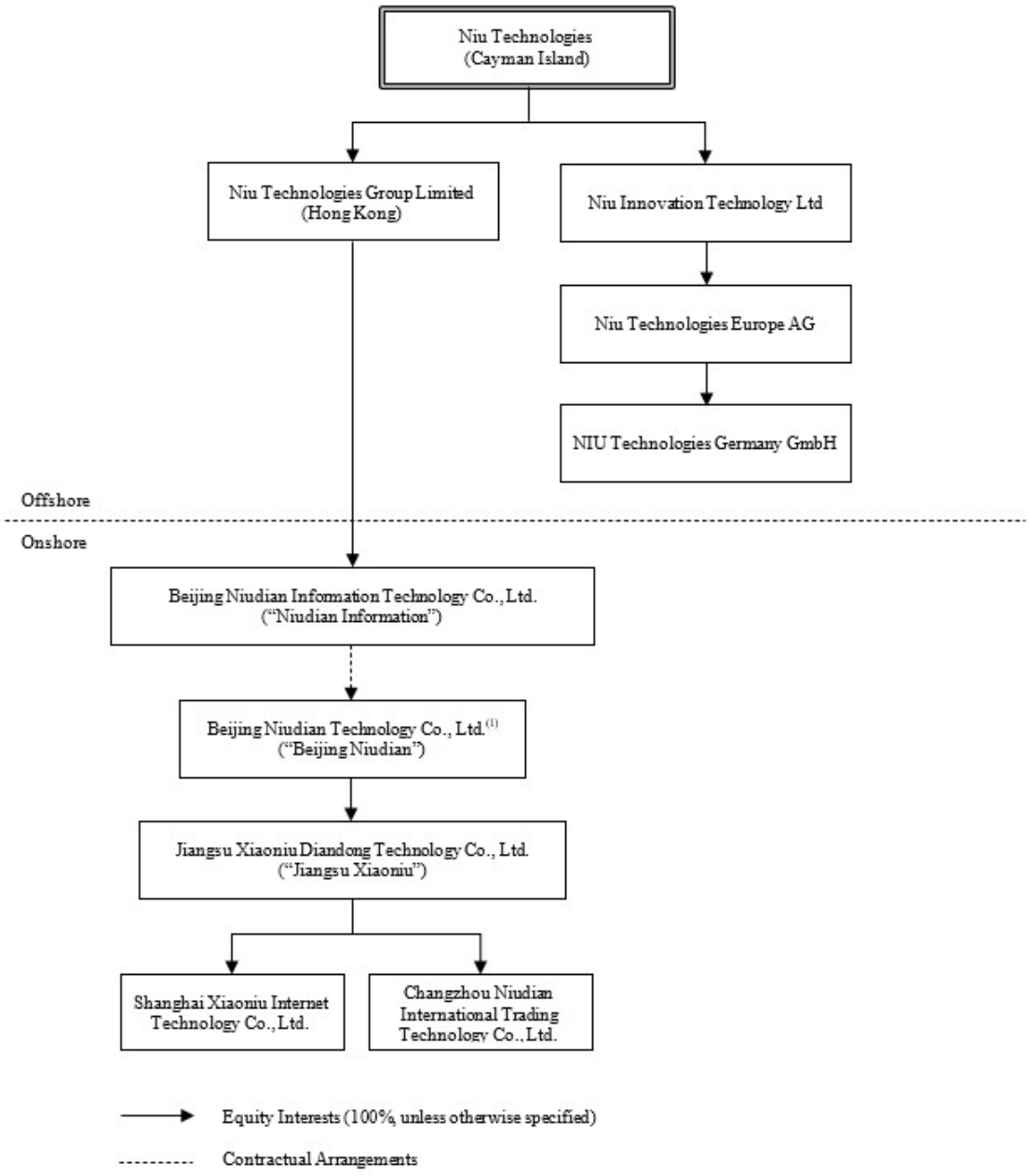
The Enterprise Income Tax Law and the implementation rules provide that an income tax rate of 10% will normally be applicable to dividends payable to investors that are "non-resident enterprises," and gains derived by such investors, which (i) do not have an establishment or place of business in mainland China or (ii) have an establishment or place of business in mainland China, but the relevant income is not effectively connected with the establishment or place of business to the extent that such dividends and gains are derived from sources within mainland China. Such income tax on the dividends may be reduced pursuant to a tax treaty between mainland China and other jurisdictions. Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, and other applicable laws of mainland China, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the conditions and requirements under such arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a mainland China resident enterprise may be reduced to 5% upon receiving approval from in-charge tax authority. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties issued on February 20, 2009 by the State Administration of Taxation, if the PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to Announcement of the State Administration of Taxation on Issues Concerning the Recognition of Beneficial Owners in Entrusted Investments, effective on June 1, 2014, non-residents may be recognized as "beneficial owners" and enjoy the treaty benefits for the income derived from mainland China from certain investments. According to the Announcement of the State Administration of Taxation on Issues concerning the "Beneficial Owner" in Tax Treaties, which became effective in April 2018, a resident enterprise is determined as a "beneficial owner" that can apply for a low tax rate under tax treaties based on an overall assessment of several factors. Furthermore, the Administrative Measures for Non-Resident Taxpayers to Enjoy Treatments under Tax Treaties, which became effective on January 1, 2020, requires nonresident enterprises to determine whether they are qualified to enjoy the preferential tax treatment under the tax treaties and file certain report and materials with the tax authorities. We may be classified as mainland China resident tax payers. See "Item 3. Key Information— D. Risk Factors—Risks Related to Doing Business in China—If we are classified as a mainland China resident enterprise for mainland China income tax purposes, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders or ADS holders."

Regulations on Value-Added Tax

Pursuant to the Provisional Regulation of the PRC on Value-Added Tax issued by the State Council, effective on January 1, 1994, which was amended on November 10, 2008, February 6, 2016 and on November 19, 2017, or the Provisional Regulation, and its Implementing Rules, all entities and individuals that are engaged in the sale of goods, the provision of processing, repairs and installation services and the importation of goods in mainland China are required to pay a valued-added tax, or VAT. According to the Provisional Regulation, gross proceeds from sales and importation of goods and provision of services are generally subject to a VAT rate of 17% with exceptions for certain categories of goods that are taxed at a VAT rate of 11%. On April 4, 2018, the Circular of the Ministry of Finance and the State Administration of Taxation on Adjusting Value-Added Tax Rates was promulgated, which provides that effective from the date of May 1, 2018, gross proceeds from sales and importation of goods and provision of services are generally subject to a VAT rate of 16%, with exceptions for certain categories of goods that are taxed at a VAT rate of 10%. On March 20, 2019, the Announcement on Relevant Policies for Deepening Value-Added Tax Reform was jointly promulgated the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, which further provides that effective from April 1, 2019, the VAT rate of gross proceeds from sales and importation of goods and provision of services shall be adjusted from 16% to 13%, with the VAT rate of certain categories of goods shall be adjusted from 10% to 9%. In addition, under the Provisional Regulation, the input VAT for the purchase of fixed assets is deductible from the output VAT, except for goods or services that are used in non-VAT taxable items, VAT exempted items and welfare activities, or for personal consumption. On September 3, 2023 the Ministry of Finance and the State Administration of Taxation promulgated the Circular of Additional Value-Added Tax Credit Policy for Advanced Manufacturing Enterprises, which provides that an advanced manufacturing enterprise may credit the amount of input tax creditable in the current period, plus 5% of that amount, against the amount of tax payable. On December 25, 2024, the SCNPC promulgated the Value-Added Tax Law of the People's Republic of China, which will become effective on January 1, 2026 and the Provisional Regulations will be abolished.

C. Organizational Structure

The following diagram illustrates our corporate structure, including our principal subsidiaries, the VIE and its principal subsidiaries, as of the date of this annual report:



(1) Token Yilin Hu, Changlong Sheng and Yi'nan Li each holds 89.74%, 5.26% and 5.00% of the equity interest in Beijing Niudian, respectively. All of the shareholders of Beijing Niudian are beneficial owners of the shares of our company.

Contractual Arrangements with the VIE

The following is a summary of the currently effective contractual arrangements relating to Beijing Niudian.

Agreements that allow us to conduct the business operations of the VIE

Powers of Attorney. Each of the shareholders of Beijing Niudian has executed a power of attorney to irrevocably authorize our company to act as his or her attorney-in-fact to exercise all of his or her rights as a shareholder of Beijing Niudian, including, but not limited to, the right to convene and attend shareholders' meetings, vote on any resolution that requires a shareholder vote, such as the appointment and removal of directors, supervisors and officers, as well as the sale, transfer and disposal of all or part of the equity interests owned by such shareholder. The powers of attorney will remain effective, as long as the shareholders of Beijing Niudian remain as registered shareholders of Beijing Niudian, unless otherwise instructed by our company.

Third Amended and Restated Equity Pledge Agreement. Pursuant to the third amended and restated equity pledge agreement, dated November 14, 2024, among our WFOE, Beijing Niudian and each of the shareholders of Beijing Niudian, the shareholders of Beijing Niudian have pledged the 100% equity interests in Beijing Niudian to our WFOE to guarantee performance by the shareholders of their obligations under the third amended and restated exclusive option agreement and powers of attorney, as well as the performance by Beijing Niudian of its obligations under the amended and restated exclusive business cooperation agreement and the third amended and restated exclusive option agreement. In the event of a breach by Beijing Niudian or any of its shareholders of contractual obligations under the third amended and restated equity pledge agreement, our WFOE, as pledgee, will have the right to dispose of the pledged equity interests in Beijing Niudian and will have priority in receiving the proceeds from such disposal. The shareholders of Beijing Niudian also undertake that, without the prior written consent of our WFOE, they will not dispose of, create or allow any encumbrance on the pledged equity interests. Beijing Niudian undertakes that, without the prior written consent of our WFOE, it will not assist or allow any encumbrance to be created on the pledged equity interests. In November 2024, we completed the registration of the equity pledge under the third amended and restated equity pledge agreement with the local office of the State Administration of Market Regulation in accordance with the PRC Civil Code.

Spousal Consent Letters. The spouses of the shareholders of Beijing Niudian have each signed a spousal consent letter agreeing that the equity interests in Beijing Niudian held by and registered under the name of the respective shareholders will be disposed of pursuant to the VIE Agreements. These spouses agreed not to assert any rights over the equity interest in Beijing Niudian held by their spouses.

Agreements that allow us to receive economic benefits from the VIE

Amended and Restated Exclusive Business Cooperation Agreements. Pursuant to the amended and restated exclusive business cooperation agreement, dated July 20, 2018, between our WFOE and Beijing Niudian, our WFOE has the exclusive right to provide Beijing Niudian with operational supports as well as consulting and technical services required by Beijing Niudian's business. Without our WFOE's prior written consent, Beijing Niudian may not accept any services subject to this agreement from any third party. Beijing Niudian agrees to pay our WFOE a monthly service fee at an amount that is equal to 100% of its net profits or an amount adjusted by our WFOE in its sole discretion for the relevant month, which should be paid within seven business days upon receipt of invoice from our WFOE. Our WFOE has the exclusive ownership of all the intellectual property rights created as a result of the performance of the amended and restated exclusive business cooperation agreement to the extent permitted by applicable laws of mainland China. To guarantee Beijing Niudian's performance of its obligations thereunder, the shareholders of Beijing Niudian shall pledge all of their equity interests in Beijing Niudian to our WFOE pursuant to the third amended and restated equity pledge agreement. The amended and restated exclusive business cooperation agreement will remain effective for a term equal to Beijing Niudian's operating period, unless otherwise terminated by our WFOE in writing or in accordance with applicable laws of mainland China.

In June 2018, our WFOE and Jiangsu Xiaoniu entered into the amended and restated exclusive business cooperation agreement, which contains terms substantially similar to the amended and restated exclusive business cooperation agreement between our WFOE and Beijing Niudian described above.

Agreements that provide us with the option to purchase the equity interests in and assets of the VIE

Third Amended and Restated Exclusive Option Agreements. Pursuant to the third amended and restated exclusive option agreement, dated November 14, 2024, among our company, our WFOE, Beijing Niudian and each of the shareholders of Beijing Niudian has irrevocably granted our company an exclusive option to purchase all or part of his or her equity interests in Beijing Niudian. Our company or our designated person may exercise such options at the price of RMB100 or the lowest price permitted under applicable laws of mainland China. The shareholders of Beijing Niudian undertake that, without our company's prior written consent, they will not, among other things, (i) create any pledge or encumbrance on their equity interests in Beijing Niudian, (ii) transfer or otherwise dispose of their equity interests in Beijing Niudian, (iii) change Beijing Niudian's registered capital, (iv) amend Beijing Niudian's articles of association, (v) dispose of Beijing Niudian's material assets or enter into any material contract with a value of over RMB100,000 (except in the ordinary course of business), or (vi) merge Beijing Niudian with any other entity. In addition, Beijing Niudian undertakes that, without our company's prior written consent, it will not, among other things, create any pledge or encumbrance on any of its assets, or transfer or otherwise dispose of its material assets (except in the ordinary course of business). The third amended and restated exclusive option agreement will remain effective until all equity interests in and all the assets of Beijing Niudian have been transferred to our company or our designated person.

In the opinion of DaHui Lawyers, our PRC legal counsel:

- the ownership structures of the VIE in mainland China and our WFOE, are not in violation of applicable laws and regulations of mainland China currently in effect; and
- the contractual arrangements between our company, our WFOE, the VIE and its shareholders governed by the laws of mainland China are valid, binding and enforceable, and will not result in any violation of applicable laws and regulations of mainland China currently in effect.

However, our PRC legal counsel has also advised us that there are uncertainties regarding the interpretation and application of current and future laws, regulations and rules of mainland China. Accordingly, the PRC regulatory authorities may take a view that is contrary to the opinion of our PRC legal counsel. It is uncertain whether any new laws or regulations of mainland China relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of the VIE are found to be in violation of any existing or future laws or regulations of mainland China, or fail to obtain or maintain any of the required permits or approvals, the PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. We have been further advised by our PRC legal counsel that if the PRC government finds that the agreements in connection with the VIE structure do not comply with the laws of mainland China, we could be subject to severe penalties, including being prohibited from continuing operations. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure—If the PRC government funds that the agreements that establish the structure for operating some of our operations in mainland China do not comply with the regulations of mainland China relating to the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations" and "Item 3. Key Information—D. Risk Factors—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of the laws and regulations of mainland China could limit the legal protections available to you and us."

D. Property, Plants and Equipment

Our headquarters is located in Beijing, China, where we lease and occupy our office space to support corporate management functions. We also lease offices in Shanghai, home of our Niu Innovation Lab, which is dedicated to technological innovation. Our manufacturing facility and after-sales service facilities are located in Changzhou, China, where we own and lease facilities.

The following tables set forth the major location, approximate size and primary use of facilities that we own or we lease, as of the date of this annual report:

Our Own Facility		
Location	**Approximate Size (Building) in Square Meters**	**Primary Use**
Changzhou	111,500	Manufacturing and Maintenance Facility

Location	Approximate Size (Building) in Square Meters	Primary Use	Lease Expiration Date
Beijing	1,400	Office	July 31, 2028
Shanghai	760	Office	October 31, 2025/July 25, 2026
Changzhou	2,700	After-sales Facility	December 31, 2027

Item 4A.Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

The following discussion of our financial condition and results of operations is based upon, and should be read in conjunction with, our audited consolidated financial statements and the related notes included in this annual report on Form 20-F. This report contains forward-looking statements. See "Forward-Looking Information." In evaluating our business, you should carefully consider the information provided under the caption "Item 3. Key Information— D. Risk Factors" in this annual report on Form 20-F. We caution you that our businesses and financial performance are subject to substantial risks and uncertainties.

A. Operating Results

Overview

We currently design, manufacture and sell high-performance electric motorcycles, mopeds, bicycles, as well as kick-scooters and e-bikes. We have a diversified product portfolio that caters to the various demands of our users and addresses different urban travel scenarios. We have adopted an omnichannel retail model, integrating offline and online channels, to sell our products and provide services. We sold 924,340 units in 2024, including 759,094 units sold in the China market and 165,246 units sold in international markets. We sell and service our products through our "city partner" system in China, which consisted of 499 city partners with 3,735 franchised stores in 293 cities in China, and 57 distributors in 53 countries overseas as of December 31, 2024, as well as on our own online store and third-party e-commerce platforms. We also offer the NIU app as an integral part of the user experience.

We currently generate a majority of our revenues from sales of e-scooters to our distributors offline or to individual consumers online. We also generate revenues by selling accessories and spare parts and providing mobile app and other services.

Key Factors Affecting Our Results of Operations

Our results of operations and financial condition are affected by the general factors driving China's electric two-wheeled vehicles industry, including, among others, China's overall economic growth, the increase in per capita disposable income, the expansion of urbanization, the growth in consumer spending and consumption upgrades, the competitive environment, and governmental policies and initiatives towards electric two-wheeled vehicles, as well as the general factors affecting the electric two-wheeled vehicles industry in international markets. Unfavorable changes in any of these general industry conditions could negatively affect demand for our products and materially and adversely affect our results of operations.

In 2024, we experienced challenges stemming from intensified domestic and international competition, as well as a shift towards more value-conscious consumer behavior. These factors collectively influenced demand for our products and had significant implications on our operational outcomes.

While our business is influenced by these general factors, our results of operations are more directly affected by company specific factors, including the following major factors:

- our ability to increase e-scooter sales volume;
- our ability to develop and sell more accessories and spare parts and services;
- our ability to manage our supply chain and manufacturing;

- our ability to enhance our operational efficiency; and
- our ability to expand into international markets.

Our ability to increase e-scooter sales volume

Our results of operations depend significantly on our ability to increase sales volume of our e-scooters. Revenues generated from e-scooters represented 90.1%, 88.9% and 90.0% of our net revenues in 2022, 2023 and 2024, respectively. We sold 831,593, 709,802 and 924,340 units of e-scooters in 2022, 2023 and 2024, respectively. We experienced external challenges from the lingering effects of lithium battery price hikes in 2022, the consumption downgrade and intense competition in our addressable markets, posing significant headwinds. Despite these pressures, we have been committed to the strategy of focusing on premium and mass-premium products in 2023. This strategy, alongside the launch of several new products, enabled us to return to a growth trajectory in 2024. Although we still face uncertainties and pressures, we expect that our domestic sales will further expand in 2025, driven by the introduction of innovative new products. The following table shows the number of e-scooters we sold in the years presented:

	For the Year ended December 31,					
	2022		2023		2024	
	Units	%	Units	%	Units	%
NQi Series[(1)]	55,161	6.6	40,099	5.6	302,706	32.7
MQi Series	41,906	5.0	98,726	13.9	60,117	6.5
UQi Series	208,360	25.1	80,248	11.3	119,856	13.0
FQi Series	79,747	9.6	209,554	29.5	180,855	19.6
KQi Series	102,466	12.3	100,508	14.2	161,522	17.5
GQi Series	233,737	28.1	134,671	19.0	69,425	7.5
Others[(2)]	110,216	13.3	45,996	6.5	29,859	3.2
Total	**831,593**	**100.0**	**709,802**	**100.0**	**924,340**	**100.0**

Notes:

(1) Number of e-scooters sold including SQi, RQi and XQi series.

(2) Others include BQi, CQi, OQi series, Niu Aero Sports Bicycles and power-assist e-bike.

Our ability to increase e-scooters sales volume depends on our ability to innovate in design and technology and offer e-scooter products that meet our users' demand. We have a diversified product portfolio that caters to the various demands of our users and addresses different urban travel scenarios. Currently, we offer two model lineups, comprising a number of different vehicle types. These include (i) the electric motorcycle, moped and bicycle series, including the NQi, MQi, UQi, FQi series and others, and (ii) the micro-mobility series, including the kick-scooter series KQi and the e-bike series BQi. We will continue to expand our product offerings by growing the classic series and introducing new models, aiming to cover the full spectrum of the urban mobility solutions. Moreover, our ability to increase the sales volume also depends on our ability to continually enhance our brand to attract users and purchases, as well as our ability to successfully execute our omnichannel retail model and expand our sales network both domestically and globally.

Our ability to develop and sell more accessories and spare parts and services

Our results of operations are affected by our ability to develop and sell more accessories and spare parts, which generally have higher gross margins. Revenues generated from selling accessories and spare parts represented 7.6%, 7.5% and 7.4% of our net revenues in 2022, 2023 and 2024, respectively. Our results of operations are also affected by our ability to sell more services. We generate revenue from the NIU app by providing subscription-based mobile app services. Users will need to subscribe for the mobile app service by paying a fee after an initial period of one year. Revenues generated from providing services represented 2.3%, 3.6% and 2.6% of our revenues in 2022, 2023 and 2024, respectively. We will continue to further enhance the connectivity and other smart functionalities of our e-scooters and the NIU app, and improve the user experience. This not only provides us with additional revenue streams but also improves our gross margin.

Our ability to manage our supply chain and manufacturing

Material and manufacturing costs of our e-scooters have historically accounted for a majority of our cost of revenues. Our future profitability is significantly dependent on our ability to control those costs as a percentage of our revenues, which in turn depends on our ability to effectively manage our supply chain and manufacturing process. Raw materials and components used in the production of our e-scooters are sourced from domestic suppliers as well as international suppliers, and their prices are dependent on various factors in addition to supply and demand. We generally engage multiple suppliers for the key components to minimize the dependency on any single supplier. We will continue to collaborate with our suppliers to manage the cost, capacity and quality of the raw materials and components. As our business grows in scale, we have obtained more bargaining power and hence more favorable terms from suppliers, including pricing terms. Our gross margin remained stable at 21.1% and 21.5% in 2022 and 2023, respectively, but decreased to 15.2% in 2024 due to general economic conditions and intense market competition. Our ability to control cost of products sold also depends on our successful adoption of automatic and intelligent manufacturing equipment and procedures, and effective utilization of our platform-based engineering system, through which designs of new models may be easily adaptable to our existing production lines.

Our ability to enhance our operational efficiency

Our ability to achieve profitability is dependent on our ability to improve our operational efficiency and reduce the total operating expenses as a percentage of our revenues. Excluding share-based compensation expense, selling and marketing expenses have historically represented the largest portion of our total operating expenses. Advertising and promotion expenses, consisting primarily of online and offline advertisements, are event-driven, and tend to be higher when we launch new products. Our selling and marketing expenses as a percentage of our revenues were 13.9%, 18.7% and 14.9% in 2022, 2023 and 2024, respectively. The decrease of our selling and marketing expenses as a percentage of our revenues in 2024 was mainly due to the optimization of our operation, especially in the international markets.

Our ability to lower our selling and marketing expenses as a percentage of revenues depends on our ability to manage our branding and promotion efforts, and improve selling and marketing efficiency. We have adopted an omnichannel retail model, integrating offline and online channels, to sell our products and provide services. Our offline channels consisted of 499 city partners with 3,735 franchised stores in 293 cities in China and 57 distributors in 53 countries overseas as of December 31, 2024. These distributors promote our brand and market our products and services at their own cost. We aim to invest more in local branding and marketing, strengthen connections with our customers, and enhance our adaptability to local market changes. Through our distributor networks, we will continue to expand and leverage our sales network to enhance our brand and improve sales efficiency. In addition, as our business grows, we expect to achieve greater operating leverage, increase the productivity of our personnel, and obtain more favorable terms from our suppliers.

Our ability to expand to international markets

As of December 31, 2024, we sold our smart e-scooters through 57 distributors in 53 countries overseas. In 2022, 2023 and 2024, 18.5%, 15.2% and 13.5% of our revenues were derived from sales in international markets, respectively. We believe that our well-recognized NIU brand, together with our innovative design and continual expansion of product offerings, position us favorably to capture the enormous growth potential in the global market, and we will enter into selected international markets that offer identified growth opportunities and favorable government policies. In Europe, the U.S. and Southeast Asia, we will continue to expand our distribution network, launch new products suitable for local markets, partner with global leading companies to co-brand premium smart e-scooter models, and are exploring additional business opportunities to drive the growth beyond retail. We will pursue differentiated strategies for different overseas markets. We believe that our expansion into selected international markets will not only drive our revenue growth but also enhance our brand awareness.

Key Components of Results of Operations

Revenues

We generate revenues from sales of e-scooters, sales of accessories and spare parts, and provision of mobile app and other services. The following table sets forth the break-down of our revenues, in amounts and as percentages of revenues for the years presented:

	For the Year Ended December 31,						
	2022		2023		2024		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands, except percentage data)						
Revenues:							
E-scooter sales	2,853,895	90.1	2,358,659	88.9	2,960,508	405,588	90.0
Accessories and spare parts sales	242,297	7.6	197,634	7.5	241,680	33,110	7.4
Service revenues	72,405	2.3	95,465	3.6	86,108	11,797	2.6
Total	**3,168,597**	**100.0**	**2,651,758**	**100.0**	**3,288,296**	**450,495**	**100.0**

We recognize revenues upon the satisfaction of our performance obligation (upon transfer of control of promised goods or services to customers) in an amount that reflects the consideration to which we expect to be entitled to in exchange for those goods or services, excluding amounts collected on behalf of third parties (for example, value added taxes), sales volume rebates provided to qualified distributors based on the volume sold to such distributors in a certain period and sales return estimated based on historical experiences.

E-scooter sales. We generate a large majority of our revenues from sales of e-scooters to our distributors offline or directly to individual consumers online.

We have adopted an omnichannel retail model, integrating the offline and online channels, to sell our e-scooters. In China, we have a "city partner" system, and sell e-scooters to the city partners. City partners are our distributors, who either open and operate franchised stores or sign up franchised stores, and the franchised stores sell our products and provide services to individual consumers. In international markets, we sell to distributors. We generate revenues by selling e-scooters to our city partners in China and overseas distributors at a discount to the retail price. In addition, we incentivize them by providing sales volume rebate. We also sell directly to individual consumers through third-party e-commerce platforms, as well as on our own online store. We treat distributors offline and individual consumers online as our customers.

Accessories and spare parts sales. We sell proprietary accessories and spare parts to be installed on or used with our e-scooters, such as rear storage boxes and front baskets. We also offer NIU-branded accessories and general merchandise, such as decorative car plates, rear box, helmet and apparel.

Service revenues. Our service revenues primarily relate to our services associated with NIU app, NIU Cover and R&D services to strategic partner.

- *NIU app.* We generate revenues from the NIU app by providing subscription-based mobile app services. The subscription fee for the initial one year is included in the retail price of our smart e-scooters, and after the initial period, users will need to pay a fee to renew the subscription.
- *NIU Cover.* We facilitate the sale of insurance policies for our e-scooters to individual customers, which are provided by third-party insurance companies.
- *R&D services.* We collaborate with a strategic partner for a joint R&D project and we generate revenues from the R&D services we provided.

Cost of revenues

Cost of products sold represents a majority of our cost of revenues, and the other components of cost of revenues include logistics costs, tariff costs, write-downs of inventories and warranty costs.

Cost of products sold mainly consists of the cost for purchasing raw materials and components, the labor cost and other costs for manufacturing e-scooters. We purchase raw materials and main components, such as batteries, motors, tires, battery chargers and controllers, from suppliers and assemble e-scooters in our own production facility.

Gross margin

Our gross margin is mainly affected by the retail price, product mix change, sales volume rebate and the cost of revenue per e-scooter. The following table shows our gross profit and gross margin for each of the years presented:

	For the Year Ended December 31,			
	2022	2023	2024	
	(in thousands, except for percentage data)			
	RMB	RMB	RMB	US$
Gross profit	669,681	570,747	498,763	68,330
Gross margin	21.1 %	21.5 %	15.2 %	15.2 %

Operating expenses

Our operating expenses consist of selling and marketing expenses, research and development expenses, and general and administrative expenses. The following table sets forth the break-down of our total operating expenses, in amounts and as percentages of total operating expenses for each of the years presented:

	For the Year Ended December 31,						
	2022		2023		2024		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands except for percentage data)						
Operating expenses:							
Selling and marketing expenses	440,409	56.8	495,735	55.6	489,578	67,072	65.3
Research and development expenses	176,478	22.8	150,986	16.9	130,111	17,825	17.3
General and administrative expenses	158,461	20.4	244,518	27.5	130,618	17,895	17.4
Total	**775,348**	**100.0**	**891,239**	**100.0**	**750,307**	**102,792**	**100.0**

Selling and marketing expenses. Our selling and marketing expenses primarily consist of advertising and promotion expenses, payroll and related expenses for personnel engaged in selling and marketing activities.

The advertising and promotion expenses, consisting primarily of online and offline advertisements. We plan to continue to expand our new e-scooter product portfolio, sales network and retail channels, and engage in more selling and marketing activities to enhance our brand awareness and attract more purchases from new and existing customers in different geographic markets.

Research and development expenses. Our research and development expenses mainly consist of payroll and related costs for employees involved in researching and developing new products and technologies, and design and development expenses, primarily including validation and testing fees. We plan to continue our innovation in design and technology and further expand our product portfolio.

General and administrative expenses. Our general and administrative expenses mainly consist of payroll and related costs for employees engaging in general corporate functions, professional fees, allowance for doubtful accounts, foreign currency exchange gains (losses) and other general corporate expenses, as well as expenses associated with the use by these functions of facilities and equipment, such as depreciation and rental expenses.

Taxation

Cayman Islands

The Cayman Islands currently levies no taxes on corporations based upon profits, income, capital gains or appreciation. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on payments of dividends.

Hong Kong

The first HK$2 million of profits earned by our subsidiary incorporated in Hong Kong, Niu Technologies Group Limited, is taxed at 8.25%, representing a half the current tax rate, while the remaining profits continue to be taxed at the current tax rate of 16.5%. Niu Technologies Group Limited is exempted from the Hong Kong income tax on its foreign-derived income. In addition, payments of dividends from Niu Technologies Group Limited to our company are not subject to any withholding tax in Hong Kong. No provision for Hong Kong profits tax was made as we had no estimated assessable profit that was subject to Hong Kong profits tax during 2022, 2023 or 2024.

Mainland China

Our mainland China subsidiaries, the VIE, and VIE's subsidiaries are subject to the PRC Enterprise Income Tax Law and are generally subject to a statutory income tax rate of 25%. Under the PRC Enterprise Income Tax Law, preferential tax treatments will be granted to entities which conduct businesses in certain encouraged sectors and to entities otherwise classified as High and New Technology Enterprises (HNTE). Jiangsu Xiaoniu and Beijing Niudian are qualified as HNTEs and enjoy a preferential income tax rate of 15% for the fiscal years from 2024 to 2027 and 2022 to 2025, respectively. An entity could re-apply for the HNTE certificate when the prior certificate expires. The foregoing preferential income tax rates, however, are subject to periodic review and renewal by PRC authorities.

The Enterprise Income Tax Law also imposes a withholding income tax of 10% on dividends distributed by a foreign investment enterprise to its immediate holding company outside of mainland China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within mainland China or if the received dividends have no connection with the establishment or place of such immediate holding company within mainland China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with mainland China that provides for a different withholding arrangement. The Cayman Islands, where Niu Technologies is incorporated, does not have such tax treaty with mainland China. According to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, dividends paid by a foreign investment enterprise in mainland China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5%, if the immediate holding company owns at least 25% of the equity interest of the foreign investment enterprise and satisfies all other requirements under the tax arrangement and receives approval from the tax authority. We did not record any dividend withholding tax, as our mainland China entities have no retained earnings in the periods presented. See "Item 3. Key Information— D. Risk Factors—Risks Related to Doing Business in China—We may not be able to obtain certain benefits under the tax treaty on dividends paid by our mainland China subsidiaries to us through our Hong Kong subsidiary."

The Enterprise Income Tax Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in mainland China be treated as a resident enterprise for mainland China tax purposes and consequently be subject to the mainland China income tax at the rate of 25% for its global income. The implementing rules of the Enterprise Income Tax Law define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, property, etc., of a non-mainland China company is located." Based on a review of surrounding facts and circumstances, we do not believe that it is likely that our operations outside of mainland China should be considered a resident enterprise for mainland China tax purposes. If our holding company in the Cayman Islands or any of our subsidiaries outside of mainland China were deemed to be a "resident enterprise" under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Item 3. Key Information— D. Risk Factors—Risks Related to Doing Business in China—If we are classified as a mainland China resident enterprise for mainland China income tax purposes, such classification could result in unfavorable tax consequences to us and our non-mainland China shareholders or ADS holders."

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the years presented, both in absolute amount and as a percentage of our net revenues for the years presented. Year-to-year comparisons of historical results of operations should not be relied upon as indicative of future performance.

	For the Year Ended December 31,						
	2022		2023		2024		
	RMB	%	RMB	%	RMB	US$	%
	(in thousands except for percentage data)						
Revenues	3,168,597	100.0	2,651,758	100.0	3,288,296	450,495	100.0
Cost of revenues[(1)]	(2,498,916)	(78.9)	(2,081,011)	(78.5)	(2,789,533)	(382,165)	(84.8)
Gross profit	**669,681**	**21.1**	**570,747**	**21.5**	**498,763**	**68,330**	**15.2**
Operating expenses							
Selling and marketing expenses	(440,409)	(13.9)	(495,735)	(18.7)	(489,578)	(67,072)	(14.9)
Research and development expenses	(176,478)	(5.6)	(150,986)	(5.7)	(130,111)	(17,825)	(4.0)
General and administrative expenses	(158,461)	(5.0)	(244,518)	(9.2)	(130,618)	(17,895)	(3.9)
Total operating expenses[(1)]	**(775,348)**	**(24.5)**	**(891,239)**	**(33.6)**	**(750,307)**	**(102,792)**	**(22.8)**
Government grants	16,385	0.5	2,969	0.1	912	126	0.0
Operating loss	**(89,282)**	**(2.8)**	**(317,523)**	**(12.0)**	**(250,632)**	**(34,336)**	**(7.6)**
Interest expenses	(5,716)	(0.2)	(1,424)	(0.1)	(5,624)	(770)	(0.2)
Interest income	12,860	0.4	35,492	1.3	37,090	5,081	1.1
Investment income	10,918	0.3	1,426	0.1	2,359	323	0.1
Loss before income taxes	**(71,220)**	**(2.2)**	**(282,029)**	**(10.6)**	**(216,807)**	**(29,702)**	**(6.6)**
Income tax benefit	21,757	0.7	10,193	0.4	23,606	3,234	0.7
Net loss	**(49,463)**	**(1.6)**	**(271,836)**	**(10.3)**	**(193,201)**	**(26,468)**	**(5.9)**

(1) Share-based compensation expenses are allocated in cost of revenues and operating expenses items as follows:

	For the Year Ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	US$
	(in thousands)			
Cost of revenues	1,225	1,238	751	103
Selling and marketing expenses	15,433	9,992	7,110	974
Research and development expenses	22,362	21,654	7,325	1,004
General and administrative expenses	19,199	14,775	9,047	1,239
Total	**58,219**	**47,659**	**24,233**	**3,320**

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenues

Our revenues increased by 24.0% from RMB2,651.8 million in 2023 to RMB3,288.3 million (US$450.5 million) in 2024, which was primarily due to an increase in e-scooter sales volume.

The revenues from e-scooter sales increased by 25.5% from RMB2,358.7 million in 2023 to RMB2,960.5 million (US$405.6 million) in 2024, which was mainly due to an increase in the sales volume of e-scooters by 30.2% from 709,802 in 2023 to 924,340 in 2024. The increase in the sales volume of e-scooters was driven by the expansion of our sales network in China from 2,856 franchised stores as of December 31, 2023 to 3,735 franchised stores as of December 31, 2024, and the successful launch of new models throughout 2024.

The revenues per e-scooter decreased from RMB3,735.9 in 2023 to RMB3,557.5 (US$487.4) in 2024, mainly due to the increased sales volume of kick-scooters in international markets, which generally have a lower sales price.

The revenues from accessory and spare parts sales increased from RMB197.6 million in 2023 to RMB241.7 million (US$33.1 million) in 2024, mainly attributable to increase in the sales volume of e-scooters in domestic market, which usually correlates with purchases of accessories and spare parts. The service revenues decreased from RMB95.5 million in 2023 to RMB86.1 million (US$11.8 million) in 2024, mainly due to the decrease in sales volume of e-motorcycles and e-mopeds in international markets, which primarily impacted our service revenues associated with NIU app.

Cost of revenues

Our cost of revenues increased by 34.0% from RMB2,081.0 million in 2023 to RMB2,789.5 million (US$382.2 million) in 2024. The increase was primarily attributable to an increase in cost of products from RMB1,992.5 million in 2023 to RMB2,639.4 million (US$361.6 million) in 2024, which was generally in line with the increase in e-scooter sales volume.

The cost per e-scooter, defined as cost of revenues divided by the number of e-scooters sold in a specified period, increased from RMB2,931.8 in 2023 to RMB3,017.9 (US$413.4) in 2024, which was primarily due to a higher proportion of premium series sales in domestic market with higher cost per e-scooter.

Gross profit

We generated a gross profit of RMB498.8 million (US$68.3 million) in 2024, as compared to a gross profit of RMB570.7 million in 2023. Our gross margin decreased from 21.5% in 2023 to 15.2% in 2024, which was mainly due to higher proportion of kick-scooters sales with lower sales prices and margin in international markets, changes in product mix of e-scooters, and increased sales incentives to franchisees.

Selling and marketing expenses

Our selling and marketing expenses decreased by 1.2% from RMB495.7 million in 2023 to RMB489.6 million (US$67.1 million) in 2024. This reduction was primarily due to a decrease of RMB29.4 million in depreciation and amortization, RMB23.5 million in rental expenses, which were partially offset by an increase of RMB20.2 million in staff cost, RMB12.2 million in after-sales services, and RMB5.2 million in advertising and promotion expenses.

The decrease in depreciation and amortization was mainly due to a slowdown in store openings during 2022 and 2023. The reduction in rental expenses was primarily attributed to the optimization of our international operations. The increase in staff cost was primarily due to increased number of our sales staff. The increase in after-sales service expenses was mainly resulted from the increased sales volume of e-scooters. Our selling and marketing expenses as a percentage of our revenues decreased from 18.7% in 2023 to 14.9% in 2024.

Research and development expenses

Our research and development expenses decreased by 13.8% from RMB151.0 million in 2023 to RMB130.1 million (US$17.8 million) in 2024. The decrease was mainly driven by a decline of RMB14.3 million in share-based compensation expenses, and a decrease of RMB5.6 million in design and testing expenses. The decrease in share-based compensation expenses was primarily attributable to the reduction in research and development personnel in 2023, leading to lower amortization expenses in 2024. The decrease of design and testing expenses primarily resulting from our cost-effective measures. Our research and development expenses as a percentage of our revenues slightly decreased from 5.7% in 2023 to 4.0% in 2024.

General and administrative expenses

Our general and administrative expenses decreased by 46.6% from RMB244.5 million in 2023 to RMB130.6 million (US$17.9 million) in 2024. The decrease was primarily due to a decrease of RMB131.8 million in allowance for doubtful accounts, partially offset by an increase of RMB12.5 million due to foreign exchange gain or loss, and an increase of RMB13.2 million in staff cost. The increase in staff cost was mainly due to an increase in the number of employees with general corporate functions. Our general and administrative expenses as a percentage of our revenues decreased from 9.2% in 2023 to 3.9% in 2024. Excluding allowance for doubtful accounts, our general and administrative expenses as a percentage of our revenues was 3.7% in 2024, as compared to 4.0% in 2023.

Government grants

Our government grants decreased from RMB3.0 million in 2023 to RMB0.9 million (US$0.1 million) in 2024. The government grants mainly consisted of subsidies from local government or industrial parks where our offices are located and there was no significant commitment, contingencies or provision for recapture conditions for the government grants received.

Net loss

As a result of the foregoing, we were in a net loss of RMB193.2 million (US$26.5 million) in 2024, compared to a net loss of RMB271.8 million in 2023.

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenues

Our revenues decreased by 16.3% from RMB3,168.6 million in 2022 to RMB2,651.8 million in 2023, which was primarily due to a decrease in e-scooter sales volume.

The revenues from e-scooter sales decreased by 17.4% from RMB2,853.9 million in 2022 to RMB2,358.7 million in 2023, which was mainly due to a decrease in the sales volume of e-scooters by 14.6% from 831,593 in 2022 to 709,802 in 2023. The decrease in the sales volume of e-scooters was mainly due to the relatively slow pace of macro-economic recovery post COVID-19 and increased market competition in China and international markets.

The revenues per e-scooter decreased from RMB3,810.3 in 2022 to RMB3,735.9 in 2023, mainly due to the decreased sales volume of e-motorcycles and e-mopeds in international markets , which generally have a higher average selling price. The respective impact from the change in sales volume of e-scooters and revenues per e-scooter on our revenues in 2023, as compared to 2022, was RMB464.0 million (calculated by assuming the revenues per e-scooter in 2023 was the same as that in 2022) and RMB61.8 million (calculated by assuming the sales volume of e-scooters in 2023 was the same as that in 2022).

The revenues from accessory and spare parts sales decreased from RMB242.3 million in 2022 to RMB197.6 million in 2023, mainly due to the reduction in battery pack sales from overseas shared mobility operators, and the decrease in the sales volume of e-motorcycles and e-mopeds in international markets, which usually correlates with purchases of accessories and spare parts. The service revenues increased from RMB72.4 million in 2022 to RMB95.5 million in 2023, mainly attributable to the growth of our user base.

Cost of revenues

Our cost of revenues decreased by 16.7% from RMB2,498.9 million in 2022 to RMB2,081.0 million in 2023. The decrease was primarily attributable to a decrease in cost of products from RMB2,376.8 million in 2022 to RMB1,992.5 million in 2023, which was generally in line with the decrease in e-scooter sales volume.

The cost per e-scooter, defined as cost of revenues divided by the number of e-scooters sold in a specified period, decreased from RMB3,005.0 in 2022 to RMB2,931.8 in 2023, which was primarily due to lower freight cost for overseas sales.

Gross profit

We generated a gross profit of RMB570.7 million in 2023, as compared to a gross profit of RMB669.7 million in 2022. Our gross margin increased from 21.1% in 2022 to 21.5% in 2023, which was mainly due to lower raw material cost and change in product mix as a result of the launch of various new products.

Selling and marketing expenses

Our selling and marketing expenses increased by 12.6% from RMB440.4 million in 2022 to RMB495.7 million in 2023. The increase was primarily due to an increase of RMB64.7 million in rental expenses, and an increase of RMB18.2 million in after-sales services, partially offset by a decrease of RMB14.0 million in advertising and promotion expenses, a decrease of RMB11.0 million in staff cost, and a decrease of RMB5.4 million in share-based compensation. The increase in rental and after-sales expenses was primarily driven by overseas business expansion. The decrease in advertising and promotion expenses was primarily due to reduced marketing and promotional activities conducted in China in 2023. The decrease in staff cost was primarily due to a decreased in the number of our sales staff. Our sales and marketing expenses as a percentage of our revenues increased from 13.9% in 2022 to 18.7% in 2023.

Research and development expenses

Our research and development expenses decreased by 14.4% from RMB176.5 million in 2022 to RMB151.0 million in 2023. The decrease was mainly attributable to a decrease of RMB16.8 million in staff cost and share-based compensation, and a decrease of RMB5.1 million in system development expenses. The decrease in staff cost was mainly due to a reduction in the number of research and development personnel. The decrease of system development expenses primarily resulting from our cost-effective measures. Our research and development expenses as a percentage of our revenues slightly increased from 5.6% in 2022 to 5.7% in 2023.

General and administrative expenses

Our general and administrative expenses increased by 54.3% from RMB158.5 million in 2022 to RMB244.5 million in 2023. The increase was primarily due to an increase of RMB114.4 million in allowance for doubtful accounts, partially offset by a decrease of RMB19.3 million in professional fees and office and miscellaneous expenses, and a decrease of RMB15.3 million in staff cost and share-based compensation. The decrease in staff cost was mainly the result of a reduction in the number of employees with general corporate functions. The decrease in office and miscellaneous expenses was mainly due to enjoying the preferential VAT policy for the Advanced Manufacturing Enterprises. Our general and administrative expenses as a percentage of our revenues increased from 5.0% in 2022 to 9.2% in 2023. Excluding allowance for doubtful accounts, our general and administrative expenses as a percentage of our revenues was 4.0% in 2023, as compared to 4.2% in 2022.

Government grants

Our government grants decreased from RMB16.4 million in 2022 to RMB3.0 million in 2023. The government grants mainly consisted of subsidies from local government or industrial parks where our offices are located and there were no significant commitment, contingencies or provision for recapture conditions for the government grants received.

Net loss

As a result of the foregoing, we were in a net loss of RMB271.8 million in 2023, compared to a net loss of RMB49.5 million in 2022.

B. Liquidity and Capital Resources

Cash flows and working capital

We had net cash provided by operating activities of RMB93.7 million and RMB52.3 million (US$7.2 million) in 2023 and 2024, respectively, and net cash used in operating activities of RMB121.9 million in 2022.

Our primary sources of liquidity have been cash provided by operating activities and financing activities. As of December 31, 2024, we had RMB846.4 million (US$116.0 million) in cash, cash equivalents and restricted cash, of which approximately 27.2% were held in Renminbi and the remainder was mainly held in U.S. dollars.

After considering all facts available to us as of the date of this annual report, we believe our cash and cash equivalents, restricted cash and term deposits will be sufficient to meet our current and anticipated needs for general corporate purposes for at least the next 12 months. We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand, we may seek to issue equity or equity linked securities or obtain debt financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

We have the following short-term bank borrowings:

- In April 2022, we entered into a twelve-month revolving loan facility agreement with a commercial bank in mainland China, and we are entitled to extend the maturity date to May 2025. Pursuant to this agreement, we are entitled to borrow a short-term bank borrowing and notes payable up to RMB300,000,000. As of December 31, 2024, this facility was utilized for issuing bank acceptance notes, with an outstanding balance of RMB144,348,768.

- In March 2023, we entered into a twelve-month secured loan facility agreement with a commercial bank in mainland China, pursuant to which we are entitled to borrow secured bank loans of up to RMB160,000,000. In June and August 2023, we drew down RMB41,380,805 and RMB58,619,195, respectively, under this facility agreement bearing interest of 3.2% per annum, and repaid RMB100,000,000 in June 2024. In March and June 2024, we entered into two additional twelve-month secured loan facility agreements with the same commercial bank, pursuant to which we were entitled to borrow secured bank loans of up to RMB100,000,000 each. We drew down RMB100,000,000 in March 2024 and RMB100,000,000 in June 2024 under the respective facility agreement, bearing an annual interest rate of 3.0%, and repaid RMB100,000,000 in March 2025. As of December 31, 2024, the total outstanding borrowings under these loan facility agreements were RMB200,000,000 and we provided cash collateral in the form of a US dollar deposit equivalent to RMB215,652,000 held with the bank.

- In January and July 2024, we entered into two six-month revolving loan facility agreements with a commercial bank in mainland China, pursuant to which we were entitled to borrow notes payable of up to RMB50,000,000 each. These facilities were utilized for issuing bank acceptance notes. As of December 31, 2024, the total outstanding notes payable under these facility agreements were RMB50,000,000.

- In October and November 2024, we entered into two twelve-month revolving loan facility agreements with a commercial bank in mainland China, respectively. Pursuant to these agreements, we were entitled to borrow a short-term bank borrowing and notes payable up to RMB50,000,000 each. As of December 31, 2024, the facility was utilized for issuing bank acceptance notes, with an outstanding balance of RMB100,000,000.

- In February 2025, we entered into a twelve-month revolving loan facility agreement with a commercial bank in mainland China, pursuant to which we are entitled to borrow a short-term bank borrowing and notes payable up to RMB50,000,000. As of the date of this annual report, this facility has not been utilized.

Although we consolidate the results of the VIE, we only have access to the assets or earnings of the VIE through our contractual arrangements with the VIE and its shareholders. See “Item 4. Information on the Company—C. Organizational Structure” For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see “—Holding Company Structure.”

A substantial majority of our revenues have been, and we expect they are likely to continue to be, in the form of Renminbi. Under existing foreign exchange regulations of mainland China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our mainland China subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, current regulations of mainland China permit our mainland China subsidiaries to pay dividends to us only out of its accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Our mainland China subsidiaries are required to set aside at least 10% of its after-tax profits after making up previous years' accumulated losses each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Historically, our mainland China subsidiaries have not paid dividends to us. Furthermore, capital account transactions, which include foreign direct investment and loans, must be approved by and/or registered with SAFE, its local branches and certain local banks.

The following table sets forth the movements of our cash flows for the years presented:

	For the Year Ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	US$
		(in thousands)		
Selected Consolidated Cash Flow Data:				
Net cash (used in) provided by operating activities	(121,856)	93,735	52,287	7,163
Net cash provided by (used in) investing activities	397,892	216,310	(292,429)	(40,063)
Net cash (used in) provided by financing activities	(17,797)	(59,346)	100,267	13,737
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	30,043	8,914	6,052	830
Net increase (decrease) in cash, cash equivalents and restricted cash	**288,282**	**259,613**	**(133,823)**	**(18,333)**
Cash, cash equivalents and restricted cash at the beginning of the year	432,345	720,627	980,240	134,292
Cash, cash equivalents and restricted cash at the end of the year	**720,627**	**980,240**	**846,417**	**115,959**

Operating activities

Net cash provided by operating activities in 2024 was RMB52.3 million (US$7.2 million), as compared to net loss of RMB193.2 million (US$26.5 million). The difference between net cash provided by operating activities and net loss was attributable to adjustments for certain non-cash expenses and net changes in working capital. Adjustments for non-cash expenses consisted principally of depreciation and amortization expenses of RMB122.1 million (US$16.7 million), write-downs of inventories of RMB30.0 million (US$4.1 million), and share-based compensation expenses of RMB24.2 million (US$3.3 million). Changes in working capital accounts that affected operating cash flow consisted primarily of (i) an increase of RMB423.0 million (US$58.0 million) in accounts payable and notes payable, partially offset by (ii) an increase of RMB288.2 million (US$39.5 million) in inventories, (iii) an increase of RMB58.8 million (US$8.1 million) in prepayments and other current assets and (iv) an increase of RMB44.9 million (US$6.1 million) in accounts receivable and notes receivable. The increase in accounts payable and notes payable was primarily due to enhanced efficiency of cash management.

Net cash provided by operating activities in 2023 was RMB93.7 million, as compared to net loss of RMB271.8 million. The difference between net cash provided by operating activities and net loss was attributable to adjustments for certain non-cash expenses and net changes in working capital. Adjustments for non-cash expenses consisted principally of depreciation and amortization expenses of RMB148.1 million, allowance for doubtful accounts of RMB139.4 million and share-based compensation expenses of RMB47.7 million. Changes in working capital accounts that affected operating cash flow consisted primarily of (i) a decrease of RMB65.4 million in accounts receivable and (ii) a decrease of RMB33.3 million in accounts payable and notes payable. The decrease in accounts receivable was primarily due to enhanced efficiency of cash management.

Net cash used in operating activities in 2022 was RMB121.9 million, as compared to net loss of RMB49.5 million. The difference between net cash used in operating activities and net loss was attributable to adjustments for certain non-cash expenses and net changes in working capital. Adjustments for non-cash expenses consisted principally of depreciation and amortization expenses of RMB142.7 million and share-based compensation expenses of RMB58.2 million. Changes in working capital accounts that affected operating cash flow consisted primarily of (i) a RMB156.1 million increase in inventories and (ii) a RMB125.9 million increase in prepayments and other current assets. The increase in inventories and prepayments and other current assets was primarily due to the growth of our business and operation.

Investing activities

Net cash used in investing activities in 2024 was RMB292.4 million (US$40.1 million), consisting primarily of cash paid for purchases of term deposits, short-term investments, and property, plant and equipment, partially offset by cash received from sale of short-term investments and withdrawal from term deposits.

Net cash provided by investing activities in 2023 was RMB216.3 million, consisting primarily of cash received from sale of short-term investments and withdrawal from term deposits, partially offset by cash paid for purchases of term deposits, short-term investments, and property, plant and equipment.

Net cash provided by investing activities in 2022 was RMB397.9 million, consisting primarily of cash received from sale of short-term investments and withdrawal from term deposits, partially offset by cash paid for purchases of term deposits, short-term investments, and property, plant and equipment.

Financing activities

Net cash provided by financing activities in 2024 was RMB100.3 million (US$13.7 million), consisting primarily of proceeds from short-term bank borrowings, partially offset by repayments for short-term bank borrowings.

Net cash used in financing activities in 2023 was RMB59.3 million, consisting primarily of repayments for short-term bank borrowings, partially offset by the proceeds from short-term bank borrowings and exercise of employee stock option.

Net cash used in financing activities in 2022 was RMB17.8 million, consisting primarily of repayments for short-term bank borrowings, partially offset by the proceeds from short-term bank borrowings and exercise of employee stock option.

Material cash requirements

Our material cash requirements as of December 31, 2024 and any subsequent interim period primarily include our capital expenditures, operating lease obligations and purchase obligations.

We made capital expenditures of RMB135.3 million, RMB78.9 million and RMB119.7 million (US$16.4 million) in 2022, 2023 and 2024, respectively. Our capital expenditures for 2022, 2023 and 2024 represented cash paid for purchase of property, plant and equipment. We will continue to make such capital expenditures to support the expected growth of our business.

We intend to fund our existing and future material cash requirements primarily with anticipated cash flows from operations, our existing cash balance and other financing alternatives.

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any off-balance sheet derivative instruments. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or research and development services with us.

We did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2024.

Holding Company Structure

Our company, Niu Technologies, is a holding company with no material operations of its own. We conduct operations in mainland China primarily through our subsidiaries and the VIE in mainland China. As a result, although other means are available for us to obtain financing at the holding company level, Niu Technologies' ability to pay dividends depends upon dividends paid by our mainland China subsidiaries and license and service fees paid by the VIE in mainland China.

If any of our existing or newly formed mainland China subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to Niu Technologies. In addition, our WFOE is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under the laws of mainland China, each of our WFOE and the VIE is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, our WFOE may allocate a portion of its after-tax profits based on PRC accounting standards to enterprise expansion funds and staff bonus and welfare funds at its discretion, and the VIE may allocate a portion of their after-tax profits based on PRC accounting standards to a discretionary surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by a wholly foreign-owned company out of mainland China is subject to examination by the banks designated by SAFE. Our WFOE has not paid dividends and will not be able to pay dividends until it generates accumulated profits and meets the requirements for statutory reserve funds.

C. Research and Development

See "Item 4. Information On the Company—B. Business Overview— NIU Innovation Lab" and "—Intellectual Property."

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events since January 1, 2025 that are reasonably likely to have a material and adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial conditions.

E. Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires our management to make judgments and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated, and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be material.

For the year ended December 31, 2024, we had not identified critical accounting estimates that involve a significant level of estimation uncertainty and would have a material impact on our results.

Recent Accounting Pronouncements

We discuss recently adopted and issued accounting standards in Note 2, "Summary of Significant Accounting Policies—Recent Accounting Pronouncements" to our consolidated financial statements included elsewhere in this annual report.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers as of the date of this annual report.

Directors and Executive Officers	Age	Position/Title
Yan Li	46	Chairman of the Board of Directors and Chief Executive Officer
Fion Wenjuan Zhou	41	Director and Chief Financial Officer
Changqing Ye	54	Independent Director
Mei-Wei Cheng	75	Independent Director
Julian Juul Wolhardt	51	Independent Director
John Jinshu Zhang	65	Independent Director

Dr. Yan Li has served as the chairman of our board of directors since March 2018, our chief executive officer since December 2017 and our chief operating officer since January 2016. Prior to joining our company in 2016, Dr. Li was a principal at KKR Capstone Limited from 2009 to 2015 and he oversaw KKR Capstone Limited's portfolio operation in China, including Qingdao Haier Group, a home appliance manufacturer listed on the Shanghai Stock Exchange, China Modern Diary, a milk producer listed on the Hong Kong Stock Exchange, China Cord Blood Corporation, a provider of cord blood banking services in China listed on the New York Stock Exchange and United Envirotech, an environmental engineering and consulting solutions provider listed on the Singapore Stock Exchange. Dr. Li was awarded the Operational Excellence Award by Private Equity International in 2012. Prior to KKR Capstone Limited, Dr. Li worked for McKinsey & Company from 2008 to 2009, where he advised various companies in high-tech, industrial goods and retail sectors. Prior to McKinsey, Dr. Li worked as a senior research engineer at Qualcomm Inc. in San Diego, CA from 2006 to 2008, focusing on the development of 3G and 4G communications technology. Dr. Li holds three patents on 3G communications. Dr. Li received a bachelor's degree from the University of California at Berkeley in 2001 and a Ph.D. from Stanford University in 2005, both in electronics and electrical engineering.

Ms. Fion Wenjuan Zhou has served as our director since December 2023 and our chief financial officer since November 2021. She is responsible for overseeing investor relations, strategic investment, finance, legal, internal controls and ESG compliance of our company. Prior to joining us, Ms. Zhou served as the chief financial officer of Sogou Inc. (NYSE: SOGO) from July 2020 to October 2021. Between 2015 and 2019, Ms. Zhou served as a finance director of Alibaba Group (NYSE: BABA) and as chief financial officer of Yidian Zixun, a leading mobile news aggregator in China. Prior to that, Ms. Zhou also held senior finance roles at Viadeo S.A. and Concord Medical Services Holdings Limited (NYSE: CCM). Ms. Zhou started her career as an auditor at PricewaterhouseCoopers Zhong Tian in 2006. Ms. Zhou received a bachelor's degree in Financial Management from the University of International Business and Economics in 2006 and an Executive MBA from HEC Paris in 2016. Ms. Zhou is a member of the American Institute of Certified Public Accountants and a Chartered Global Management Accountant.

Mr. Changqing Ye has served as our director since October 2018. He currently also serves as an independent director of Baozun Inc., a company listed on Nasdaq, Ascentage Pharma Group International, a company listed on the Hong Kong Stock Exchange, Jinxin Fertility Group Limited, a company listed on the Hong Kong Stock Exchange, Hygeia Healthcare Holdings Limited, a company listed on the Hong Kong Stock Exchange, VNET Group Inc., a company listed on Nasdaq, and NWTN Inc., a company listed on Nasdaq. From October 2018 to September 2022, he served as an independent director of Luzhou Bank, a company listed on the Hong Kong Stock Exchange. From February 2011 to December 2015, Mr. Ye served as an investment committee member and then group chief financial officer and managing director of CITIC PE Group. Prior to that, Mr. Ye worked at PricewaterhouseCoopers' China and UK offices from July 1992 to January 2011. Mr. Ye received his bachelor's degree in journalism from Huazhong University of Science and Technology in China in 1992 and an MBA from Warwick University in 1999. Mr. Ye is a certified public accountant in China.

Mr. Mei-Wei Cheng has served as our director since October 2018. Mr. Cheng serves as a director of LEAR Corporation, and served as non-executive chairman of the board of directors of HCP Packaging and INTERPLEX Holdings, both portfolio companies of Baring Private Equity Asia. Mr. Cheng served as a member of the audit committee and finance committee of the board of directors of Seagate Technology, a company listed on Nasdaq, from 2013 to 2018. From 2010 to 2014, Mr. Cheng served as board member and audit committee member of Diebold Nixdorf, a company listed on NYSE. From February 2015 to January 2017, Mr. Cheng served as the chairman of the board of directors of Pactera Technology International Ltd., a portfolio company of Blackstone Group. From July 2010 to April 2014, Mr. Cheng was the chief executive officer of Siemens Northeast Asia and president and chief executive officer of Siemens China. Prior to joining Siemens, Mr. Cheng served as the chairman and chief executive officer of Ford Motor (China) Ltd. And as a corporate vice president of Ford Motor Company from 1998 to 2008 and as the executive chairman at Ford Motor Company (China) Ltd. And as a group vice president of Ford Motor Company from 2009 to 2010. Prior to joining Ford, Mr. Cheng held several executive positions at General Electric Corporation and AT&T. Mr. Cheng received a bachelor's degree in industrial engineering/operations research from Cornell University in 1972 and an MBA from Rutgers University in 1999.

Mr. Julian Juul Wolhardt has served as our director since October 2018. Mr. Wolhardt is currently chief executive officer of DCP Advisors Limited. From August 2006 to December 2016, Mr. Wolhardt was a partner focused on Greater China at KKR Asia Limited. Prior to joining KKR Asia Limited, Mr. Wolhardt served as executive director at Morgan Stanley Private Equity Asia from 1998 to 2006. Mr. Wolhardt was an analyst at Lazard Freres & Co from 1996 to 1997 and worked at Coopers & Lybrand from 1995 to 1996. Mr. Wolhardt received his bachelor's degree in accounting from the University of Illinois (Urbana-Champaign) in 1995. Mr. Wolhardt is a certified public accountant and certified management accountant in the U.S.

Mr. John Jinshu Zhang has served as our director since October 2018. Mr. Zhang is currently general counsel of Blue California. From October 2000 to May 2021, Mr. Zhang was a partner at Dentons LLP, Edwards Wildman LLP, Reed Smith LLP, and Greenberg Traurig, LLP successively. Mr. Zhang worked as an associate of Jones Day LLP and Graham & James, LLP from November 1993 to November 1999. Mr. Zhang received his bachelor's degree in literature from Peking University in 1982, master's degree in Asian studies from University of Hawaii at Manoa in 1989, master's degree in intellectual history from University of California, Los Angeles in 1990 and Juris doctor degree from University of California, Berkeley in 1993.

B. Compensation

In 2024, we paid an aggregate of approximately RMB3.91 million (US$0.54 million) in cash to our executive officers, and approximately RMB1.09 million (US$0.15 million) in cash to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers.

Share Incentive Plans

In January 2016, our shareholders and board of directors approved the 2016 Global Share Incentive Plan to attract and retain the best available personnel, provide additional incentives to employees, directors and consultants, and promote the success of our business. In March 2018, we amended the 2016 Global Share Incentive Plan, or the Amended and Restated 2016 Plan, so that the maximum aggregate number of ordinary shares that may be issued under the Amended and Restated 2016 Plan is 5,861,480 ordinary shares. As of December 31, 2024, options to purchase 1,140,400 ordinary shares and nil restricted share units had been granted and were outstanding under the Amended and Restated 2016 Plan, excluding options or restricted share units that were forfeited or canceled after the relevant grant dates.

In September 2018, our shareholders and board of directors approved the 2018 Share Incentive Plan to promote the success and enhance the value of our company, which became effective immediately prior to the completion of our initial public offering. Under the 2018 Share Incentive Plan, or the 2018 Plan, the maximum aggregate number of ordinary shares available for issuance is initially 6,733,703 ordinary shares, which shall be increased by a number equal to 1.5% of the total number of our issued and outstanding ordinary shares on the last day of each of the immediately preceding fiscal year during the term of the 2018 Plan commencing with the fiscal year ended December 31, 2019, if determined and approved by the board of directors for the relevant fiscal year. Our board of directors has approved annual increases of 2,305,212, 2,313,923 and 2,326,755 ordinary shares for the years ended December 31, 2022, 2023 and 2024, representing 1.5% of total issued and outstanding shares as of December 31, 2021, 2022 and 2023, respectively, pursuant to the 2018 Plan. As of December 31, 2024, options to purchase 2,612,928 ordinary shares and 2,753,342 restricted share units had been granted and were outstanding under the 2018 Plan, excluding options or restricted share units that were forfeited or canceled after the relevant grant dates. The following paragraphs describe the principal terms of the Amended and Restated 2016 Plan and the 2018 Plan:

Type of Awards. The Amended and Restated 2016 plan permits the awards of options, restricted share units, restricted shares, share appreciation rights, dividend equivalents and share payments. The 2018 plan permits the awards of options, restricted shares, restricted share units or other types of awards approved by the board of directors or a committee of one or more members of the board of directors.

Plan Administration. Our board of directors or a committee appointed by the board of directors will administer the plan. The committee or the board of directors, as applicable, will determine the participants to receive awards, the type and number of awards to be granted to each participant, and the terms and conditions of each grant.

Award Agreement. Awards granted under the plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each award, which may include the term of the award, the provisions applicable in the event that the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to our employees, consultants and directors.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement.

Exercise of Options. The plan administrator determines the exercise price for each award, which is stated in the relevant award agreement. Options that are vested and exercisable will terminate if they are not exercised prior to the time as the plan administrator determines at the time of grant. However, the maximum exercisable term is ten years from the date of grant.

Transfer Restrictions. Awards may not be transferred in any manner by the participant other than in accordance with the exceptions provided in the plan or the relevant award agreement or otherwise determined by the plan administrator, such as transfers by will or the laws of descent and distribution.

Termination and Amendment of the Plan. Unless terminated earlier, the plan has a term of ten years. Our board of directors has the authority to terminate, amend, suspend or modify the plan in accordance with our articles of association. However, without the prior written consent of the participant, no such action may adversely affect in any material way any award previously granted pursuant to the plan.

The following table summarizes, as of December 31, 2024, the options granted and outstanding under the Amended and Restated 2016 Plan and the 2018 Plan to our directors and executive officers and our other employees, excluding options that were forfeited or canceled after the relevant grant dates.

Name	Ordinary Shares Underlying Options	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Yan Li	*	3.425	August 1, 2019	July 31, 2029
Other employees	2,823,328	0.2 and 3.425	February 1, 2016~ August 1, 2019	January 31, 2026~ July 31, 2029

* Less than 1% of our total ordinary shares outstanding as of December 31, 2024.

The following table summarizes, as of December 31, 2024, the restricted share units granted and outstanding under the Amended and Restated 2016 Plan and the 2018 Plan to our directors and executive officers and our other employees, excluding restricted share units that were forfeited or canceled after the relevant grant dates.

Name	Ordinary Shares Underlying Restricted Share Units	Date of Grant	Date of Expiration
Fion Wenjuan Zhou	*	March 15, 2022	March 14, 2032
Changqing Ye	*	October 19, 2024	October 18, 2034
Mei-Wei Cheng	*	October 19, 2024	October 18, 2034
Julian Juul Wolhardt	*	October 19, 2024	October 18, 2034
John Jinshu Zhang	*	October 19, 2024	October 18, 2034
Other employees	2,253,342	February 1, 2019 ~ December 5, 2024	January 31, 2029 ~ December 4, 2034

* Less than 1% of our total ordinary shares outstanding as of December 31, 2024.

C. Board Practices

Board of Directors

Our board of directors consists of six directors. A director is not required to hold any shares in our company by way of qualification. A director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with our company is required to declare the nature of his interest at a meeting of our directors. Subject to the Nasdaq Global Market rules and disqualification by the chairman of the relevant board meeting, a director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein, and if he does so his vote shall be counted and he shall be counted in the quorum at any meeting of our directors at which any such contract or transaction or proposed contract or transaction is considered. Our directors may exercise all the powers of our company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We have established three committees under the board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Mr. Changqing Ye, Mr. John Jinshu Zhang and Mr. Mei-Wei Cheng. Mr. Changqing Ye is the chairman of our audit committee. We have determined that Mr. Changqing Ye, Mr. John Jinshu Zhang and Mr. Mei-Wei Cheng satisfy the "independence" requirements of Rule 5605 of the Nasdaq Stock Market Rules and Rule 10A-3 under the Exchange Act. We have determined that Mr. Changqing Ye qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee consists of Mr. John Jinshu Zhang and Mr. Julian Juul Wolhardt. Mr. John Jinshu Zhang is the chairman of our compensation committee. We have determined that Mr. John Jinshu Zhang and Mr. Julian Juul Wolhardt satisfy the "independence" requirements of Rule 5605 of the Nasdaq Stock Market Rules. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Mr. John Jinshu Zhang, Mr. Changqing Ye and Mr. Mei-Wei Cheng. Mr. John Jinshu Zhang is the chairperson of our nominating and corporate governance committee. We have determined that Mr. John Jinshu Zhang, Mr. Changqing Ye and Mr. Mei-Wei Cheng satisfy the "independence" requirements of Rule 5605 of the Nasdaq Stock Market Rules. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;

- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise skills they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth Courts have moved toward an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our sixth amended and restated memorandum and articles of association, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our share register.

Terms of Directors and Officers

Our directors may be appointed by an ordinary resolution of our shareholders. Alternatively, our board of directors may, by the affirmative vote of a simple majority of the directors present and voting at a board meeting appoint any person as a director to fill a casual vacancy on our board or as an addition to the existing board. Our directors may be appointed on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between our company and the Director, if any; but no such term shall be implied in the absence of express provision and our Directors hold office until such time as they are removed from office by an ordinary resolution of our shareholders (or where they have sooner vacated office). In addition, a director will cease to be a director if he (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing; (iv) without special leave of absence from our board, is absent from meetings of our board for three consecutive meetings and our board resolves that his office be vacated; or (v) is removed from office pursuant to any other provision of our articles of association.

Our officers are appointed by and serve at the discretion of the board of directors, and may be removed by our board of directors.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, for certain acts of the executive officer, such as continued failure to satisfactorily perform, willful misconduct or gross negligence in the performance of agreed duties, conviction or entry of a guilty or nolo contendere plea of any felony or any misdemeanor involving moral turpitude, or dishonest act that results in material to our detriment or material of the employment agreement. We may also terminate an executive officer's employment without cause upon 60-day advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as may be agreed between the executive officer and us. The executive officer may resign at any time with a 60-day advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer's employment with us and to assign all right, title and interest in them to us, and assist us in obtaining and enforcing patents, copyrights and other legal rights for these inventions, designs and trade secrets.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) solicit from any customer doing business with us during the effective term of the employment agreement business of the same or of a similar nature to our business; (ii) solicit from any of our known potential customer business of the same or of a similar nature to that which has been the subject of our known written or oral bid, offer or proposal, or of substantial preparation with a view to making such a bid, proposal or offer; (iii) solicit the employment or services of, or hire or engage, any person who is known to be employed or engaged by us; or (iv) otherwise interfere with our business or accounts, including, but not limited to, with respect to any relationship or agreement between any vendor or supplier and us.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Board Diversity Matrix

Board Diversity Matrix (As of February 28, 2025)

Country of Principal Executive Offices	PRC
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	6

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	5	N/A	N/A
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction		0		
LGBTQ+		0		
Did Not Disclose Demographic Background		0		

D. Employees

As of December 31, 2024, we had 642 full-time employees. We had a total of 641 employees as of December 31, 2022 and 550 employees as of December 31, 2023, respectively. The following table sets forth the numbers of our employees categorized by function as of December 31, 2024.

Function	Number	% of Total Employees
Sales and marketing	294	45.8
Research and Development	161	25.1
Supply chain management and general administration	187	29.1
Total number of employees	642	100.0

A substantial majority of the personnel in our manufacturing facility, mainly the personnel working on the assembly and production lines, are outsourced from third parties, and are not our employees.

Our success depends on our ability to attract, retain and motivate qualified employees that share our values and vision. We offer employees competitive salaries, which are potentially adjusted twice a year based on the employee's performance. We believe that we maintain a good working relationship with our employees.

Under the regulations of mainland China, we are required to participate in and make contributions to housing funds and various employee social security plans that are organized by applicable local municipal and provincial governments, including pension, medical, work-related injury and unemployment benefit plans. See "Item 3. Key Information— D. Risks Related to Doing Business in China— Failure to make adequate contributions to various employee benefit plans as required by the regulations of mainland China may subject us to penalties."

E. Share Ownership

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of February 28, 2025 by:

- each of our directors and executive officers; and
- each of our principal shareholders who beneficially own more than 5% of our total outstanding shares on an as-converted basis.

The calculations in the table below are based on 155,927,944 ordinary shares, consisting of 139,385,924 Class A ordinary shares and 16,542,020 Class B ordinary shares, as of February 28, 2025.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned			
	Class A ordinary shares	Class B ordinary shares	% of total ordinary shares	% of aggregate voting power***
Directors and Executive Officers:**				
Yan Li(1)	830,000	6,615,000	4.8	13.3
Fion Wenjuan Zhou	*	—	*	*
Changqing Ye	—	—	—	—
Mei-Wei Cheng	*	—	*	*
Julian Juul Wolhardt	*	—	*	*
John Jinshu Zhang	*	—	*	*
All Directors and Executive Officers as a Group	1,077,000	6,615,000	4.9	13.4
Principal Shareholders:				
Glory Achievement Fund Limited(2)	49,321,935	—	31.6	24.0
Niu Holding Inc.(3)	—	9,927,020	6.4	19.3

* Less than 1% of our total ordinary shares outstanding as of February 28, 2025.

** The business address of Yan Li, and Fion Wenjuan Zhou is Building C, Rongxin Technology Center, No. 34 Chuangyuan Road, Chaoyang District, Beijing 100020, People's Republic of China. The business address of Mr. Changqing Ye is Flat B, 36/F, Harbour Green, 8 Sham Mong Road, Tai Kok Tsui, Kowloon, Hong Kong. The business address of Mr. Mei-Wei Cheng is 1202 Building 10, Green Court, 777 Biyun Road, Pudong, Shanghai, 201206, People's Republic of China. The business address of Mr. Julian Juul Wolhardt is 21F, York House, The Landmark, 15 Queen's Road Central, Hong Kong. The business address of Mr. John Jinshu Zhang is 749 Via del Monte, Palos Verdes Estates, California 90274, the United States of America.

*** For each person or group included in this column, percentage of total voting power represents voting power based on both Class A and Class B ordinary shares held by such person or group with respect to all outstanding shares of our Class A and Class B ordinary shares as a single class. Each holder of our Class A ordinary shares is entitled to one vote per share. Each holder of our Class B ordinary shares is entitled to four votes per share. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis.

(1). Represents (i) 210,000 Class A ordinary shares held in the form of ADSs held by Dr. Yan Li in the brokerage account of the administrator of our employee stock option program, (ii) 620,000 Class A ordinary shares issuable to Dr. Yan Li upon exercise of share options within 60 days of February 28, 2025, and (iii) 6,615,000 Class B ordinary shares held by ELLY Holdings Limited, a BVI business company. ELLY Holdings Limited is wholly owned by Dr. Yan Li. The registered address of ELLY Holdings Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands VG1110.

(2). Represents 49,321,935 Class A ordinary shares held by Glory Achievement Fund Limited, a Cayman Islands company. Glory Achievement Fund Limited is wholly owned by Bull Group Limited, a Cayman Islands company. Bull Group Limited is wholly owned by BULL TRUST, which has Mr. Yi'nan Li as the beneficiary and is administered by an independent trustee and initially by three individual protectors unrelated to Mr. Li. Any decision making with respect to the voting or disposal of the shares held by Glory Achievement Fund Limited in the Issuer or other dealings in the Issuer's securities is subject to approval by the protectors. Mr. Yi'nan Li will be able to replace the protectors with persons appointed by himself in August 2028 or when the trust beneficially owns, through Glory Achievement Fund Limited or otherwise, no more than 10% of the outstanding shares of the Issuer on an as-converted basis. The registered address of Glory Achievement Fund Limited is P.O. Box 2075, George Town, Grand Cayman KY1-1105, Cayman Islands. The following information is based on the Schedule 13D filed by Glory Achievement Fund Limited, among others, on December 7, 2023. The above information is based on the Schedule 13G jointly filed by (i) Glory Achievement Fund Limited, (ii) Bull Group Limited and (iii) BULL TRUST on December 7, 2023, and assumes that Glory Achievement Fund Limited's shareholding has not change since December 7, 2023.

(3). Represents 9,927,020 Class B ordinary shares held by Niu Holding Inc., a BVI business company, which is 82.7% owned by LUCK GENIE HOLDINGS LIMITED, a BVI business company, and 17.3% owned by WEALTH ERUPT HOLDINGS LIMITED, a BVI business company. LUCK GENIE HOLDINGS LIMITED is wholly owned by Legend Champ Investment Limited, a BVI business company. Legend Champ Investment Limited is wholly owned by Token Who Cares Trust. The settlor and beneficiary of Token Who Cares Trust is Mr. Token Yilin Hu, our former director and vice president. WEALTH ERUPT HOLDINGS LIMITED is beneficially owned by Mr. Carl Chuankai Liu. The registered address of Niu Holding Inc. is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands VG1110. The above information is based on the Schedule 13G/A jointly filed by (i) Niu Holding Inc., (ii) LUCK GENIE HOLDINGS LIMITED, (iii) Legend Champ Investment Limited, (iv) Token Who Cares Trust and (v) Token Yilin Hu on February 9, 2023, and assumes that Niu Holding Inc.'s shareholding has not changed since December 31, 2022.

To our knowledge, as of February 28, 2025, a total of 101,545,280 Class A ordinary shares were held by three record holders in the United States, representing approximately 65.1% of our total outstanding shares on an as-converted basis. One of these record holders is Citibank, N.A., the depositary of our ADS program. None of our outstanding Class B ordinary shares were held by record holders in the United States as of February 28, 2025. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to four votes per share. Holders of Class A and Class B ordinary shares vote together as one class on all matters subject to a shareholders' vote. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstance. See "Item 10.B. Additional Information—Memorandum and Articles of Association" for a more detailed description of our Class A ordinary shares and Class B ordinary shares.

F. Disclosure of Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

Please refer to "Item 6. Directors, Senior Management and Employees— E. Share Ownership."

B. Related Party Transactions

Contractual Arrangements with the VIE and Its Shareholders

See "Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIE."

Employment Agreements and Indemnification Agreements

See "Item 6. Directors, Senior Management and Employees—B. Compensation."

Share Options and Restricted Shares Grants

Please refer to "Item 6. Directors, Senior Management and Employees— B. Compensation."

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Legal Proceedings

We are currently not a party to any material legal or administrative proceedings. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

Dividend Policy

Our board of directors has discretion on whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. In either case, all dividends are subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if we decide to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

Our company is a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in mainland China for our cash requirements, including any payment of dividends to our shareholders. Regulations of mainland China may restrict the ability of our mainland China subsidiaries to pay dividends to us. See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Dividend Distribution."

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the Class A ordinary shares underlying the ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. The Offer and Listing

A. Offering and Listing Details

Our ADSs, each representing two Class A ordinary shares, have been listed on The Nasdaq Global Market since October 19, 2018 under the symbol "NIU."

B. Plan of Distribution

Not applicable.

C. Markets

The ADSs have been listed on the Nasdaq Global Market since October 19, 2018 under the symbol "NIU."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following are summaries of material provisions of our currently effective sixth amended and restated memorandum and articles of association, as well as the Companies Act (As Revised) insofar as they relate to the material terms of our ordinary shares. The information set forth in Exhibits 2.5 and 2.6 to this annual report on Form 20-F is incorporated herein by reference.

Registered Office and Objects

Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The objects for which our company is established are unrestricted and we have the full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

Board of Directors

See "Item 6. Directors, Senior Management and Employees— C. Board Practices—Board of Directors."

Ordinary Shares

Ordinary Shares. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to vote at our general meetings, and each Class B ordinary share shall entitle the holder thereof to four votes on all matters subject to vote at our general meetings. Our ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Any number of Class B ordinary shares held by a holder thereof will be automatically and immediately converted into an equal number of Class A ordinary shares upon the occurrence of (i) any direct or indirect sale, transfer, assignment or disposition of such number of Class B ordinary shares by the holder thereof or the direct or indirect transfer or assignment of the voting power attached to such number of Class B ordinary shares through voting proxy or otherwise to any person that is not an affiliate of such holder or (ii) the direct or indirect sale, transfer, assignment or disposition of a majority of the issued and outstanding voting securities of, or the direct or indirect transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or the direct or indirect sale, transfer, assignment or disposition of all or substantially all of the assets of, a holder of Class B ordinary shares that is an entity to any person that is not an affiliate of such holder.

Dividends. Our directors may from time to time declare dividends (including interim dividends) and other distributions on our shares in issue and authorize payment of the same out of the funds of our company lawfully available therefor. In addition, our shareholders may declare dividends by ordinary resolution, but no dividend shall exceed the amount recommended by our directors. Our memorandum and articles of association provide that dividends may be declared and paid out of the funds of our company lawfully available therefor. Under the laws of the Cayman Islands, our company may pay a dividend out of either profits or share premium account; provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Holders of our Class A ordinary shares and our Class B ordinary shares shall, at all times, vote together as one class on all matters submitted to a vote by our shareholders at any general meeting of our company. Each Class A ordinary share shall be entitled to one vote, and each Class B ordinary share shall be entitled to four votes, on all matters subject to a vote at general meetings of our company. Voting at any meeting of shareholders is by show of hands unless a poll (before or on the declaration of the result of the show of hands) is demanded. A poll may be demanded by the chairman of such meeting or any one shareholder holding not less than 10% of the votes attaching to the shares present in person or by proxy.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the issued and outstanding ordinary shares at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association. Our shareholders may, among other things, divide or combine their shares by ordinary resolution.

General Meetings of Shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairman of our board of directors or by our directors (acting by a resolution of our board). Advance notice of at least seven calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of, at the time when the meeting proceeds to business, one or more of our shareholders holding shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to all of our shares in issue and entitled to vote at such general meeting.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association provide that upon the requisition of any one or more of our shareholders holding shares which carry in aggregate not less than one-third of all votes attaching to all issued and outstanding shares of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the Nasdaq Global Market may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the rules of the Nasdaq Global Market be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, such the assets will be distributed so that, as nearly as may be, the losses are home by our shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by our shareholders by special resolution. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of directors or by an ordinary resolution of our shareholders. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. Whenever the capital of our company is divided into different classes the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be materially adversely varied with the consent in writing of the holders of all of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially adversely varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any shares of any class by our company. The rights of the holders of shares shall not be deemed to be materially adversely varied by the creation or issue of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

Issuance of Additional Shares. Our memorandum of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our memorandum of association also authorizes our board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preference shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of Books and Records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (save for our memorandum and articles of association, our register of mortgages and charges and special resolutions of our shareholders). However, we intend to provide our shareholders with our annual audited financial statements.

Anti-Takeover Provisions. Some provisions of our memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are given for up to 30 years);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Differences in Corporate Law

The Companies Act (As Revised) is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Act (As Revised) and the current Companies Act of England.

In addition, the Companies Act (As Revised) differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act (As Revised) applicable to us and the laws applicable to United States corporations and companies incorporated in the State of Delaware.

Mergers and Similar Arrangements

The Companies Act (As Revised) permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (1) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (2) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies in the consolidated company.

In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (1) a special resolution of the shareholders of each constituent company, and (2) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a "parent" of a subsidiary if it holds issued shares that together represent at least 90% of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act (As Revised) also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by (a) 75% in value of the shareholders or class of shareholders, as the case may be, or (b) a majority in number representing 75% in value of the creditors or each class of creditors, as the case may be, with whom the arrangement is to be made, that are, in each case, present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the Grand Court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act (As Revised) also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction by way of scheme of arrangement is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of our company to challenge actions where:

- an act which is ultra vires or illegal and is therefore incapable of ratification by the shareholders;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- an act which constitute a fraud against the minority where the wrongdoer are themselves in control of the company.

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime.

Our memorandum and articles of association permit indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty or fraud of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction.

The duty of loyalty requires that a director acts in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally.

In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he or she owes the following duties to the company:

- a duty to act in good faith in the best interests of the company,
- a duty not to make a personal profit based on his or her position as director (unless the company permits him or her to do so),

- a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party, and
- a duty to exercise powers for the purpose for which such powers were intended.

A director of a Cayman Islands company owes to the company a duty of care, diligence and skill. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our currently effective memorandum and articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of all shareholders who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act (As Revised) does not provide shareholders with an express right to put forth any proposal before a general meeting of the shareholders. However, the Companies Act (As Revised) may provide shareholders with limited rights to requisition a general meeting but such rights must be stipulated in the articles of association of the company.

Our memorandum and articles of association provide that upon the requisition of any one or more of our shareholders holding shares which carry in aggregate not less than one-third of all votes attaching to all issued and outstanding shares of our company entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for election of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director.

There are no prohibitions relating to cumulative voting under the laws of the Cayman Islands, but our memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors may be removed with or without cause, by an ordinary resolution of our shareholders at any time before the expiration of his term of office notwithstanding anything in our memorandum and articles of association or in any agreement between our company and such director (but without prejudice to any claim for damages under any such agreement).

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting shares within the past three years.

This statute has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper purpose and not with the effect of constituting a fraud on the minority shareholders.

Restructuring

A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

(a) is or is likely to become unable to pay its debts; and

(b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may only materially and adversely vary the rights attached to any class with the consent in writing of the holders of all of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Under Cayman Islands law, our memorandum and articles of association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares.

In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Inspection of Books and Records

Under the Delaware General Corporation Law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation's stock ledger, list of shareholders and other books and records.

Shareholders of Cayman Islands exempted companies like us have no general right under Cayman Islands law to inspect corporate records (other than the memorandum and articles of association, the register of mortgages and charges and any special resolutions passed by our shareholders) or obtain copies of the list of shareholders of these companies. Under Cayman Islands law, the names of our current directors can be obtained from a search conducted at the Registrar of Companies. However, we intend to provide our shareholders with annual reports containing audited financial statements.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in "Item 4. Information on the Company," "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions," or elsewhere in this annual report on Form 20-F.

D. Exchange Controls

See "Item 4. Information on the Company—B. Business Overview—Regulations—Regulations Relating to Foreign Exchange."

E. Taxation

The following summary of the material Cayman Islands, mainland China and U.S. federal income tax consequences of an investment in the ADSs or ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in the ADSs or ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, mainland China and the United States.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to holders of our ADSs or ordinary shares levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our ordinary shares and ADSs will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our ordinary shares or the ADSs, nor will gains derived from the disposal of our ordinary shares or the ADSs be subject to Cayman Islands income or corporation tax.

Mainland China Taxation

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of mainland China with a "de facto management body" within mainland China is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, production, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a mainland China-controlled enterprise that is incorporated offshore is located in mainland China. Although this circular only applies to offshore enterprises controlled by mainland China enterprises or mainland China enterprise groups, not those controlled by mainland China individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of Taxation's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a mainland China enterprise or a mainland China enterprise group will be regarded as a mainland China tax resident by virtue of having its "de facto management body" in mainland China only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in mainland China; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in mainland China; (iii) the enterprise's primary assets, accounting books and records, company seals and board and shareholder resolutions are located or maintained in mainland China; and (iv) at least 50% of voting board members or senior executives habitually reside in mainland China.

We believe that Niu Technologies is not a mainland China resident enterprise for mainland China tax purposes. Niu Technologies is not controlled by a mainland China enterprise or mainland China enterprise group and we do not believe that Niu Technologies meets all of the conditions above. Niu Technologies is a company incorporated outside of mainland China. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside of mainland China. For the same reasons, we believe our other entities outside of mainland China are not mainland China resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with us.

If the PRC tax authorities determine that Niu Technologies is a mainland China resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. In addition, non-resident enterprise shareholders (including the ADS holders) may be subject to a 10% mainland China tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within mainland China. It is unclear whether our non-mainland China individual shareholders (including the ADS holders) would be subject to any mainland China tax on dividends or gains obtained by such non-mainland China individual shareholders in the event we are determined to be a mainland China resident enterprise. If any mainland China tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. It is also unclear whether non-mainland China shareholders of Niu Technologies would be able to claim the benefits of any tax treaties between their country of tax residence and mainland China in the event that Niu Technologies is treated as a mainland China resident enterprise.

Provided that our Cayman Islands holding company, Niu Technologies, is not deemed to be a mainland China resident enterprise, holders of the ADSs and ordinary shares who are not mainland China residents will not be subject to mainland China income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. However, under SAT Public Notice 7 and SAT Bulletin 37, where a non-resident enterprise conducts an "indirect transfer" by transferring taxable assets, including, in particular, equity interests in a mainland China resident enterprise, indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, or the transferee or the mainland China entity which directly owned such taxable assets may report to the tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring mainland China tax. As a result, gains derived from such indirect transfer may be subject to mainland China enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a mainland China resident enterprise. We and our non-mainland China resident investors may be at risk of being required to file a return and being taxed under SAT Public Notice 7 and SAT Bulletin 37, and we may be required to expend valuable resources to comply with SAT Public Notice 7 and SAT Bulletin 37, or to establish that we should not be taxed under these circulars. See "Item 3. Key Information— D. Risk Factors—Risks Related to Doing Business in China—We face uncertainty with respect to indirect transfers of equity interests in mainland China resident enterprises by their non-mainland China holding companies."

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of the ADSs or ordinary shares by a U.S. Holder (as defined below) that holds the ADSs or ordinary shares as "capital assets"(generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations promulgated thereunder. This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. There can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, Medicare and minimum tax considerations, or any state, local and non-U.S. tax considerations, relating to the ownership or disposition of the ADSs or ordinary shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- holders who acquire their ADSs or ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their ADSs or ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;

- persons that actually or constructively own 10% or more of our stock (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding the ADSs or ordinary shares through such entities.

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S. and other tax considerations of the ownership and disposition of the ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of the ADSs or ordinary shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in or organized under the law of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (A) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the ADSs or ordinary shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding the ADSs or ordinary shares and their partners are urged to consult their tax advisors regarding an investment in the ADSs or ordinary shares.

For U.S. federal income tax purposes, a U.S. Holder of ADSs will generally be treated as the beneficial owner of the underlying shares represented by the ADSs. The remainder of this discussion assumes that a U.S. Holder of the ADSs will be treated in this manner. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to U.S. federal income tax.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a PFIC, for U.S. federal income tax purposes for any taxable year, if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. For this purpose, cash and assets readily convertible into cash are categorized as a passive asset and the company's goodwill and other unbooked intangibles are taken into account. Passive income generally includes, among other things, dividends, interest, rents, royalties and gains from the disposition of passive assets. We will be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

Although the law in this regard is not entirely clear, we treat the VIE and its subsidiaries as being owned by us for U.S. federal income tax purposes because we conduct the business operations of the VIE and are entitled to substantially all of the economic benefits associated with it. As a result, we consolidate its result of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of the VIE for U.S. federal income tax purposes, we may be treated as a PFIC for the current taxable year and any subsequent taxable year.

Assuming that we are the owner of the VIE and its subsidiaries for U.S. federal income tax purposes, and based upon our current and projected income and assets, we do not believe we were a PFIC for the taxable year ended December 31, 2024. However, no assurance can be given that we will not be or become a PFIC in the current or future taxable years because the determination of whether we will be or become a PFIC for any taxable year is a fact-intensive determination made annually that will depend, in part, upon the composition of our income and assets. Fluctuations in the market price of the ADSs may cause us to be or become a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of the ADSs from time to time (which may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our current market capitalization. In particular, recent declines in the market price of the ADSs and Class A ordinary shares significantly increased our risk of becoming a PFIC. If our market capitalization continues to decline, we may be or become classified as a PFIC for the current taxable year or future taxable years. Furthermore, the composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets. Under circumstances where our revenue from activities that produce passive income significantly increases relative to our revenue from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming classified as a PFIC may substantially increase.

If we are a PFIC for any year during which a U.S. Holder holds the ADSs or ordinary shares, we will generally continue to be treated as a PFIC for all succeeding years during which such U.S. Holder holds the ADSs or ordinary shares.

The discussion below under "—Dividends" and "—Sale or Other Disposition" is written on the basis that we will not be or become classified as a PFIC for U.S. federal income tax purposes. The U.S. federal income tax rules that apply generally if we are treated as a PFIC are discussed below under "—Passive Foreign Investment Company Rules."

Dividends

Any cash distributions paid on the ADSs or ordinary shares (including the amount of any mainland China tax withheld) out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of ordinary shares, or by the depositary, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on the ADSs or ordinary shares will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from U.S. corporations.

Individuals and other non-corporate U.S. Holders will be subject to tax at the lower capital gain tax rate applicable to "qualified dividend income"; *provided* that certain conditions are satisfied, including that (i) the ADSs or ordinary shares on which the dividends are paid are readily tradable on an established securities market in the United States, or, in the event that we are deemed to be a mainland China resident enterprise under the mainland China tax law, we are eligible for the benefit of the United States-mainland China income tax treaty, (ii) we are neither a PFIC nor treated as such with respect to a U.S. Holder (as discussed below) for the taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period requirements are met. Our ADSs are considered to be readily tradable on the Nasdaq Global Market, which is an established securities market in the United States. There can be no assurance that the ADSs will continue to be considered readily tradable on an established securities market in later years. Because the ordinary shares will not be listed on a U.S. exchange, we do not believe that dividends received with respect to ordinary shares that are not represented by ADSs will be treated as qualified dividends. U.S. Holders are urged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the ADSs or ordinary shares.

In the event that we are deemed to be a mainland China resident enterprise under the PRC Enterprise Income Tax Law (see "—Mainland China Taxation"), we may be eligible for the benefits of the United States-mainland China income tax treaty. If we are eligible for such benefits, dividends we pay on our ordinary shares, regardless of whether such shares are represented by the ADSs, and regardless of whether the ADSs are readily tradable on an established securities market in the United States, would be eligible for the reduced rates of taxation described in the preceding paragraph.

For U.S. foreign tax credit purposes, dividends paid on the ADSs or ordinary shares will generally be treated as income from foreign sources and will generally constitute passive category income. In the event that we are deemed to be a mainland China resident enterprise under the PRC Enterprise Income Tax Law, a U.S. Holder may be subject to mainland China withholding taxes on dividends paid on the ADSs or ordinary shares (see "—Mainland China Taxation"). Depending on the U.S. Holder's particular facts and circumstances and subject to a number of complex conditions and limitations, mainland China withholding taxes on dividends that are non-refundable under the United States-mainland China income tax treaty may be treated as foreign taxes eligible for credit against a U.S. Holder's U.S. federal income tax liability. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction for U.S. federal income tax purposes, in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or Other Disposition

A U.S. Holder will generally recognize gain or loss upon the sale or other disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such ADSs or ordinary shares. The gain or loss will generally be capital gain or loss. Any capital gain or loss will be long term if the ADSs or ordinary shares have been held for more than one year. The deductibility of a capital loss may be subject to limitations. Any such gain or loss that the U.S. Holder recognizes will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes, which will generally limit the availability of foreign tax credits. However, in the event we are deemed to be a mainland China resident enterprise under the PRC Enterprise Income Tax Law, we may be eligible for the benefits of the United States-mainland China income tax treaty. In such event, if mainland China tax were to be imposed on any gain from the disposition of the ADSs or ordinary shares, a U.S. Holder that is eligible for the benefits of the treaty may elect to treat such gain as mainland China source income. Pursuant to the Treasury Regulations (the applicability of which has been postponed until further guidance is issued), however, if a U.S. Holder is not eligible for the benefits of the United States-mainland China income tax treaty or does not elect to apply the treaty, then such holder may not be able to claim a foreign tax credit arising from any mainland China tax imposed on the disposition of the ADSs or ordinary shares. Each U.S. Holder is advised to consult its tax advisor regarding the tax consequences if a foreign tax is imposed on a disposition of the ADSs or ordinary shares, including the availability of the foreign tax credit or deduction under its particular circumstances, their eligibility for benefits under the treaty and the potential impact of the Treasury Regulations.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds the ADSs or ordinary shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or ordinary shares), and (ii) any gain realized on the sale or other disposition including, under certain circumstances, a pledge of ADSs or ordinary shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year") will be taxable as ordinary income; and
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year, increased by an additional tax equal to the interest on the resulting tax deemed deferred with respect to each such taxable year.

If we are a PFIC for any taxable year during which a U.S. Holder holds the ADSs or ordinary shares, and any of our subsidiaries, the VIE or any of the subsidiaries of the VIE entity is also a PFIC (each, a "lower-tier PFIC"), such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to any of our subsidiaries, the VIE or any of the subsidiaries of the VIE.

As an alternative to the foregoing rules, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock. If a U.S. Holder makes this election with respect to the ADSs, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but such deduction will only be allowed to the extent of the amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of the ADSs and we cease to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that we are not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of the ADSs in a year when we are a PFIC will be treated as ordinary income and any loss will be treated as ordinary loss, but such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter ("regularly traded") on a qualified exchange or other market, as defined in applicable United States Treasury regulations. Our ADSs are listed on the Nasdaq Global Market, which is an established securities market in the United States. Consequently, if our ADSs continue to be listed on the Nasdaq Global Market and are regularly traded, we expect that the mark-to-market election would be available to a U.S. Holder that holds our ADSs were we to be or become a PFIC. Our ADSs are expected to qualify as being regularly traded, but no assurance may be given in this regard.

Because a mark-to-market election cannot technically be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns the ADSs or ordinary shares during any taxable year that we are a PFIC, the holder must generally file an annual IRS Form 8621. You should consult your tax advisor regarding the U.S. federal income tax consequences of owning and disposing of the ADSs or ordinary shares if we are or become a PFIC.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers, and are required to file reports and other information with the SEC. Specifically, we are required to file annually an annual report on Form 20-F within four months after the end of each fiscal year, which is December 31. All information we file with the SEC can be obtained over the internet at the SEC's website at www.sec.gov. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

We will furnish the Citibank, N.A., the depositary of the ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

In accordance with Nasdaq Stock Market Rule 5250(d), we will post this annual report on Form 20-F on our website at http://ir.niu.com. In addition, we will provide hardcopies of our annual report free of charge to shareholders and ADS holders upon request.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest expenses on our short-term bank borrowings. Our short-term bank borrowing bears interests at fixed rates. We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in market interest rates. However, our future interest expenses may exceed expectations due to changes in market interest rates. If we were to renew these short-term bank borrowings, we might be subject to interest rate risk.

Foreign Exchange Risk

A substantial majority of all of our revenues and expenses are denominated in Renminbi. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in the ADSs will be affected by the exchange rate between U.S. dollar and Renminbi because the value of our business is effectively denominated in Renminbi, while the ADSs will be traded in U.S. dollars. In addition, as our business and operation expand in European and other overseas markets, we are exposed to increased foreign exchange risks for U.S. dollar and other currencies.

The conversion of Renminbi into other currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against other currencies, at times significantly and unpredictably. The value of Renminbi against other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. It is difficult to predict how market forces or government policies may impact the exchange rate between Renminbi and other currencies in the future.

Any significant depreciation of the Renminbi may materially and adversely affect our revenues, earnings and financial position as reported in U.S. dollars. To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS holders May Have to Pay

An ADS holder will be required to pay the following fees under the terms of the deposit agreement:

Service	Fees
● Issuance of ADSs (e.g., an issuance of ADS upon a deposit of Class A ordinary shares, upon a change in the ADS(s)-to Class A ordinary share(s) ratio, or for any other reason), excluding ADS issuances as a result of distributions of Class A ordinary shares	Up to US$0.05 per ADS issued
● Cancellation of ADSs (e.g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to Class A ordinary share(s) ratio, or for any other reason)	Up to US$0.05 per ADS cancelled
● Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to US$0.05 per ADS held
● Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to US$0.05 per ADS held
● Distribution of securities other than ADSs or rights to purchase additional ADSs (e.g., upon a spin-off)	Up to US$0.05 per ADS held
● ADS Services	Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary bank

An ADS holder will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of Class A ordinary shares on the share register and applicable to transfers of Class A ordinary shares to or from the name of the custodian, the depositary bank or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the expenses and charges incurred by the depositary bank in the conversion of foreign currency;
- the fees and expenses incurred by the depositary bank in connection with compliance with exchange control regulations and other regulatory requirements applicable to Class A ordinary shares, ADSs and ADRs; and
- the fees and expenses incurred by the depositary bank, the custodian, or any nominee in connection with the servicing or delivery of deposited property.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancellation of Ads are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary bank into DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs.

In the event of refusal to pay the depositary bank fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary bank fees from any distribution to be made to the ADS holder. Certain depositary fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges an ADS holder may be required to pay may vary over time and may be changed by us and by the depositary bank. An ADS holder will receive prior notice of such changes.

Fees and Other Payments Made by the Depositary to Us

The depositary bank may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time. In 2024, we received approximately US$0.6 million as reimbursement from the depositary.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

See "Item 10. Additional Information—B. Memorandum and Articles of Association—Ordinary Shares" for a description of the rights of securities holders, which remain unchanged.

Item 15. Controls and Procedures

A. Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management has concluded that, as of December 31, 2024, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file and furnish under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

B. Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. As required by Section 404 of the Sarbanes-Oxley Act and related rules as promulgated by the SEC, our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024 using criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this assessment, our management, with the participation of our chief executive officer and chief financial officer, concluded that our internal control over financial reporting was effective as of December 31, 2024.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

C. Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, KPMG Huazhen LLP, has audited the effectiveness of our company's internal control over financial reporting as of December 31, 2024.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Niu Technologies:

Opinion on Internal Control Over Financial Reporting

We have audited Niu Technologies and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2024, the related consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements), and our report dated April 18, 2025 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG Huazhen LLP
Beijing, China
April 18, 2025

D. Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Mr. Changqing Ye, an independent director (under the standards set forth in Nasdaq Stock Market Rule 5605 and Rule 10A-3 under the Exchange Act) and chairman of our audit committee, is an audit committee financial expert.

Item 16B. Code of Ethics

Our board of directors adopted a code of business conduct and ethics that applies to our directors, officers, employees and advisors in September 2018. We have posted a copy of our code of business conduct and ethics on our website at ir.niu.com.

Item 16C. Principal Accountant Fees and Services

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by KPMG Huazhen LLP, our principal external auditors, for the periods indicated.

	2023		2024	
Audit fees[(1)]	US$	1,279,300	US$	1,259,832
Tax fees[(2)]		Nil	US$	34,498

(1) "Audit fees" in 2024 represent the aggregate fees billed or payable for professional services rendered by our principal auditors for the audit of the 2024 consolidated financial statements and internal control over financial reporting as of December 31, 2024 and assistance with and review of documents filed with the SEC.

(2) "Tax fees" mean the aggregate fees billed for services rendered by independent registered public accounting firm for tax compliance services and tax advisory services.

The policy of our audit committee or our board of directors is to pre-approve all audit and non-audit services provided by KPMG Huazhen LLP, including as described above.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

As a Cayman Islands exempted company listed on Nasdaq, we are subject to the Nasdaq Stock Market Rules corporate governance listing standards. However, Nasdaq rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. Nasdaq Rule 5620(a) requires that each company listing common stock or voting preferred stock, and their equivalents, must hold an annual meeting of shareholders no later than one year after the end of the company's fiscal year-end. We followed home country practice and did not hold an annual meeting of shareholders in 2024. If we continue to rely on this and other exemptions available to foreign private issuers in the future, our shareholders may be afforded less protection than they otherwise would under the Nasdaq corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information—D. Risk Factors—Risks Related to Our ADSs—We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies."

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

Item 16J. Insider Trading Policies

Our board of directors has established insider trading policies and procedures to provide guidance on the purchases, sales, and other dispositions of our securities by our directors, officers, employees and consultants, with the goal of promoting compliance with applicable insider trading laws, rules and regulations, and the listing standards of Nasdaq.

The Amended and Restated Statement of Policies Governing Material, Non-Public Information and the Prevention of Insider Trading is filed as Exhibit 11.2 to this annual report on Form 20-F.

Item 16K. Cybersecurity

We have implemented comprehensive procedures to ensure effectiveness in cybersecurity management, strategy and governance and reporting cybersecurity risks.

We have developed a comprehensive cybersecurity threat defense system to address both internal and external threats. This system encompasses various levels, including network, host and application security and incorporates systematic security capabilities for threat defense, monitoring, analysis, response, deception and countermeasures. We strive to manage cybersecurity risks and protect sensitive information through various methods, including technical safeguards, procedural requirements, an intensive monitoring program on our corporate network, continuous testing of our security posture both internally and with outside vendors, a robust incident response program, a review of the effectiveness of our security system with reference to applicable security standards by qualified third parties and regular cybersecurity awareness training for employees. Our cybersecurity department is actively engaged in continuous monitoring of our applications, platforms and infrastructure to ensure prompt identification and response to potential issues, including emerging cybersecurity threats.

As of the date of this annual report, we have not experienced any material cybersecurity incidents or identified any material cybersecurity threats that have affected or are reasonably likely to materially affect us, our business strategy, results of operations or financial condition.

Governance

Our board of directors is responsible for overseeing our company's cybersecurity risk management and be informed on risks from cybersecurity threats. Our board of directors shall review, approve and maintain oversight of the disclosure (i) on Form 6-K for material cybersecurity incidents (if any) and (ii) related to cybersecurity matters in the periodic reports (including annual report on Form 20-F) of our company.

At the management level, our cybersecurity committee is responsible for overseeing the process of assessing, identifying and managing material risks from cybersecurity threats to our company and monitoring the prevention, detection, mitigation and remediation of material cybersecurity incident. Our cybersecurity officer, who serves as the management representative of our cybersecurity committee, reports to our board of directors on (i) a quarterly basis on updates to the status of any material cybersecurity incidents or material risks from cybersecurity threats to our company, and the disclosure issues, if any, and (ii) on disclosure concerning cybersecurity matters in our annual report on Form 20-F. Our cybersecurity officer has extensive experience in enterprise compliance and risk management and has been responsible for our company's data security issues since 2018. He is familiar with our company's operational and data processing models and possesses thorough knowledge of information security and data compliance regulations in various countries and regions, including mainland China, the European Union, and the United States.

If a cybersecurity incident occurs, our cybersecurity committee will promptly organize relevant personnel for internal assessment and, depending on the situation, seek the opinions of external experts and legal advisors. If it is determined that the incident could potentially be a material cybersecurity event, our data management committee will promptly report the investigation and assessment results to our corporate governance and nominating committee and our corporate governance and nominating committee will decide on the relevant response measures and whether any disclosure is necessary. If such disclosure is determined to be necessary, our cybersecurity committee shall promptly prepare disclosure material for review and approval by our corporate governance and nominating committee before it is disseminated to the public.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The consolidated financial statements of Niu Technologies, its subsidiaries and the variable interest entity are included at the end of this annual report.

Item 19. Exhibits

Exhibit Number	Description of Document
1.1	Sixth Amended and Restated Memorandum and Articles of Association of the Registrant, effective October 23, 2018 (incorporated by reference to Exhibit 3.2 of the Registrant's registration statement on Form F-1 (file no. 333-227497), filed with the Securities and Exchange Commission on September 24, 2018)
2.1	Registrant's Specimen American Depositary Receipt (incorporated by reference to Exhibit 4.3 of the Registrant's registration statement on Form F-1 (file no. 333-227497), filed with the Securities and Exchange Commission on September 24, 2018)
2.2	Registrant's Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.2 of the Registrant's registration statement on Form F-1 (file no. 333-227497), as amended, filed with the Securities and Exchange Commission on October 9, 2018)
2.3	Deposit Agreement dated October 18, 2018 among the Registrant, the depositary and holder of the American Depositary Receipts (incorporated by reference to Exhibit 4.3 of the Registrant's registration statement on Form S-8 (file no. 333229190), as amended, filed with the Securities and Exchange Commission on January 11, 2019)
2.4	Description of American Depositary Shares of the Registrant (incorporated by reference to Exhibit 2.5 to the annual report on Form 20-F (file no. 001 - 38696) filed by the Registrant with the Securities and Exchange Commission on April 24, 2020)
2.5	Description of Ordinary Shares of the Registrant (incorporated by reference to Exhibit 2.6 to the annual report on Form 20-F (file no. 001 - 38696) filed by the Registrant with the Securities and Exchange Commission on April 24, 2020)
4.1	Amended and Restated 2016 Global Share Incentive Plan of the Registrant (incorporated by reference to Exhibit 10.1 of the Registrant's Registration Statement on Form F-1 (file no. 333-227497) filed with the Securities and Exchange Commission on September 24, 2018)
4.2	2018 Share Incentive Plan of the Registrant (incorporated by reference to Exhibit 10.2 of the Registrant's Registration Statement on Form F-1 (file no. 333-227497) filed with the Securities and Exchange Commission on September 24, 2018)
4.3	Form of Employment Agreement between the Registrant and its executive officers (incorporated by reference to Exhibit 10.4 of the Registrant's registration statement on Form F-1 (file no. 333-227497), filed with the Securities and Exchange Commission on September 24, 2018)
4.4	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated by reference to Exhibit 10.3 of the Registrant's registration statement on Form F-1 (file no. 333-227497), filed with the Securities and Exchange Commission on September 24, 2018)

4.5	English translation of the Amended and Restated Exclusive Business Cooperation Agreement among the Registrant's WFOE, Beijing Niudian and shareholders of Beijing Niudian dated July 20, 2018 (incorporated by reference to Exhibit 10.7 of the Registrant's registration statement on Form F-1 (file no. 333-227497), filed with the Securities and Exchange Commission on September 24, 2018)
4.6	Motor Purchase and Sales Contract between Bosch (Ning) E-scooter Motor Co., Ltd. and Jiangsu Xiaoniu Electric Technology Co., Ltd. dated March 21, 2017 (incorporated by reference to Exhibit 10.12 of the Registrant's Registration Statement on Form F-1 (file no. 333227497) filed with the Securities and Exchange Commission on September 24, 2018)
4.7	Manufacturing Cooperation Agreement Between Jiangsu Xiaoniu Diandong Technology Co., Ltd. and Changzhou Shanqi Motorcycle Co., Ltd. dated December 1, 2018 (incorporated by reference to Exhibit 4.13 of the Registrant's Annual Report on Form 20-F (file no. 001-38696) filed with the Securities and Exchange Commission on April 25, 2019)
4.8	Development Collaboration Agreement Between the Registrant and Volkswagen Aktiengesellschaft dated March 15, 2019 (incorporated by reference to Exhibit 4.14 of the Registrant's Annual Report on Form 20-F (file no. 001-38696) filed with the Securities and Exchange Commission on April 25, 2019)
4.9*	English translation of the Powers of Attorney among the Registrant's WFOE, Beijing Niudian and shareholders of Beijing Niudian
4.10*	English translation of the Third Amended and Restated Equity Pledge Agreement among the Registrant's WFOE, Beijing Niudian and shareholders of Beijing Niudian dated November 14, 2024
4.11*	English translation of the Third Amended and Restated Exclusive Option Agreement among the Registrant's WFOE, Beijing Niudian and shareholders of Beijing Niudian dated November 14, 2024
8.1*	List of Principal Subsidiaries, the Variable Interest Entity and the Subsidiaries of the Variable Interest Entity
11.1	Code of Business Conduct and Ethics (incorporated by reference to Exhibit 99.1 of the Registrant's Registration Statement on Form F-1 (file no. 333-227497) filed with the Securities and Exchange Commission on September 24, 2018)
11.2*	Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading
12.1*	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of KPMG Huazhen LLP
15.2*	Consent of DaHui Lawyers
97	Clawback Policy (incorporated by reference to Exhibit 97 of the Registrant's Annual Report on Form 20-F (file no. 001-38696) filed with the Securities and Exchange Commission on April 24, 2024)
101.INS*	Inline XBRL Instance Document

101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

** Furnished herewith

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Niu Technologies

By: /s/ Yan Li
Name: Yan Li
Title: Chairman of the Board of Directors and Chief Executive Officer

Date: April 18, 2025

NIU TECHNOLOGIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS	PAGE(S)
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM *(KPMG Huazhen LLP, Beijing, China, Auditor Firm ID:1186)*	F-2 – F-3
CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2023 AND 2024	F-4 – F-5
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024	F-6
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024	F-7
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022, 2023 AND 2024	F-8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	F-9 – F-38

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Niu Technologies:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Niu Technologies and subsidiaries (the Company) as of December 31, 2023 and 2024, the related consolidated statements of comprehensive loss, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated April 18, 2025 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Timing of revenue recognition for electric scooter sales to offline distributors

As discussed in Notes 2(p) and 16 to the consolidated financial statements, the Company recorded RMB2,960,507,972 of revenues related to electric scooter sales for the year ended December 31, 2024, a portion of which related to electric scooter sales to its domestic offline distributors in mainland China and overseas offline distributors. The transfer of control of the products is satisfied at a point in time. When the Company sells its products to its domestic offline distributors in mainland China, the transfer of control of the products is evidenced by goods receipt notes signed by the domestic offline distributors or their designated carriers, which is generally at the Company's warehouse. When the Company sells its products to overseas offline distributors, the transfer of control of the products is evidenced by shipping documents dependent upon the terms of the underlying contract.

We identified the evaluation of timing of revenue recognition for electric scooter sales to domestic and overseas offline distributors as a critical audit matter. Significant audit effort was required in evaluation the timing of revenue recognition for electric scooter sales to domestic and overseas offline distributors.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over the evaluation of timing of revenue recognition for electric scooter sales to domestic and overseas offline distributors. We evaluated the design and tested the operating effectiveness of certain internal controls related to timing of revenue recognition for electric scooter sales to domestic and overseas offline distributors. This included controls over the Company's review of goods receipt notes and underlying contracts related to electric scooter sales to domestic offline distributors, shipping documents and underlying contracts related to electric scooter sales to overseas offline distributors, and the timing of recording revenues. For a sample of electric scooter sales to domestic offline distributors, we evaluated the timing of revenue recognized by inspecting (1) the underlying contracts, (2) purchase orders, and (3) goods receipt notes signed by the domestic offline distributors or their designated carriers. For a sample of electric scooter sales to overseas offline distributors, we evaluated the timing of revenue recognized by inspecting (1) the underlying contracts, (2) purchase orders, and (3) shipping documents for the overseas offline distributors. In addition, we evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed.

/s/ KPMG Huazhen LLP

We have served as the Company's auditor since 2018.

Beijing, China
April 18, 2025

NIU TECHNOLOGIES

CONSOLIDATED BALANCE SHEETS

	Note	As of December 31, 2023	2024	
		RMB	RMB	US$ (Note 2(d))
ASSETS				
Current assets				
Cash and cash equivalents	2(f)	872,573,460	630,021,303	86,312,565
Term deposits	2(g)	97,555,565	274,351,895	37,586,056
Restricted cash	2(h)	107,666,733	216,395,796	29,646,103
Accounts receivable, net	3	94,956,170	131,921,419	18,073,160
Inventories	4	392,790,141	649,177,719	88,936,983
Prepayments and other current assets	5	195,072,129	267,938,339	36,707,402
Total current assets		**1,760,614,198**	**2,169,806,471**	**297,262,269**
Non-current assets				
Property, plant and equipment, net	6	323,112,366	320,013,632	43,841,688
Intangible assets, net		1,306,401	1,043,801	143,000
Operating lease right-of-use assets	17	76,821,285	71,223,350	9,757,559
Deferred income tax assets	14(b)	20,747,021	31,752,254	4,350,041
Other non-current assets	7	6,730,378	19,318,659	2,646,645
Total non-current assets		**428,717,451**	**443,351,696**	**60,738,933**
Total assets		**2,189,331,649**	**2,613,158,167**	**358,001,202**
LIABILITIES				
Current liabilities				
Short-term bank borrowings	8	100,000,000	200,000,000	27,399,888
Notes payable (including notes payable of VIE without recourse to the Company were RMB167,282,688 and RMB294,348,768 as of December 31, 2023 and 2024, respectively)	9	167,282,688	294,348,768	40,325,616
Accounts payable (including accounts payable of VIE without recourse to the Company of RMB575,235,413 and RMB856,557,922 as of December 31, 2023 and 2024, respectively)		575,724,288	869,015,140	119,054,586
Income taxes payable (including income taxes payable of VIE without recourse to the Company of RMB1,195,114 and RMB909,115 as of December 31, 2023 and 2024, respectively)		1,357,913	1,071,914	146,852
Advances from customers (including advances from customers of VIE without recourse to the Company of RMB16,399,926 and RMB32,623,364 as of December 31, 2023 and 2024, respectively)	2(q)	19,304,488	35,892,860	4,917,302
Deferred revenue—current (including deferred revenue-current of VIE without recourse to the Company of RMB41,755,097 and RMB50,247,103 as of December 31, 2023 and 2024, respectively)	2(q)	41,755,097	50,247,103	6,883,825
Accrued expenses and other current liabilities (including accrued expenses and other current liabilities of VIE without recourse to the Company of RMB151,286,008 and RMB192,470,955 as of December 31, 2023 and 2024, respectively)	10	165,511,396	201,356,008	27,585,659
Total current liabilities		**1,070,935,870**	**1,651,931,793**	**226,313,728**

The accompanying notes are an integral part of these consolidated financial statements.

	Note	As of December 31, 2023	2024	
Non-current liabilities				
Deferred revenue—non-current (including deferred revenue non-current of VIE without recourse to the Company of RMB13,168,111 and RMB16,886,859 as of December 31, 2023 and 2024, respectively)	2(q)	13,168,111	16,886,859	2,313,490
Deferred income tax liabilities (including deferred income tax liabilities of VIE without recourse to the Company of RMB2,362,494 and RMB3,269,464 as of December 31, 2023 and 2024, respectively)	14(b)	2,362,494	3,269,464	447,915
Operating lease liabilities—non-current (including operating lease liabilities of VIE without recourse to the Company were RMB280,421 and RMB89,990 as of December 31, 2023 and 2024, respectively)	17	280,421	89,990	12,329
Other non-current liabilities (including other non-current liabilities of VIE without recourse to the Company of RMB8,968,519 and RMB9,697,841 as of December 31, 2023 and 2024, respectively)	11	8,968,519	9,697,841	1,328,599
Total non-current liabilities		**24,779,545**	**29,944,154**	**4,102,333**
Total liabilities		**1,095,715,415**	**1,681,875,947**	**230,416,061**
Commitments and contingencies	18			
SHAREHOLDERS' EQUITY:				
Class A Ordinary Shares (US$0.0001 par value, 4,900,000,000 shares authorized as of December 31, 2023 and 2024; 138,575,010 and 139,303,366 shares issued and outstanding as of December 31, 2023 and 2024, respectively)	12	90,031	90,549	12,405
Class B Ordinary Shares (US$0.0001 par value, 50,000,000 shares authorized as of December 31, 2023 and 2024; 16,542,020 shares issued and outstanding as of December 31, 2023 and 2024)	12	10,316	10,316	1,413
Additional paid-in capital		1,964,138,365	1,988,638,160	272,442,311
Accumulated other comprehensive loss		(9,495,674)	(3,129,362)	(428,721)
Accumulated deficit		(861,126,804)	(1,054,327,443)	(144,442,267)
Total shareholders' equity		**1,093,616,234**	**931,282,220**	**127,585,141**
Total liabilities and shareholders' equity		**2,189,331,649**	**2,613,158,167**	**358,001,202**

The accompanying notes are an integral part of these consolidated financial statements.

NIU TECHNOLOGIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Note	For the Year Ended December 31, 2022	2023	2024	
		RMB	RMB	RMB	US$ (Note 2(d))
Revenues	16	3,168,597,334	2,651,757,646	3,288,296,344	450,494,752
Cost of revenues		(2,498,916,443)	(2,081,010,633)	(2,789,533,350)	(382,164,502)
Gross profit		**669,680,891**	**570,747,013**	**498,762,994**	**68,330,250**
Operating expenses:					
Selling and marketing expenses		(440,408,982)	(495,734,694)	(489,577,690)	(67,071,869)
Research and development expenses		(176,478,130)	(150,985,739)	(130,111,359)	(17,825,183)
General and administrative expenses (including allowance for doubtful accounts of RMB25,044,327, RMB139,445,017 and RMB7,632,517 for the years ended December 31, 2022, 2023 and 2024, respectively)		(158,460,764)	(244,518,817)	(130,617,629)	(17,894,542)
Total operating expenses		**(775,347,876)**	**(891,239,250)**	**(750,306,678)**	**(102,791,594)**
Government grants		16,385,038	2,968,735	911,556	124,883
Operating loss		**(89,281,947)**	**(317,523,502)**	**(250,632,128)**	**(34,336,461)**
Interest expenses		(5,715,878)	(1,423,924)	(5,623,544)	(770,422)
Interest income		12,860,216	35,492,190	37,089,488	5,081,239
Investment income		10,917,736	1,426,370	2,358,995	323,181
Loss before income taxes		**(71,219,873)**	**(282,028,866)**	**(216,807,189)**	**(29,702,463)**
Income tax benefit	14(a)	21,756,944	10,192,884	23,606,550	3,234,084
Net loss		**(49,462,929)**	**(271,835,982)**	**(193,200,639)**	**(26,468,379)**
Other comprehensive loss:					
Foreign currency translation adjustment, net of nil income taxes		37,342,724	7,386,368	6,366,312	872,181
Unrealized gain on available-for-sale securities, net income taxes of RMB1,184,686, RMB3,080 and nil for the year 2022, 2023 and 2024, respectively		6,460,896	17,454	—	—
Less: reclassification adjustment for gain on available-for-sale securities realized in net loss, net of RMB1,698,460, RMB64,025 and nil income taxes for the year 2022, 2023 and 2024, respectively		(9,219,276)	(362,810)	—	—
Comprehensive loss		**(14,878,585)**	**(264,794,970)**	**(186,834,327)**	**(25,596,198)**
Net loss per ordinary share					
—Basic	15	**(0.32)**	**(1.73)**	**(1.22)**	**(0.17)**
—Diluted	15	**(0.32)**	**(1.73)**	**(1.22)**	**(0.17)**
Weighted average number of ordinary shares and ordinary shares equivalents outstanding used in computing net loss per ordinary share					
—Basic	15	**155,176,922**	**156,816,105**	**158,460,242**	**158,460,242**
—Diluted	15	**155,176,922**	**156,816,105**	**158,460,242**	**158,460,242**

The accompanying notes are an integral part of these consolidated financial statements.

NIU TECHNOLOGIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Ordinary shares		Additional paid-in capital	Accumulated other comprehensive loss	Accumulated deficit	Total shareholders' equity
	Shares	RMB	RMB	RMB	RMB	RMB
Balance as of January 1, 2022	**153,680,830**	**99,354**	**1,855,403,759**	**(51,121,030)**	**(539,827,893)**	**1,264,554,190**
Net loss	—	—	—	—	(49,462,929)	(49,462,929)
Foreign currency translation adjustment, net of nil income taxes	—	—	—	37,342,724	—	37,342,724
Unrealized holding gains on available-for-sale security, net of RMB1,184,686 income taxes	—	—	—	6,460,896	—	6,460,896
Reclassification adjustment for gains on available-for-sale securities realized in net loss, net of RMB1,698,460 income taxes	—	—	—	(9,219,276)	—	(9,219,276)
Share-based compensation (Note 13)	—	—	58,219,186	—	—	58,219,186
Exercise of share-based awards	580,732	390	2,202,696	—	—	2,203,086
Balance as of December 31, 2022	**154,261,562**	**99,744**	**1,915,825,641**	**(16,536,686)**	**(589,290,822)**	**1,310,097,877**
Net loss	—	—	—	—	(271,835,982)	(271,835,982)
Foreign currency translation adjustment, net of nil income taxes	—	—	—	7,386,368	—	7,386,368
Unrealized holding gains on available-for-sale securities, net of RMB3,080 income taxes	—	—	—	17,454	—	17,454
Reclassification adjustment for gains on available-for-sale securities realized in net loss, net of RMB64,025 income taxes	—	—	—	(362,810)	—	(362,810)
Share-based compensation (Note 13)	—	—	47,659,304	—	—	47,659,304
Exercise of share-based awards	855,468	603	653,420	—	—	654,023
Balance as of December 31, 2023	**155,117,030**	**100,347**	**1,964,138,365**	**(9,495,674)**	**(861,126,804)**	**1,093,616,234**
Net loss	—	—	—	—	(193,200,639)	(193,200,639)
Foreign currency translation adjustment, net of nil income taxes	—	—	—	6,366,312	—	6,366,312
Share-based compensation (Note 13)	—	—	24,232,978	—	—	24,232,978
Exercise of share-based awards	728,356	518	266,817	—	—	267,335
Balance as of December 31, 2024	**155,845,386**	**100,865**	**1,988,638,160**	**(3,129,362)**	**(1,054,327,443)**	**931,282,220**
Balance as of December 31, 2024 — US$ (Note 2(d))		**13,818**	**272,442,311**	**(428,721)**	**(144,442,267)**	**127,585,141**

The accompanying notes are an integral part of these consolidated financial statements.

NIU TECHNOLOGIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,			
	2022	2023	2024	
	RMB	RMB	RMB	US$ (Note 2(d))
Operating activities:				
Net loss	(49,462,929)	(271,835,982)	(193,200,639)	(26,468,379)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Allowance for doubtful accounts (Note 3)	25,044,327	139,445,017	7,632,517	1,045,651
Share-based compensation (Note 13)	58,219,186	47,659,304	24,232,978	3,319,904
Depreciation and amortization	142,711,409	148,064,759	122,145,353	16,733,845
Reduction in the carrying amount of right-of-use assets	8,525,547	8,303,344	6,742,635	923,737
Investment income	(10,917,736)	(1,426,370)	(2,358,995)	(323,181)
Unrealized foreign exchange gain	(7,508,084)	(4,557,547)	(1,965,545)	(269,279)
Deferred income tax benefit	(6,079,533)	(10,952,309)	(23,286,678)	(3,190,262)
Loss on disposal of property, plant and equipment	478,457	22,077	470,395	64,444
Write-downs of inventories (Note 4)	8,991,793	21,681,652	30,028,243	4,113,852
Changes in operating assets and liabilities:				
Accounts receivable	(56,145,868)	65,371,286	(44,889,491)	(6,149,835)
Inventories	(156,107,463)	2,627,537	(288,201,161)	(39,483,397)
Prepayments and other current assets	(125,888,562)	(5,062,337)	(58,796,807)	(8,055,130)
Other non-current assets	(1,834,238)	6,269,554	(6,136,484)	(840,695)
Accounts payable and notes payable	93,747,996	(33,303,059)	423,029,917	57,954,861
Advances from customers	7,545,887	(5,657,752)	16,557,569	2,268,378
Deferred revenue	5,517,801	5,953,975	12,210,754	1,672,866
Other non-current liabilities	(9,365,449)	(1,280,068)	729,322	99,917
Income tax receivable	(13,349,602)	13,340,152	—	—
Income taxes payable	(15,703,460)	(540,152)	(285,999)	(39,182)
Accrued expenses and other current liabilities	(13,056,147)	(21,922,192)	32,804,911	4,494,256
Operating lease liabilities	(7,219,675)	(8,465,797)	(5,176,177)	(709,133)
Net cash (used in) provided by operating activities	**(121,856,343)**	**93,735,092**	**52,286,618**	**7,163,238**
Investing activities:				
Cash paid for purchase of property, plant and equipment	(135,349,387)	(78,934,562)	(119,749,137)	(16,405,565)
Purchase of term deposits	(635,470,550)	(379,419,347)	(379,755,995)	(52,026,358)
Cash received from redemption of term deposits	551,794,100	513,238,247	204,717,290	28,046,154
Cash paid for purchase of short-term investments	(2,593,000,000)	(420,000,000)	(2,045,830,020)	(280,277,564)
Cash received from sale of short-term investments	3,213,917,736	581,426,370	2,048,189,015	280,600,745
Prepayment for an investment	(4,000,000)	—	—	—
Net cash provided by (used in) investing activities	**397,891,899**	**216,310,708**	**(292,428,847)**	**(40,062,588)**
Financing activities:				
Cash received from exercise of employee stock options	2,203,086	654,023	267,335	36,625
Proceeds from short-term bank borrowings	340,000,000	100,000,000	200,000,000	27,399,888
Repayment for short-term bank borrowings	(360,000,000)	(160,000,000)	(100,000,000)	(13,699,944)
Net cash (used in) provided by financing activities	**(17,796,914)**	**(59,345,977)**	**100,267,335**	**13,736,569**
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	30,043,572	8,913,200	6,051,800	829,093
Net increase (decrease) in cash, cash equivalents and restricted cash	**288,282,214**	**259,613,023**	**(133,823,094)**	**(18,333,688)**
Cash, cash equivalents and restricted cash at the beginning of the year	432,344,956	720,627,170	980,240,193	134,292,356
Cash, cash equivalents and restricted cash at the end of the year	**720,627,170**	**980,240,193**	**846,417,099**	**115,958,668**
Supplemental information				
Interest paid	5,711,056	1,616,253	5,460,000	748,017
Income tax paid	13,374,909	1,066,182	142,311	19,497
Construction payable	7,522,480	13,441,923	19,824,443	2,715,938
Prepayment for a service in previous year to purchase of an investment	3,000,000	—	—	—

The accompanying notes are an integral part of these consolidated financial statements.

NIU TECHNOLOGIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF ORGANIZATION AND PRINCIPAL ACTIVITIES

Organization and principal activities

Niu Technologies ("the Company"), through its wholly-owned subsidiaries, consolidated variable interest entity ("VIE") and VIE's subsidiaries (collectively referred to as "the Group"), is principally engaged in designing, manufacturing and selling of electric scooters and its accessories and spare parts under the brand name of "NIU". The Group's principal operations and geographic markets are primarily in the People's Republic of China ("PRC").

The accompanying consolidated financial statements include the financial statements of the Company, its wholly-owned subsidiaries, consolidated VIE and VIE's subsidiaries.

The VIE arrangements

The Group operates its online business in mainland China through Beijing Niudian Technologies Co., Ltd. ("Beijing Niudian", or the "VIE"), a limited liability company established under the laws of the PRC on September 18, 2014. Beijing Niudian holds the necessary PRC operating licenses for the online business. The equity interests of Beijing Niudian are legally held by individuals who act as nominee equity holders of the VIE on behalf of Beijing Niudian Information Technology Co., Ltd. ("Niudian Information"), the Company's wholly-owned subsidiary. A series of contractual agreements, including Powers of Attorney, Exclusive Business Cooperation Agreement, Equity Pledge Agreement, Exclusive Option Agreement and Spousal Consent Letters (collectively, the "VIE Agreements"), were entered among the Company, Niudian Information, Beijing Niudian and its nominee equity holders on May 27, 2015 and were subsequently amended to include registration of the Equity Pledge Agreement with the relevant registration authority on June 11, 2018, amended when an equity holder transferred certain equity interests to another equity holder on July 20, 2018.The contractual agreements were further amended when two equity holders transferred certain equity interests to another equity holder on March 10, 2020. Furthermore, on November 14, 2024, an additional amendment was made to the VIE Agreements when certain equity interests were transferred from one equity holder to another.

Pursuant to the VIE Agreements, the Company is able to exercise effective control over, bears the risks of, enjoys substantially all of the economic benefits of the VIE, and has an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by PRC law at the lowest price possible. The Company's management concluded that Beijing Niudian is a VIE and the Company is its primary beneficiary. As such, the consolidated financial statements of the VIE are included in the consolidated financial statements of the Company.

The principal terms of the VIE Agreements are further described below.

1) Powers of Attorney

The Company and each of the equity holders of Beijing Niudian entered into Powers of Attorney. Pursuant to the Powers of Attorney, the equity holders of Beijing Niudian irrevocably appointed the Company as their attorney-in-fact to exercise all equity holder rights, including, but not limited to, convening and attending in the equity holders' meeting, appointing or removing directors, executive officers and senior management, disposing of all or part of the equity holder's interests in Beijing Niudian, casting equity holder's vote on matters requiring equity holders' approval and doing all other acts in the capacity of equity holder as permitted by Beijing Niudian's Memorandum and Articles of Association. In addition, the Company has a right to assign its rights and benefits under the Powers of Attorney to any other parties without an advance notice to the equity holders of Beijing Niudian. The Powers of Attorney shall continue in force and be irrevocable as long as the equity holders of Beijing Niudian remain as the equity holders of Beijing Niudian.

2) Exclusive Business Cooperation Agreement

Niudian Information and Beijing Niudian entered into an Exclusive Business Cooperation Agreement, whereby Niudian Information is appointed as the exclusive service provider for the provision of business support, technology and consulting services to Beijing Niudian. Unless a written consent is given by Niudian Information, Beijing Niudian is not allowed to engage a third party to provide such services, while Niudian Information is able to designate another party to render such services to Beijing Niudian. Beijing Niudian shall pay Niudian Information on a monthly basis a service fee, which shall equal to 100% of the monthly net profits of Beijing Niudian, and Niudian Information has the sole discretion to adjust the basis of calculation of the service fee amount according to service provided to Beijing Niudian. Niudian Information owns the exclusive intellectual property rights, whether created by Niudian Information or Beijing Niudian, as a result of the performance of the Exclusive Business Cooperation Agreement unless terminated in writing by Niudian Information. The Exclusive Business Cooperation Agreement will be in effect until September 17, 2044 which represents the end of operation term of Beijing Niudian.

3) Equity Pledge Agreement

An Equity Pledge Agreement was entered into by and among Niudian Information, Beijing Niudian and equity holders of Beijing Niudian. To guarantee payment from Beijing Niudian, including but not limited to the service fee pursuant to the Exclusive Business Cooperation Agreement, and the performance of Beijing Niudian and the nominee equity holders' obligations under the contractual arrangements including the Exclusive Business Cooperation Agreement, Exclusive Option Agreement and Powers of Attorney, the equity holders of Beijing Niudian pledged their respective equity in Niudian Information under the Equity Pledge Agreement to Niudian Information as collateral. In the event Beijing Niudian fails to pay Niudian Information its service fee, Niudian Information will have the right to sell the pledged equity and apply the proceeds received to pay any outstanding service fees due by Beijing Niudian to Niudian Information. The equity holders of Beijing Niudian agree that, during the term of the Equity Pledge Agreement, they will not dispose of the pledged equity or create or allow any encumbrance on the pledged equity, and they also agree that Niudian Information's rights relating to the equity pledges shall not be prejudiced by any legal actions of the equity holders of Beijing Niudian, their successors or their designees. The equity pledges have been registered with the relevant registration authority and became effective and enforceable since registration. The Equity Pledge Agreement may only be terminated upon the fulfillment of all contractual obligations under the Exclusive Business Cooperation Agreement, Exclusive Option Agreement and Powers of Attorney. During the term of the Equity Pledge Agreement, Niudian Information is entitled to receive dividends attributable to the pledged Beijing Niudian equity.

4) Exclusive Option Agreement

Each of the equity holders of Beijing Niudian entered into an Exclusive Option Agreement with the Company, Niudian Information, and Beijing Niudian, pursuant to which the equity holders of Beijing Niudian granted the Company, and Niudian Information or other person upon the designation by the Company, an irrevocable and exclusive option to purchase, at its discretion and to the extent permitted under the PRC law, all or part of the equity holders' interests in Beijing Niudian at RMB100 or the lowest price that the PRC law permits at the time unless a valuation of the equity is required by the PRC law. The equity holders of Beijing Niudian commit that without the prior written consent of the Company, the equity holders of Beijing Niudian will not, among other things, (i) create any pledge or encumbrance on their equity interests in Beijing Niudian, (ii) transfer or otherwise dispose of their equity interests in Beijing Niudian, (iii) change Beijing Niudian's registered capital, (iv) amend Beijing Niudian's articles of association, (v) dispose of Beijing Niudian's material assets or enter into any material contract with a value of over RMB100,000 (except in the ordinary course of business), or (vi) merge Beijing Niudian with any other entity. In addition, Beijing Niudian undertakes that, without the Company's prior written consent, it will not, among other things, create any pledge or encumbrance on any of its assets, or transfer or otherwise dispose of its material assets (except in the ordinary course of business). Beijing Niudian and its equity holders shall appoint those individuals recommended by the Company as directors of Beijing Niudian. Beijing Niudian shall provide operating and financial information to the Company at the request of the Company and ensure the continuance of the business. The Exclusive Option Agreement will remain effective until all equity interests in Beijing Niudian held by its equity holders are transferred or assigned to the Company or its designee. Beijing Niudian and its equity holders shall not have any right to terminate the Exclusive Option Agreement.

5) Spousal Consent Letters

The spouses of each of nominee equity holders signed Spousal Consent Letters to consent that the equity interests in Beijing Niudian held by and registered in the name of the respective nominee equity holders will be disposed of pursuant to the VIE Agreements. These spouses agreed not to assert any rights over the equity interest in Beijing Niudian held by their spouses. In addition, in the event that the spouses obtain any equity interests in Beijing Niudian held by their spouses for any reason, they agreed to be bound by the VIE Agreements.

Risks in relation to the VIE structure

Based on the opinion of the Company's PRC legal counsel, the management believes the VIE Agreements have resulted in the Company having the power to direct activities that most significantly impact the VIE, including appointing key management, setting up operating policies, exerting financial controls and transferring profit or assets out of the VIE at its discretion. The Company considers that it has the right to receive all the benefits and assets of the VIE. As the VIE was established as a limited liability company under the PRC law, its creditors do not have recourse to the general credit of the Company for the liabilities of the VIE, and the Company does not have the obligation to assume the liabilities of the VIE.

The Company has determined that the VIE Agreements are in compliance with PRC laws and are legally enforceable. However, uncertainties in the PRC legal system could limit the Company's ability to enforce the VIE Agreements; and if the equity holders of the VIE were to reduce their interest in the Company, their interests may diverge from that of the Company and that may potentially increase the risk that they would seek to act contrary to the contractual terms.

The Company's ability to control the VIE also depends on the rights provided to the Company under the Powers of Attorney to vote on all matters requiring equity holders' approval in the respective VIE. As noted above, the Company believes these Powers of Attorney are legally enforceable but yet they may not be as effective as direct equity ownership. In addition, if the corporate structure of the Group or the contractual arrangements between the Company, Niudian Information, the VIE and its respective equity holders were found to be in violation of any existing PRC laws and regulations, the relevant PRC regulatory authorities could:

- revoke the business license and/or operating licenses of such entities;
- discontinue or place restrictions or onerous conditions on the Group's operations;
- impose fines, confiscate the income from the VIE, or impose other requirements with which the Group may not be able to comply;
- require the Group to restructure its ownership structure or operations, including terminating the contractual arrangements with the VIE and deregistering the equity pledges of the VIE, which in turn would affect the Company's ability to consolidate, derive economic interests from, or exert effective control over the VIE; or
- restrict or prohibit our use of the proceeds of this offering to finance our business and operations in China.

The imposition of any of the above restrictions or actions may result in a material and adverse effect on the Group's ability to conduct its business. In addition, if the imposition of any of these restrictions causes the Company to lose the right to direct the activities of the VIE or the right to receive its economic benefits, the Company would no longer be able to consolidate the VIE. The Company's management believes that the likelihood to lose the Company's current ownership structure or the contractual arrangements with the VIE is remote based on the current facts and circumstances.

There is no VIE in which the Company has a variable interest but is not the primary beneficiary. Currently there is no contractual arrangement that could require the Company to provide additional financial support to the VIE.

The following consolidated assets and liabilities information of the Group's VIE as of December 31, 2023 and 2024, and consolidated revenues, net loss and cash flow information for the years ended December 31, 2022, 2023 and 2024, have been included in the accompanying consolidated financial statements. All intercompany transactions and balances with the Company and its wholly-owned subsidiaries have been eliminated upon consolidation.

	As of December 31,	
	2023	2024
	RMB	RMB
Cash	620,484,535	543,298,396
Term deposits	20,000,000	134,178,095
Restricted cash	145,000	376,157
Accounts receivable, net	91,975,054	117,003,716
Inventories	386,966,973	582,024,734
Prepayments and other current assets	177,957,171	234,385,266
Amounts due from inter-companies	44,220,970	213,867,617
Total current assets	**1,341,749,703**	**1,825,133,981**
Property, plant and equipment, net	321,213,398	318,530,570
Intangible assets, net	1,102,870	887,955
Operating lease right-of-use assets	76,821,285	71,223,350
Deferred income tax assets	20,747,021	31,752,254
Other non-current assets	6,720,608	19,309,049
Total assets	**1,768,354,885**	**2,266,837,159**
Short-term bank borrowings	100,000,000	200,000,000
Notes payable	167,282,688	294,348,768
Accounts payable	575,235,413	856,557,922
Amounts due to inter-companies	467,282,009	492,542,370
Income taxes payable	1,195,114	909,115
Advances from customers	16,399,926	32,623,364
Deferred revenue—current	41,755,097	50,247,103
Accrued expenses and other current liabilities	151,286,008	192,470,955
Total current liabilities	**1,520,436,255**	**2,119,699,597**
Deferred revenue—non-current	13,168,111	16,886,859
Deferred income tax liabilities	2,362,494	3,269,464
Operating lease liabilities—non-current	280,421	89,990
Other non-current liabilities	8,968,519	9,697,841
Total liabilities	**1,545,215,800**	**2,149,643,751**

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Revenues	3,187,989,945	2,645,570,002	3,395,510,431
Net loss	(9,347,980)	(236,441,380)	(129,349,151)
Net cash (used in) provided by operating activities	(74,417,318)	93,727,586	51,395,662
Net cash provided by (used in) investing activities	455,930,283	82,502,334	(231,450,112)
Net cash (used in) provided by financing activities	(20,000,000)	(60,000,000)	100,000,000
Effect of foreign currency exchange rate changes on cash and restricted cash	7,993,970	4,599,207	3,099,468
Net increase (decrease) in cash and restricted cash	369,506,935	120,829,127	(76,954,982)
Cash and restricted cash at the beginning of the year	130,293,473	499,800,408	620,629,535
Cash and restricted cash at the end of the year	499,800,408	620,629,535	543,674,553

The unrecognized revenue-producing assets that are held by the VIE primarily consist of ICP License, Production License for National Industrial Products, trademarks, patents, know-how and customer relationships. None of the assets of the VIE can be used only to settle obligations of the VIE. None of the assets of the VIE and its subsidiaries has been pledged or collateralized,. The creditors of the VIE and its subsidiaries do not have recourse to the general credit of the Company or its consolidated subsidiaries, except for the restricted cash of the Company which was pledged as collateral for the short -term bank borrowings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying consolidated financial statements of the Group have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

(b) Principles of consolidation

The consolidated financial statements of the Group have been prepared in accordance with U.S. GAAP. The consolidated financial statements include the financial statements of the Company, its subsidiaries, the VIE for which the Company or its subsidiary is the primary beneficiary, and the VIE's subsidiaries.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors. A VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, exercises effective control over the activities that most impact the economic performance, bears the risks of, and enjoys the rewards normally associated with ownership of the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entity.

All intercompany transactions and balances among the Company, its subsidiaries, the VIE and the VIE's subsidiaries have been eliminated upon consolidation.

(c) Use of estimates

The preparation of the consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related disclosures of contingent assets and liabilities at the balance sheet date, and the reported revenues and expenses during the reported period in the consolidated financial statements and accompanying notes. Accounting estimates include, but not limited to, depreciable lives of property, plant and equipment, and intangible assets, the realization of deferred income tax assets, future warranty expenses, current expected credit loss, lower of cost and net realizable value of inventories, inventory valuation for excess and obsolete inventories and discount rate for operating leases. Changes in facts and circumstances may result in revising estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

(d) Convenience translation

Translations of balances in the consolidated financial statements from RMB into US$ as of and for the year ended December 31, 2024 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB7.2993, the exchange rate in effect as of December 31, 2024, as set forth in the H.10 Statistical release of the Board of Governors of the Federal Reserve System. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into US$ at that rate on December 31, 2024, or at any other rate. The US$ convenience translation is not required under U.S. GAAP and all US$ convenience translation amounts in the accompanying consolidated financial statements are unaudited.

(e) Commitments and contingencies

In the normal course of business, the Group is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, government investigations, shareholder lawsuits, and non-income tax matters. An accrual for a loss contingency is recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed.

(f) Cash and cash equivalents

Cash consists of cash on hand and cash at bank. Cash equivalents represent term deposits with original maturities of three months or less, which are readily convertible to known amounts of cash. Cash and cash equivalents, excluding cash on hand, are deposited in financial institutions at the following locations:

	As of December 31,	
	2023	2024
	RMB	RMB
Financial institutions in mainland China		
—Denominated in USD	499,117,291	311,341,363
—Denominated in RMB	334,796,621	229,710,326
—Denominated in EUR	18,233,516	66,246,844
—Denominated in GBP	504,471	1,127,657
Total cash and cash equivalents balances held at financial institutions in mainland China	**852,651,899**	**608,426,190**
Financial institutions in the United States		
—Denominated in USD	691,290	1,583,932
Total cash balances held at United States financial institutions	**691,290**	**1,583,932**
Financial institutions in the Hong Kong S.A.R.		
—Denominated in USD	11,477,109	9,328,332
—Denominated in HKD	79,213	45,736
—Denominated in EUR	—	5,674
Total cash balances held at Hong Kong S.A.R. financial institutions	**11,556,322**	**9,379,742**
Total cash balances held at financial institutions in other locations	**7,203,416**	**10,485,440**
Total cash and cash equivalents balances held at financial institutions	**872,102,927**	**629,875,304**

(g) Term deposits

Term deposits represent deposits placed with bank with original maturities of more than three months but less than one year. Term deposits are presented in the following table:

	As of December 31,	
	2023	2024
	RMB	RMB
Financial institutions in mainland China		
—Denominated in RMB	20,000,000	20,000,000
—Denominated in USD	77,555,565	254,351,895
Total term deposits	**97,555,565**	**274,351,895**

(h) Restricted cash

Restricted cash is an amount of cash deposited with banks primarily in conjunction with borrowings from banks. Restriction on the use of such cash and the interest earned thereon is imposed by the banks and remains effective throughout the terms of the bank borrowings. Restricted cash is classified as current asset on the Company's consolidated balance sheets, as all the balance are expected to be released to cash within the next twelve months from December 31, 2024. The Group's restricted cash are denominated in RMB and USD and are deposited in mainland China.

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows.

	As of December 31,	
	2023	2024
	RMB	RMB
Cash and cash equivalents	872,573,460	630,021,303
Restricted cash	107,666,733	216,395,796
Total cash, cash equivalents and restricted cash	**980,240,193**	**846,417,099**

(i) Short-term investments

The Group's short-term investments represent the Group's investments in financial products managed by financial institutions in mainland China which are redeemable at the option of the Group on any working day or have the original maturities of less than twelve months.

The Group classified the short-term investments as available-for-sale securities and are reported at fair value. For the years ended December 31, 2022 and 2023, unrealized holding gains or losses, net of the related tax effect, on available-for-sale securities were excluded from earnings and recorded as a separate component of accumulated other comprehensive loss until realized. Realized gains or losses from the sale of short-term investments are determined on a specific identification basis and are recorded as investment income when earned.

The Group purchased short-term investments with aggregate amounts of RMB2,045,830,020 for the year ended December 31, 2024, and elected the fair value option at the date of initial recognition in accordance with Accounting Standards Codification ("ASC") Topic 825, *Financial Instruments,* ("ASC 825), as the Group believes this approach can better reflect the economics of its investment interest. Changes in the fair value of these investments in the amount of RMB2,358,995 for the year ended December 31, 2024 were reflected on the consolidated statement of comprehensive loss as investment income. Fair value is estimated based on quoted prices provided by financial institutions at the end of each reporting period. As of December 31, 2023 and 2024, the balances of short - term investments were nil.

(j) Inventories

Inventories, consisting of finished goods and raw materials are stated at the lower of cost or net realizable value. The cost of inventory is determined using the weighted average cost method. Cost of finished goods comprise direct materials, direct production costs and an allocation of production overheads based on normal operating capacity, and delivery cost. The Group takes ownership, risks and rewards of the products purchased. Inventory is written down for damaged and slow-moving goods, which is dependent upon factors such as historical and forecasted consumer demand. The Group also reviews inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires the determination of the estimated selling price of the inventory less the estimated cost to convert inventory on hand into a finished product. Once inventory is written down, a new, lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

(k) Property, plant and equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and any recorded impairment.

Costs incurred in the construction of property, plant and equipment, including down payments and progress payments, are initially capitalized as construction in progress and transferred into their respective asset categories when the assets are ready for their intended use, at which time depreciation commences.

The estimated useful lives are as follows:

	Estimated useful lives
Furniture	3 - 5 years
Machinery and equipment	3 - 10 years
Building	50 years
Office and electronic equipment	2 - 5 years
Leasehold improvements	The shorter of the estimated useful life or remaining lease term
Motor vehicles	3 - 4 years

Depreciation on property, plant and equipment is calculated on the straight-line method over the estimated useful lives of the assets.

Depreciation of property, plant and equipment attributable to manufacturing activities is capitalized as part of inventories, and recognized as cost of revenues when the inventory is sold.

When items are retired or otherwise disposed of, income is charged or credited for the difference between net book value and the proceeds received thereon. Ordinary maintenance and repairs are charged to expense as incurred, and replacements and betterments are capitalized and amortized over the remaining useful life.

(l) Intangible assets, net

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite lives are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life on straight-line basis and assessed for impairment whenever there is an indication that the intangible assets may be impaired.

(m) Leases

The Group elected the practical expedient of the short-term lease exemption for contracts with lease terms of twelve months or less. The Group categorizes leases with contractual terms longer than twelve months as either operating or finance lease. However, the Group has no finance leases for any of the periods presented.

The Group determines if an arrangement is a lease or contains a lease at lease inception. For operating leases, the Group recognizes a right-of-use asset and a lease liability based on the present value of the lease payments over the lease term, reduced by lease incentives received, plus any initial direct costs, using the discount rate for the lease at the commencement date. Variable lease payments not dependent on an index or rate are excluded from the right-of-use asset and lease liability calculations and are recognized in expense in the period which the obligation for those payments is incurred. As the rate implicit in the Group's lease is not typically readily available, the Group uses an incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. This incremental borrowing rate reflects the fixed rate at which the Group could borrow the amount of the lease payments on a collateralized basis in the same currency, for a similar term, in a similar economic environment. The Group's lease terms may include options to extend or terminate the lease. Such options are accounted for only when it is reasonably certain that the Group will exercise the options. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

(n) Impairment of long-lived assets

Long-lived assets such as property, plant and equipment, intangible assets and operating lease right-of-use assets with finite lives are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets with an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. No impairment of long-lived assets was recognized for the years ended December 31, 2022, 2023 and 2024.

(o) Fair value measurements

Fair value represents the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

Accounting guidance defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Accounting guidance establishes a three-level fair value hierarchy and requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs are:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.
Level 2—Include other inputs that are directly or indirectly observable in the marketplace.
Level 3—Unobservable inputs which are supported by little or no market activity.

Accounting guidance also describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Financial assets and liabilities of the Group primarily consist of cash and cash equivalents, term deposits, restricted cash, short-term investments, accounts receivable, other receivables, short-term bank borrowings, notes payable, accounts payable, and other payables. The Group measures short-term investments at fair value on a recurring basis. Short-term investments represent financial products issued by financial institutions, which are valued based on prices per unit quoted by issuers. They are categorized in Level 2 of the fair value hierarchy.

As of December 31, 2023 and 2024, the carrying amount of accounts receivable, other receivables, notes payable, accounts payable, and other payables are carried at cost which approximates their fair values due to the short-term nature of the instruments, the carrying amount of cash and cash equivalents, term deposits, restricted cash and short-term bank borrowings approximates its fair value as interest rate is comparable to the prevailing interest rate in the market.

The Group's non-financial assets, such as property, plant and equipment, intangible assets and operating lease right-of-use assets, would be measured at fair value only if they were determined to be impaired.

(p) Revenue recognition

The Group generates substantially all of its revenues from sales of electric scooters, accessories and spare parts to offline distributors in mainland China and overseas markets, or directly to overseas individual customers online. The Group also generates its revenues from its subscription-based mobile application services, as well as insurance service as an agent.

The Group recognizes revenues upon the satisfaction of its performance obligation (upon transfer of control of promised goods or services to customers) in an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services, excluding amounts collected on behalf of third parties (for example, value added taxes). For each performance obligation satisfied over time, the Group recognizes revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

To achieve that core principle, the Group applies the five steps defined under Accounting Standards Codification Topic 606: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. Revenue arrangements with multiple performance obligations are divided into separate distinct goods or services. A performance obligation is considered distinct from other obligations in a contract when it (a) provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and (b) is separately identified in the contract. The Group allocates the transaction price to each performance obligation based on the relative stand-alone selling price ("SSP") of the goods or services provided. Revenue is recognized upon the transfer of control of promised goods or services to a customer.

Products

The Group identified one performance obligation which is to sell products, such as electric scooters, accessories and spare parts, to offline distributors in mainland China and overseas markets, or directly to overseas individual customers online. For all sales of products, the Group requires a signed contract or purchase order, which specifies pricing, quantity and product specifications. Revenue of product sales is recognized on a gross basis upon the satisfaction of its performance obligation, which is to transfer the control of the promised products to customers.

The transfer of control of the products is satisfied at a point in time. When the Group sells its products to its domestic offline distributors in mainland China, the transfer of control of the products is evidenced by goods receipt notes signed by the domestic offline distributors or their designated carriers, which is generally at the Group's warehouse. When the Group sells its products to overseas offline distributors, the transfer of control of the products is evidenced by shipping documents dependent upon the terms of the underlying contract. When the Group sells its products to individual customers through its own online store and third-party e-commerce platforms, the Group is responsible for the delivery to individual customers. The transfer of control of the products is evidenced by goods receipt notes signed by individual customers.

The Group provides sales volume rebate to qualified distributors based on the volume sold to such distributors in a certain period and grants online individual customers unconditional right to return the products within 7 to 30 days after their acceptance.

Revenues are measured as the amount of consideration the Group expects to receive in exchange for transferring products to domestic and overseas offline distributors or individual customers. Consideration is recorded net of sales volume rebate, sales returns and VAT. Sales returns is estimated based on historical experiences, which were insignificant for the years ended December 31, 2022, 2023 and 2024.

The Group utilizes delivery service providers to deliver products to overseas offline distributors and individual customers ("shipping activities"), but the delivery service is not considered as a separate obligation as the shipping activities are performed before the overseas offline distributors and individual customers obtain control of the products. Therefore, shipping activities are not considered a separate promised service to them but rather are activities to fulfill the Group's promise to transfer the products. Outbound shipping charges to overseas offline distributors and individual customers are included as a part of the revenues, and outbound shipping-related costs are included in our inventory and recognized as cost of revenue upon sale of products to overseas offline distributors and individual customers. Shipping costs incurred for sales of products and recognized as cost of revenues were RMB101,970,407, RMB52,541,201 and RMB70,938,685 for the years ended December 31, 2022, 2023 and 2024, respectively.

Cash collected before product delivery is recognized as advances from customers.

Service

When the Group sells its smart electric scooters to its customers, it generally provides mobile application services for free for one year (the "free service period"). Customers are able to locate their smart electric scooters, as well as obtain the operating status (e.g. battery status), and claim online repair and maintenance requests by registering their smart electric scooters on the Group's mobile application. Customers may elect to subscribe to such services after the free service period if they want to continue using aforementioned functions.

Such revenue arrangements are divided into separate distinct performance obligations, including electric scooters and mobile application services. The Group determines the SSP for electric scooters and mobile application services based on their relative selling prices.

The allocated revenue to mobile application services for the free service period and subscribed mobile application service revenue is deferred and recognized on a straight-line basis over the service period, as the Group determines that the customer simultaneously receives and consumes benefits provided by the Group as the Group performs during the free service period or the subscription period.

The deferred revenue that will be recognized in the next twelve months is classified as current portion, and the remaining balance of deferred revenue is classified as non-current portion.

The Group also sells insurance plan for electric scooters, named NIU Cover, to individual customers at their option. The insurance is provided by third party insurance companies. The Group determines that it acts as an agent for the NIU Cover service because it does not obtain control of the service before the service is transferred to the customers. The Group recognizes revenue on net basis when the insurance agreement is entered into between individual customers and insurance providers.

Remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as of the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Additionally, as a practical expedient, the Group does not disclose the remaining performance obligations of contracts that have an original duration of one year or less.

As of December 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations that are unsatisfied or partially unsatisfied was RMB103,026,822. Given the profile of contract terms, RMB86,139,963 of the remaining performance obligation is expected to be recognized as revenue within the next 12 months and RMB16,886,859 is expected to be recognized as revenue between next 12 to 36 months.

(q) Contract Balances

Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on accounts receivable are included in net cash provided by operating activities in the consolidated statements of cash flows.

The provision of credit losses for accounts receivable is based upon the current expected credit losses ("CECL") model. The CECL model requires an estimate of the credit losses expected over the life of accounts receivable since initial recognition, and accounts receivable with similar risk characteristics are grouped together when estimating CECL. In assessing the CECL, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical credit loss experience, adjusted for relevant factors impacting collectability and forward-looking information indicative of external market conditions. While the Group uses the best information available in making determination, the ultimate recovery of recorded receivables is also dependent upon future economic events and other conditions that may be beyond the Group's control. Accounts receivable which are deemed to be uncollectible are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. There is a time lag between when the Group estimates a portion of or the entire account balances to be uncollectible and when a write off of the account balances is taken. The Group does not have any off-balance sheet credit exposure related to its customers.

A contract liability is recognized when the Group has an obligation to transfer products or services to a customer for which the Group has received consideration from the customer, or for which an amount of consideration is due from the customer. Contract liabilities are included in advances from customers and deferred revenue on the consolidated balance sheets.

Changes in the Group's contract liabilities (advances from customers and deferred revenue) are presented in the following table for the years ended December 31, 2023 and 2024:

Contract liabilities as of January 1, 2023	**73,901,130**
Cash received in advance, excluding VAT	2,118,016,702
Revenue recognized from opening balance of contract liabilities	(62,471,630)
Revenue recognized from contract liabilities arising during 2023	(2,055,218,506)
Contract liabilities as of December 31, 2023	**74,227,696**
Cash received in advance, excluding VAT	3,240,822,892
Revenue recognized from opening balance of contract liabilities	(61,059,585)
Revenue recognized from contract liabilities arising during 2024	(3,150,964,181)
Contract liabilities as of December 31, 2024	**103,026,822**

(r) Warranties

The Group provides for the estimated costs of warranties at the time when revenue is recognized. The specific terms and conditions of those warranties vary among different parts of electric scooters. Factors that affect the Group's warranty obligation include product defect rates and costs of repair or replacement. These factors are estimates that may change based on new information that becomes available during the reported period. The portion of the warranty reserve expected to be incurred within the next 12 months is included within accrued expenses and other current liabilities while the remaining balance is included within other non-current liabilities on the consolidated balance sheets.

(s) Cost of Revenues

Cost of revenues mainly consists of the cost of products sold, logistics costs, tariff costs, write-downs of inventories and warranty costs.

(t) Selling and Marketing Expenses

Selling and marketing expenses mainly consist of advertising expenses, promotion expenses and payroll and related expenses for personnel engaged in selling and marketing activities. Advertising expenses, which consist primarily of online and offline advertisements, are expensed when the services are received. The advertising expenses were RMB191,776,905, RMB177,824,898 and RMB183,032,140 for the years ended December 31, 2022, 2023 and 2024, respectively.

(u) General and Administrative Expenses

General and administrative expenses mainly consist of payroll and related costs for employees involved in general corporate functions, professional fees, allowance for doubtful accounts, foreign currency exchange gains (losses) and other general corporate expenses, as well as expenses associated with the use of facilities and equipment by these functions, such as depreciation and rental expenses.

(v) Research and Development Expenses

Research and development expenses mainly consist of payroll and related costs for employees involved in researching and developing new products and technologies, and design and development expenses, primarily including validation and testing fees. Research and development expenses are expensed as incurred.

(w) Government Grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to it and the grant will be received. Grants that compensate the Group for expenses incurred are recognized in the Group's consolidated statements of comprehensive loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the acquisition cost of an asset are recorded as a liability in the Group's consolidated balance sheets and are recognized in the Group's consolidated statements of comprehensive loss over the useful life of the asset. As of December 31, 2023 and 2024, nil of liability was related to the government grants that compensate the acquisition cost of an asset.

The Group's government grants mainly consist of certain subsidies from local government or industrial parks where its offices locate. For the years ended December 31, 2022, 2023 and 2024, RMB16,385,038, RMB2,968,735 and RMB911,566 of government grants are recognized in the consolidated statements of comprehensive loss, respectively. There were no significant commitment, contingencies or provision for recapture conditions for the government grants received for the years ended December 31, 2022, 2023 and 2024.

(x) Share-based Compensation

The Company periodically grants share-based awards, including but not limited to, restricted share units and share options to eligible employees and directors.

Share-based awards granted to employees and directors are measured at the grant date fair value of the awards, and are recognized as compensation expense using the straight-line method over the requisite service period, which is generally the vesting period. Forfeitures are accounted when they occur.

A change in any of the terms or conditions of share-based awards is accounted for as a modification of the awards. The Group calculates incremental compensation cost of a modification as the excess of the fair value of the modified awards over the fair value of the original awards immediately before its terms are modified at the modification date. For vested awards, the Group recognizes incremental compensation cost in the period the modification occurs. For awards not being fully vested, the Group recognizes the sum of the incremental compensation cost and the remaining unrecognized compensation cost for the original awards over the remaining requisite service period after modification.

Share-based compensation in relation to the restricted share units is measured based on the fair value of the Company's ordinary shares at the grant date of the award. The fair value is the closing prices of the Company's ordinary shares traded in the open market as of the grant date. Share-based compensation in relation to the share options is estimated using the Binominal Option Pricing Model. The determination of the fair value of share options is affected by the share price of the Company's ordinary shares as well as the assumptions regarding a number of variables, including the expected share price volatility (estimated based on the historical volatility of the Company and comparable peer public companies with a time horizon close to the expected term of the Company's options), risk-free interest rate, exercise multiple and expected dividend yield. The fair value of these awards was determined with the assistance from a valuation report prepared by an independent valuation firm using management's estimates and assumptions.

(y) Employee Benefits

The Company's subsidiaries and the VIE and VIE's subsidiaries in mainland China participate in a government mandated, multiemployer, defined contribution plan, pursuant to which certain retirement, medical, housing and other welfare benefits are provided to employees. PRC labor laws require the entities incorporated in China to pay a monthly contribution calculated at a stated contribution rate on the monthly basic compensation of qualified employees. The Group has no further commitments beyond its monthly contribution. Employee social benefits included as cost of revenues and expenses in the accompanying consolidated statements of comprehensive loss amounted to RMB42,637,403, RMB42,376,447 and RMB43,792,304 for the years ended December 31, 2022, 2023 and 2024, respectively.

(z) Income Taxes

Current income taxes are provided on the basis of net loss for financial reporting purposes, and adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. Deferred income taxes are provided using the asset and liability method. Under this method, deferred income tax assets and liabilities are recognized for the tax effects of temporary differences and are determined by applying enacted statutory tax rates that will be in effect in the period in which the temporary differences are expected to reverse to the temporary differences between the financial statements' carrying amounts and the tax bases of assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset deferred tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A valuation allowance is provided to reduce the amount of deferred income tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred income tax assets will not be realized. The effect on deferred income taxes arising from a change in tax rates is recognized in the consolidated statements of comprehensive loss in the period of change.

The Group applies a "more likely than not" recognition threshold in the evaluation of uncertain tax positions. The Group recognizes the benefit of a tax position in its consolidated financial statements if the tax position is "more likely than not" to prevail based on the facts and technical merits of the position. Tax positions that meet the "more likely than not" recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. Unrecognized tax benefits may be affected by changes in interpretation of laws, rulings of tax authorities, tax audits, and expiry of statutory limitations. In addition, changes in facts, circumstances and new information may require the Group to adjust the recognition and measurement estimates with regard to individual tax positions. Accordingly, unrecognized tax benefits are periodically reviewed and re-assessed. Adjustments, if required, are recorded in the Group's consolidated financial statements in the period in which the change that necessities the adjustments occur. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in certain circumstances, a tax appeal or litigation process. The Group records interest and penalties related to unrecognized tax benefits (if any) in interest expenses and general and administrative expenses, respectively. As of December 31, 2023 and 2024, the Group did not have any significant unrecognized uncertain tax positions.

(aa) Foreign currency translation and foreign currency risks

The Group's reporting currency is Renminbi ("RMB"). The functional currency of the Company and its subsidiaries incorporated in Hong Kong S.A.R., the United States and Singapore is the United States dollars ("US$" or "USD"). For the Company's subsidiaries incorporated in British Virgin Islands, Indonesia, Switzerland, Germany and Italy, the functional currencies are the Great Britain Pound ("GBP"), Indonesian Rupiah ("IDR"), Swiss Franc ("CHF") and European Monetary Unit ("EUR"), respectively.

The functional currency of the Company's subsidiaries in mainland China, the VIE and VIE's subsidiaries is RMB.

Transactions denominated in currencies other than the functional currency are remeasured into the functional currency at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in a foreign currency are remeasured into the functional currency using the applicable exchange rate at the balance sheet date. The resulted exchange differences are recorded as foreign currency exchange gains (losses) in the consolidated statements of comprehensive loss.

The financial statements of the Company, its subsidiaries incorporated in Hong Kong S.A.R. and non-PRC countries are translated from their respective functional currencies into RMB. Assets and liabilities are translated into RMB using the applicable exchange rates at the balance sheet date. Equity accounts other than earnings generated in the current period are translated into RMB using the appropriate historical rates. Revenues, expenses, gains and losses are translated into RMB using the average exchange rates for the relevant period. The resulted foreign currency translation adjustments are recorded as a component of other comprehensive loss in the consolidated statements of comprehensive loss and the accumulated foreign currency translation adjustments are recorded as a component of accumulated other comprehensive loss in the consolidated statements of changes in shareholders' equity.

The RMB is not a freely convertible currency. The PRC State Administration for Foreign Exchange, under the authority of the PRC government, controls the conversion of RMB to foreign currencies. The value of the RMB is subject to changes of central government policies and international economic and political developments affecting supply and demand in the China foreign exchange trading system market.

(bb) Concentration and risk

Concentration of customers and suppliers

The following tables summarized the customer with greater than 10% of the total revenue, accounts receivable and advances from customers:

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
Greater than 10% of the total revenue:						
Customer A	*	*	319,208,693	12 %	527,366,534	16 %

	As of December 31,			
	2023		2024	
	RMB	%	RMB	%
Greater than 10% of the accounts receivable:				
Customer B	90,892,779	34 %	78,647,993	25 %
Customer C	*	*	59,139,808	19 %
Customer D	32,443,005	12 %	29,537,164	10 %

	As of December 31,			
	2023		2024	
	RMB	%	RMB	%
Greater than 10% of advances from customers:				
Customer E	2,396,333	12 %	*	*

The following table summarized the suppliers with greater than 10% of the total purchase:

	For the Year Ended December 31,					
	2022		2023		2024	
	RMB	%	RMB	%	RMB	%
Greater than 10% of total purchase:						
Supplier X	354,956,312	13 %	*	*	*	*
Supplier Y	*	*	286,132,811	16 %	322,251,970	12 %

No supplier individually represents greater than 10% of accounts payable of the Group as of December 31, 2023 and 2024.

* The amount was less than 10% of total balance.

Concentration of credit risk

Financial instruments that potentially expose the Group to concentrations of credit risk primarily consist of cash, cash equivalents, term deposits, restricted cash, short-term investments, accounts receivables and other receivables.

The Group's investment policy requires cash,cash equivalents, term deposits, restricted cash and short-term investments to be placed with high-quality financial institutions and to limit the amount of credit risk from any one issuer. The Group regularly evaluates the credit standing of the counterparties or financial institutions. In determining the credit risk for other receivables, the Group has taken into account the historical default experience and forward-looking information, as appropriate. The management has assessed that no debtors of these receivables had a significant increase in credit risk since initial recognition and risk of default is insignificant, and therefore, no material credit loss allowance was provided for other receivables for the reporting period.

The Group conducts credit evaluations on its customers prior to delivery of goods or services. The assessment of customer creditworthiness is primarily based on historical collection records, research of publicly available information and customer on-site visits by senior management. Based on this analysis, the Group determines what credit terms, if any, to offer to each customer individually. If the assessment indicates a likelihood of collection risk, the Company will not deliver the services or sell the products to the customer or require the customer to pay cash, post letters of credit to secure payment or to make significant down payments.

Interest rate risk

The Group's short-term bank borrowing bears interests at fixed rates. If the Group were to renew these loans, the Group might be subject to interest rate risk.

(cc) Loss per Share

Basic loss per share is computed by dividing net loss attributable to holders of ordinary shares by the weighted average number of ordinary shares or ordinary share equivalents outstanding during the year using the two-class method. Vested share options, which are exercisable for nominal consideration, and vested restricted share units are included in the calculation of the weighted-average number of shares of ordinary shares as ordinary share equivalents. Under the two-class method, any net income is allocated between ordinary shares and other participating securities based on their participating rights. A net loss is not allocated to participating securities when the participating securities does not have contractual obligation to share losses.

Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares used in calculating basic net loss per ordinary share and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of ordinary shares issuable upon the exercise of outstanding share option with the exception of vested share options with nominal exercise consideration and unvested restricted share units (using the treasury stock method). Ordinary equivalent shares are calculated based on the most advantageous conversion rate or exercise price from the standpoint of the security holder. Ordinary equivalent shares are not included in the denominator of the diluted loss per share calculation when inclusion of such shares would be anti-dilutive.

(dd) Segment Reporting

The Company's chief operating decision maker has been identified as the Chief Executive Officer, who reviews consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. For the purpose of internal reporting and management's operation review, the Company's Chief Executive Officer and management personnel do not segregate the Group's business by product. All products and services are viewed as in one and the only operating segment. The measure of segment assets is reported on the consolidated balance sheets as total consolidated assets. The revenue, costs and expenses, and the net loss for the reportable segment are the same as those presented on the consolidated statements of comprehensive loss.

(ee) Restricted Net Assets

The paid-in capitals of the Group's subsidiaries in mainland China, VIE and VIE's subsidiaries are subject to restrictions on their distribution and transfer according to PRC laws and regulations. In addition, in accordance with the PRC Company Laws, the Group's subsidiaries in mainland China, VIE and VIE's subsidiaries must make appropriations from their after-tax profits as determined under the generally accepted accounting principles in the PRC ("PRC GAAP") to non-distributable reserve funds including statutory surplus fund and discretionary surplus fund. The appropriation to the statutory surplus fund must be 10% of the after-tax profits as determined under PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of the PRC companies. Appropriation to the discretionary surplus fund is made at the discretion of the PRC companies. The statutory surplus fund and discretionary surplus fund are restricted for use. They may only be applied to offset losses or increase the registered capital of the respective companies. These reserves are not allowed to be transferred to the Company by way of cash dividends, loans or advances, nor can they be distributed except for liquidation.

As of December 31, 2024, the Company had restricted net assets in amount of RMB433,868,390, which was comprised of the paid-in capital and statutory surplus fund of the Group's subsidiaries in mainland China, VIE and VIE's subsidiaries.

(ff) Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standard Board ("FASB") issued ASU 2023-07, Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures. The amendments introduce a new requirement to disclose significant segment expenses regularly provided to the chief operating decision maker (CODM), extends certain annual disclosures to interim periods, clarifies single reportable segment entities must apply ASC 280 in its entirety, permits more than one measure of segment profit or loss to be reported under certain conditions, and requires disclosure of the title and position of the CODM. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company adopted ASU 2023-07 for the year beginning January 1, 2024 and there was no material impact to the consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740), Improvements to Income Tax Disclosures. The amendments in ASU 2023-09 address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. This ASU also includes certain other amendments to improve the effectiveness of income tax disclosures. For public business entities, the amendments in this ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted for annual financial statements that have not yet been issued or made available for issuance. The amendments in this ASU should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact of this new guidance on its consolidated financial statements of adopting this guidance.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires that at each interim and annual reporting period public entities disclose (1) the amounts of purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expense captions; (2) certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements; (3) a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and (4) the total amount of selling expenses and, in annual reporting periods, the definition of selling expenses. In January 2025, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date. This update clarifies that ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact on its financial statements of adopting this guidance.

3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consisted of the following:

	As of December 31,	
	2023	2024
	RMB	RMB
Accounts receivable	263,994,880	308,556,264
Allowance for doubtful accounts	(169,038,710)	(176,634,845)
Accounts receivable, net	**94,956,170**	**131,921,419**

The movement of the allowance for doubtful accounts was as follows:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Balance at the beginning of the year	4,549,366	29,593,693	169,038,710
Additions	25,044,327	139,445,017	19,840,922
Reversal	—	—	(12,244,787)
Balance at the end of the year	**29,593,693**	**169,038,710**	**176,634,845**

4. INVENTORIES

Inventories consisted of the following:

	As of December 31,	
	2023	2024
	RMB	RMB
Finished goods	244,373,815	471,547,560
Raw materials	148,416,326	177,630,159
Inventories	**392,790,141**	**649,177,719**

Write-downs of inventories from the carrying amount to its estimated net realizable value amounted to RMB8,991,793, RMB21,681,652 and RMB30,028,243 were made for the years ended December 31, 2022, 2023 and 2024, respectively, and were recorded as cost of revenues.

5. PREPAYMENTS AND OTHER CURRENT ASSETS

Prepayments and other current assets consisted of the following:

	As of December 31,	
	2023	2024
	RMB	RMB
Deductible input VAT and VAT refunds receivable	123,335,099	180,529,266
Prepayments to suppliers	35,692,402	34,798,844
Deferred charge	11,722,400	24,910,815
Receivable from online platforms	12,258,397	12,035,147
Interest receivable	7,357,967	10,503,125
Others*	4,705,864	5,161,142
Prepayments and other current assets	**195,072,129**	**267,938,339**

* Others mainly include deposits receivable.

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consisted of the following:

	As of December 31,	
	2023	2024
	RMB	RMB
Furniture	375,782,740	399,918,776
Machinery and equipment	173,869,199	232,110,473
Building	149,465,476	152,378,097
Office and electronic equipment	33,252,080	34,892,580
Leasehold improvement	10,792,479	10,878,525
Motor vehicles	3,811,160	3,775,545
Property, plant and equipment	**746,973,134**	**833,953,996**
Less: Accumulated depreciation	(423,860,768)	(513,940,364)
Property, plant and equipment, net	**323,112,366**	**320,013,632**

Depreciation expense on property, plant and equipment was allocated to the following expense items:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Cost of revenues	23,554,266	26,811,275	32,342,412
Selling and marketing expenses	104,721,594	107,996,726	78,589,848
Research and development expenses	4,381,707	3,641,514	3,847,241
General and administrative expenses	8,113,535	9,057,825	7,101,034
Total depreciation expense	**140,771,102**	**147,507,340**	**121,880,535**

7. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of the following:

	As of December 31,	
	2023	2024
	RMB	RMB
Prepayment for property, plant and equipment	2,231,253	8,683,050
Deposits	2,728,406	6,531,928
Others	1,770,719	4,103,681
Other non-current assets	**6,730,378**	**19,318,659**

8. SHORT-TERM BANK BORROWINGS

	As of December 31,	
	2023	2024
	RMB	RMB
Secured borrowing	100,000,000	200,000,000

In March 2023, the Group entered into a twelve-month secured loan facility agreement with a commercial bank in mainland China, pursuant to which the Group was entitled to borrow secured bank loans of up to RMB160,000,000. In June and August 2023, the Group drew down RMB41,380,805 and RMB58,619,195, respectively, under this facility agreement bearing interest of 3.2% per annum, and repaid RMB100,000,000 in June 2024. In March and June 2024, the Group entered into two additional twelve - month secured loan facility agreements with this commercial bank, pursuant to which the Group was entitled to borrow secured bank loans of up to RMB100,000,000 each. The Group drew down RMB100,000,000 in March 2024 and RMB100,000,000 in June 2024 under the respective facility agreement, bearing an annual interest rate of 3.0%, and repaid RMB100,000,000 in March 2025. As of December 31, 2024, the total outstanding borrowings under these loan facility agreements were RMB200,000,000 and the Group provided cash collateral in the form of a US$ deposit equivalent to RMB215,652,000 held with the bank.

As of December 31, 2023 and 2024, unused secured loan facility amounted to RMB60,000,000 and nil, respectively. The outstanding short-term bank borrowings bore a weighted average interest rate of 3.2% and 3.0% per annum, respectively, and were denominated in RMB.

9. NOTES PAYABLE

In April 2022, the Group entered into a twelve-month revolving loan facility agreement with a commercial bank in mainland China, and was entitled to extend maturity date to May 2025. Pursuant to this agreement, the Group was entitled to borrow a short-term bank borrowing and notes payable of up to RMB300,000,000.

In January and July 2024, the Group entered into two six-month revolving loan facility agreements with a commercial bank in mainland China, pursuant to which the Group was entitled to borrow notes payable of up to RMB50,000,000 each.

In October and November 2024, the Group entered into two twelve-month revolving loan facility agreements with a commercial bank in mainland China, respectively, and was entitled to borrow a short-term bank borrowing and notes payable up to RMB50,000,000 each.

As of December 31, 2023 and 2024, notes payable represent non-interest-bearing bank acceptance notes issued by the Group to suppliers that are due within twelve months.

As of December 31, 2023 and 2024, unused loan facility amounted to RMB132,717,312 and RMB155,651,232, respectively.

10. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	As of December 31,	
	2023	2024
	RMB	RMB
Refundable payment from franchised stores—current	39,203,959	51,690,234
Accrued payroll and social insurance	17,566,486	26,300,779
Accrued selling and marketing expenses	29,159,625	23,150,372
Construction payable	14,372,306	20,327,073
Warranty-current	16,736,341	19,746,554
Other taxes payable	3,542,993	9,065,664
Sales rebate	4,975,640	6,135,710
Operating lease liabilities-current (Note 17)	5,094,066	1,253,020
Others*	34,859,980	43,686,602
Accrued expenses and other current liabilities	**165,511,396**	**201,356,008**

* Others mainly include accrued professional fees and other general corporate expenses.

The Group provides limited warranty to its end customers for terms varying from 3 months to 60 months, subject to certain conditions, such as normal use. For certain key components of electric scooter, the Group mainly provides quality warranty varying from 12 months to a lifetime. For lithium-ion battery packs, the Group mainly provides a 24-month or 20,000-kilometer warranty or a 60-month or 40,000-kilometer warranty, depending on the model. For the other components of the electric scooters, the Group provides quality warranty varying from 3 months to 36 months depending on the parts. The Group is responsible for replacing or repairing the faulty products during their respective warranty terms.

Movement of provision for warranty was as follows:

	For the Year Ended December 31,		
	2022	2023	2024
Accrued warranty-beginning of year	47,788,122	33,812,290	25,325,839
Accrual for warranties issued during the year	20,355,810	23,248,155	27,660,626
Warranty claims paid	(23,894,070)	(30,051,582)	(23,677,748)
Pre-existing warranty expired	(10,437,572)	(1,683,024)	(14,869)
Accrued warranty-end of year	**33,812,290**	**25,325,839**	**29,293,848**

11. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consisted of the following:

	As of December 31,	
	2023	2024
	RMB	RMB
Warranty—non-current	8,589,498	9,547,294
Refundable payment from franchised stores—non-current	379,021	150,547
Other non-current liabilities	**8,968,519**	**9,697,841**

12. ORDINARY SHARE

The Company's authorized share capital is US$500,000 divided into 5,000,000,000 shares comprising of (i) 4,900,000,000 Class A ordinary shares with a par value of US$0.0001 each, (ii) 50,000,000 Class B ordinary shares with a par value of US$0.0001 each and (iii) 50,000,000 shares with a par value of US$0.0001 each of such class or classes (however designated) as the Board of Directors may determine in accordance with the Company's Memorandum and Articles of Association.

Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share entitles the holder to one vote on all matters subject to vote at general meetings of the Company, and each Class B ordinary share entitles the holder to four votes on all matters subject to vote at general meetings of the Company. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

As of December 31, 2023, there were 138,575,010 Class A ordinary shares and 16,542,020 Class B ordinary shares outstanding.

As of December 31, 2024, there were 139,303,366 Class A ordinary shares and 16,542,020 Class B ordinary shares outstanding.

13. SHARE-BASED COMPENSATION

Share options and restricted share units

a) 2016 Global Share Incentive Plan

In January 2016, the Company's Shareholders and Board of Directors approved 2016 Global Share Incentive Plan and amended it in March 2018 (the "Amended 2016 Plan"). Under the Amended 2016 Plan, a maximum aggregate number of 5,861,480 ordinary shares may be issued pursuant to all awards granted. Share options or restricted share units expire 10 years from the grant date.

b) 2018 Share Incentive Plan

In September 2018, the Company's Shareholders and Board of Directors approved the 2018 Share Incentive Plan (the "2018 Plan"). Under the 2018 Plan, the maximum aggregate number of ordinary shares available for issuance is 6,733,703 ordinary shares, which shall be increased by a number equal to 1.5% of the total number of ordinary shares issued and outstanding on the last day of the immediately preceding fiscal year, each fiscal year during the term of the 2018 Plan, if determined and approved by the Board of Directors for the relevant fiscal year. The Board of Directors has approved annual increases of 2,305,212, 2,313,923 and 2,326,755 ordinary shares for the years ended December 31, 2022, 2023 and 2024, representing 1.5% of total issued and outstanding shares as of December 31, 2021, 2022 and 2023, respectively, pursuant to the 2018 Share Incentive Plan.

No share options had been granted for the years ended December 31, 2022, 2023 and 2024. All the outstanding share options had been fully vested and no unrecognized compensation expense related to share options as of December 31, 2023.

A summary of the share options activities under the Amended 2016 Plan and the 2018 Plan for the year ended December 31, 2024 was presented below:

	Number of shares	Weighted average exercise price	Weighted remaining contractual years	Aggregate intrinsic value
		US$		US$
Outstanding at January 1, 2024	3,943,058	2.34	—	—
Exercised	(187,784)	0.20	—	—
Expired	(1,946)	0.20	—	—
Outstanding at December 31, 2024	**3,753,328**	**2.45**	**3.65**	**792,578**
Exercisable as of December 31, 2024	**3,753,328**	**2.45**	**3.65**	**792,578**

The total intrinsic value of share options exercised for the years ended December 31, 2022, 2023 and 2024, were RMB3,708,615,RMB4,799,425 and RMB994,926, respectively. The total fair value of shares vested for the years ended December 31, 2022, 2023 and 2024 were RMB10,976,490, RMB11,027,023 and nil, respectively.

Compensation expenses recognized for share options for the years ended December 31, 2022, 2023 and 2024 were allocated to the following expense items:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Selling and marketing expenses	1,936,414	905,764	—
Research and development expenses	3,862,189	2,191,242	—
General and administrative expenses	5,008,382	3,047,542	—
Total share options compensation expenses	**10,806,985**	**6,144,548**	—

A summary of the restricted share units activities for the year ended December 31, 2024 was presented below:

	Number of shares	Weighted average grant date fair value
		US$
Unvested as of January 1, 2024	2,003,074	4.53
Granted	2,016,000	1.06
Vested	(1,174,842)	3.96
Forfeited	(90,890)	10.00
Unvested as of December 31, 2024	**2,753,342**	**2.05**

The restricted share units are generally scheduled to be vested over four equal annual installments, except for 128,000 restricted share units granted in 2022 and 320,000 restricted share units granted in 2024 with vesting in two equal annual installments under 2018 Plan.

Compensation expenses recognized for restricted share units for the years ended December 31, 2022, 2023 and 2024 were allocated to the following expense items:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Cost of revenues	1,224,796	1,237,902	751,445
Selling and marketing expenses	13,497,270	9,085,924	7,110,420
Research and development expenses	18,499,553	19,462,704	7,325,327
General and administrative expenses	14,190,582	11,728,226	9,045,786
Total restricted share units compensation expenses	**47,412,201**	**41,514,756**	**24,232,978**

As of December 31, 2024, RMB32,129,944 of total unrecognized compensation expense related to restricted share units was expected to be recognized over a weighted average period of approximately 1.75 years.

Total share-based compensation expenses recognized for the years ended December 31, 2022, 2023 and 2024 were allocated to the following expense items:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Cost of revenues	1,224,796	1,237,902	751,445
Selling and marketing expenses	15,433,684	9,991,688	7,110,420
Research and development expenses	22,361,742	21,653,946	7,325,327
General and administrative expenses	19,198,964	14,775,768	9,045,786
Total share-based compensation expense	**58,219,186**	**47,659,304**	**24,232,978**

14. INCOME TAX

a) Income tax

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

No stamp duty is payable in respect of the issuance of the shares or on an instrument of transfer in respect of a share.

Hong Kong

Under the Hong Kong tax laws, the Company's subsidiary in Hong Kong are subject to the Hong Kong profits tax rate at 16.5% and they are exempted from income tax on their foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends. A two-tiered profits tax rates regime was introduced in 2018 where the first HK$2 million of assessable profits earned by a company will be taxed at half of the current tax rate (8.25%) whilst the remaining profits will continue to be taxed at 16.5%. There is an anti-fragmentation measure where each group will have to nominate only one company in the group to benefit from the progressive rates. The Company did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong for any of the periods presented.

Mainland China

The Company's subsidiaries in mainland China, the VIE, and VIE's subsidiaries are subject to the PRC Corporate Income Tax Law ("CIT Law"), and are generally subject to a statutory income tax rate of 25%. Under the CIT Law, preferential tax treatments will be granted to entities which conduct businesses in certain encouraged sectors and to entities otherwise classified as "High and New Technology Enterprises" ("HNTE"). Jiangsu Xiaoniu and Beijing Niudian were qualified as HNTEs and enjoy a preferential income tax rate of 15% for the fiscal years from 2024 to 2027 and 2022 to 2025, respectively. An entity could re-apply for the HNTE certificate when the prior certificate expires. The foregoing preferential income tax rates, however, are subject to periodic review and renewal by PRC authorities.

The CIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the CIT Law define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, property, etc., of a non-PRC company is located." Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside the PRC should be considered a resident enterprise for PRC tax purposes.

The components of income(loss) before income taxes are as follows:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Mainland China	(44,894,563)	(270,748,715)	(202,919,043)
Hong Kong S.A.R.	(14,613,793)	(7,930,644)	(965,277)
Cayman	(10,448,513)	(1,192,264)	1,998,975
Others	(1,263,004)	(2,157,243)	(14,921,844)
Total	**(71,219,873)**	**(282,028,866)**	**(216,807,189)**

Income tax benefit consists of the following:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Current income tax (benefit) expense	(15,677,411)	759,425	(319,872)
Deferred income tax benefit	(6,079,533)	(10,952,309)	(23,286,678)
Total	**(21,756,944)**	**(10,192,884)**	**(23,606,550)**

Withholding tax on undistributed dividends

The CIT law also imposes a withholding income tax of 10% on dividends distributed by a foreign investment enterprise ("FIE") to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company is incorporated, does not have such tax treaty with China. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the FIE). The Group plans to indefinitely reinvest the undistributed earnings of the Group's PRC entities, and therefore, no provision for PRC dividend withholding tax was accrued.

Reconciliation of the differences between PRC statutory income tax rate and the Group's effective income tax rate for the years ended December 31, 2022, 2023 and 2024 are as follows:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Expected taxation at PRC statutory tax rate	(17,804,968)	(71,077,803)	(54,201,797)
Tax effect of tax-exempt entities and differing tax rates in different jurisdictions	6,581,327	2,820,038	105,035
Research and development expenses bonus deduction	(34,910,421)	(30,807,283)	(25,718,922)
Non-deductible share-based compensation expenses	13,866,734	11,742,974	5,850,869
Other non-deductible expenses	638,898	2,491,593	888,261
Preferential tax rate difference	(3,075,033)	7,301,540	15,880,110
Others	(3,770,720)	229,108	1,116,269
Change in valuation allowance	16,717,239	67,106,949	32,473,625
Actual income tax benefit	**(21,756,944)**	**(10,192,884)**	**(23,606,550)**
Effect of preferential tax rates on basic earnings per Class A and Class B ordinary share	0.02	(0.05)	(0.10)
Effect of preferential tax rates on diluted earnings per Class A and Class B ordinary share	0.02	(0.05)	(0.10)

b) Deferred income tax assets and deferred income tax liabilities

	As of December 31,	
	2023	2024
	RMB	RMB
Deferred income tax assets		
Net operating loss carry forwards	74,876,303	115,610,787
Accrued warranty	3,798,876	4,394,077
Advertising expense	2,113,991	2,113,991
Deferred revenue	8,938,710	10,709,100
Allowance for doubtful accounts	41,878,340	43,361,947
Lease Liabilities	1,099,451	226,552
Write-downs of inventories	4,529,042	6,426,901
Less: Valuation allowance	(107,782,306)	(140,255,931)
Total deferred income tax assets, net	**29,452,407**	**42,587,424**
Deferred income tax liabilities		
Operating lease right of use assets	1,099,451	226,551
Property, plant and equipment	9,968,429	13,878,083
Total deferred income tax liabilities	**11,067,880**	**14,104,634**
Net deferred income tax assets	**20,747,021**	**31,752,254**
Net deferred income tax liabilities	**2,362,494**	**3,269,464**

As of December 31, 2024, the Group had net operating loss carry forwards of RMB516,672,516 attributable to the subsidiaries in mainland China, the VIE and VIE's subsidiaries. Tax losses of RMB29,986,636, RMB21,713,526, RMB75,298,399, RMB207,226,074 and RMB182,447,881 will expire, if unused, by 2025, 2026, 2027,2028 and 2029, respectively.

A valuation allowance is provided against deferred income tax assets when the Group determines that it is more likely than not that some portion or all of the deferred income tax assets will not be utilized in the foreseeable future. The valuation allowance as of December 31, 2023 and 2024 was primarily provided for the deferred income tax assets of certain subsidiaries in mainland China, the VIE and VIE's subsidiaries. In making such determination, the Group evaluates a variety of factors including the Group's operating history, accumulated deficit, existence of taxable temporary differences and reversal periods. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or utilizable. Management considers projected future taxable income and tax planning strategies in making this assessment.

Changes in valuation allowance are as follows:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Balance at the beginning of the year	24,508,473	40,764,285	107,782,306
Additions	25,114,239	68,593,841	32,473,625
Reduction	(8,858,427)	(1,575,820)	—
Balance at the end of the year	**40,764,285**	**107,782,306**	**140,255,931**

According to the PRC Tax Administration and Collection Law, the statute of limitation is three years if the underpayment of taxes is due to computational errors made by the taxpayer or the withholding agent. The statute of limitation is extended to five years under special circumstances where the underpayment of taxes is more than RMB100,000. In the case of transfer pricing issues, the statute of limitation is ten years. There is no statute of limitation in the case of tax evasion. The income tax returns of the Company's subsidiaries in mainland China, the VIE and VIE's subsidiaries for the years from 2020 to 2024 are open to examination by the PRC tax authorities.

15. NET LOSS PER ORDINARY SHARE

The following table sets forth the basic and diluted net loss per ordinary share computation and provides a reconciliation of the numerator and denominator for the years presented:

	For the Year Ended December 31,		
	2022	2023	2024
	(In RMB, except for share data)		
Numerator:			
Net loss	(49,462,929)	(271,835,982)	(193,200,639)
Denominator:			
Weighted average number of ordinary shares outstanding	154,109,051	154,795,461	155,735,312
Weighted average number of ordinary shares equivalents outstanding	1,067,871	2,020,644	2,724,930
Denominator for basic and diluted net loss per ordinary share	**155,176,922**	**156,816,105**	**158,460,242**
Net loss per ordinary share			
—Basic	(0.32)	(1.73)	(1.22)
—Diluted	(0.32)	(1.73)	(1.22)

Securities that could potentially dilute basic net loss per share in the future that were not included in the computation of diluted net loss per share because to do so would have been antidilutive for the years ended December 31, 2023 and 2024 were as follow:

	For the Year Ended December 31,	
	2023	2024
Share options	3,943,058	3,753,328
Unvested restricted share units	2,003,074	2,753,342

16. REVENUE INFORMATION

Revenues consisted of the following:

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Electric scooter sales	2,853,895,423	2,358,658,368	2,960,507,972
Accessory and spare parts sales	242,296,734	197,634,073	241,680,284
Service revenues	72,405,177	95,465,205	86,108,088
Revenues	**3,168,597,334**	**2,651,757,646**	**3,288,296,344**

The following summarized the Group's revenues from the following geographic areas (based on the location of customers):

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
The mainland China	2,583,843,616	2,247,593,239	2,845,174,856
Europe	343,157,877	151,521,237	172,195,656
Others	241,595,841	252,643,170	270,925,832
Revenues	**3,168,597,334**	**2,651,757,646**	**3,288,296,344**

17. OPERATING LEASES

The Group leases its facilities and offices under non-cancelable operating lease agreements. For the years ended December 31, 2022, 2023 and 2024, the operating lease cost were RMB9,352,700, RMB7,549,026 and RMB6,829,793, respectively, and the short-term lease cost were RMB847,735, RMB1,480,259 and RMB1,263,426 respectively. There were no leasing costs other than operating lease costs or short-term lease costs.

A summary of supplemental information related to operating leases as of December 31, 2023 and 2024 was as follows:

	As of December 31,	
	2023	2024
	RMB	RMB
Operating lease right-of-use assets	**76,821,285**	**71,223,350**
Operating lease liabilities—current (Note 10)	5,094,066	1,253,020
Operating lease liabilities—non-current	280,421	89,990
Total operating lease liabilities	**5,374,487**	**1,343,010**

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Cash paid for amounts included in the measurement of operating lease liabilities	8,046,828	7,711,479	5,263,335
Right-of-use assets obtained in exchange for new operating lease liabilities	921,405	3,744,607	1,144,700
Modification to right-of-use assets	—	(5,217,099)	—

The weighted average remaining lease term as of December 31, 2024 was 0.7 years, and the weighted average discount rate of the operating leases was 3.22%.

Maturities of lease liabilities under the Group's non-cancellable operating leases as of December 31, 2024 were as follows:

	As of December 31, 2024
	RMB
Within 1 year	1,265,461
After 1 year but within 2 years	90,734
Total undiscounted lease payment	**1,356,195**
less: Imputed interest	(13,185)
Present value of lease liabilities	**1,343,010**

As of December 31, 2024, the Group has no significant lease contract that has been entered into but not yet commenced.

18. COMMITMENTS AND CONTINGENCIES

The Group did not have any significant capital or other commitments or guarantees or contingencies as of December 31, 2023 and 2024.

19. PARENT COMPANY ONLY CONDENSED FINANCIAL INFORMATION

For the presentation of the parent company only condensed financial information, the Company records its investment in subsidiaries, consolidated VIE and VIE's subsidiaries, under the equity method of accounting as prescribed in ASC 323, *Investments-Equity Method and Joint Ventures*. Such investments are presented on the condensed balance sheets as "Investment in and amount due from subsidiaries, consolidated VIE and VIE's subsidiaries" and the subsidiaries, consolidated VIE and VIE's subsidiaries' income as "Share of loss from subsidiaries, consolidated VIE and VIE's subsidiaries" on the condensed statements of results of operations. The parent company only condensed financial information should be read in conjunction with the Group's consolidated financial statements. As of December 31, 2023 and 2024, there were no material contingencies, significant provisions of long-term obligations, mandatory dividend or redemption requirements of redeemable stocks or guarantees of Niu Technologies, except for those, which have been separately disclosed in the consolidated financial statements.

(a) Condensed Balance Sheets

	As of December 31,	
	2023	2024
	RMB	RMB
Assets		
Current assets		
Cash and cash equivalents	233,958,655	40,441,814
Term deposits	77,555,565	68,289,800
Restricted cash	107,521,733	215,652,000
Prepayments and other current assets	12,035,145	13,518,861
Total current assets	**431,071,098**	**337,902,475**
Non-current assets		
Investment in and amount due from subsidiaries, consolidated VIE and VIE's subsidiaries	671,329,320	600,596,446
Total assets	**1,102,400,418**	**938,498,921**
Liabilities		
Current liabilities		
Amount due to subsidiaries, consolidated VIE and VIE's subsidiaries	4,564,315	4,632,432
Accrued expenses and other current liabilities	4,219,869	2,584,269
Total current liabilities and total liabilities	**8,784,184**	**7,216,701**
Shareholders' equity:		
Class A ordinary shares	90,031	90,549
Class B ordinary shares	10,316	10,316
Additional paid-in capital	1,964,138,365	1,988,638,160
Accumulated other comprehensive loss	(9,495,674)	(3,129,362)
Accumulated deficit	(861,126,804)	(1,054,327,443)
Total shareholders' equity	**1,093,616,234**	**931,282,220**
Total liabilities and shareholders' equity	**1,102,400,418**	**938,498,921**

(b) Condensed Statements of Results of Operations

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Total operating expenses	(15,414,575)	(17,739,201)	(13,025,259)
Share of loss from subsidiaries, consolidated VIE and VIE's subsidiaries	(39,264,560)	(270,498,551)	(195,199,614)
Interest income	5,216,206	16,401,770	15,024,234
Loss before income taxes	**(49,462,929)**	**(271,835,982)**	**(193,200,639)**
Income tax expense	—	—	—
Net loss	**(49,462,929)**	**(271,835,982)**	**(193,200,639)**

(c) Condensed Statements of Cash Flows

	For the Year Ended December 31,		
	2022	2023	2024
	RMB	RMB	RMB
Net cash (used in) provided by operating activities	(23,565,305)	14,392,402	(177,106)
Net cash (used in) provided by investing activities	(95,940,040)	133,818,900	(89,689,320)
Net cash provided by financing activities	2,203,086	654,023	267,335
Effect of foreign currency exchange rate changes on cash, cash equivalents and restricted cash	21,972,182	4,034,789	4,212,517
Net (decrease) increase in cash, cash equivalents and restricted cash	**(95,330,077)**	**152,900,114**	**(85,386,574)**
Cash, cash equivalents and restricted cash at the beginning of the year	283,910,351	188,580,274	341,480,388
Cash, cash equivalents and restricted cash at the end of the year	**188,580,274**	**341,480,388**	**256,093,814**

Exhibit 4.9

Power of Attorney

Date: 14 November 2024

I, the undersigned, Changlong Sheng, a citizen of the People's Republic of China (**"PRC"**) with Identification Card No.: 321002197604111511, and a holder of 5.26% of the entire registered capital (**"My Shareholding"**) in **Beijing Niudian Technology Co., Ltd. ("Domestic Company")**, hereby irrevocably authorize Niu Technologies (**"Cayman Company"**) to exercise the following rights relating to My Shareholding during the term of this Power of Attorney:

The Cayman Company is hereby authorized to act on my behalf as my exclusive agent and attorney with respect to all matters concerning My Shareholding, including without limitation: (1) proposing, convening and attending shareholders' meetings of the Domestic Company; (2) exercising all the shareholder's rights and shareholder's voting rights I am entitled to under PRC laws and the articles of association of the Domestic Company, including without limitation, the sale, transfer, pledge or disposal of My Shareholding in part or in whole; and (3) designating and appointing on my behalf the legal representative (chairperson of the board), directors, supervisors, the chief executive officer (or manager) and other senior officers of the Domestic Company.

Without limiting the generality of the powers granted hereunder, the Cayman Company shall have the power and authority under this Power of Attorney to, on my behalf and/or on behalf of the Domestic Company, Cayman Company or other related parties, execute the transfer contract provided under an Exclusive Option Agreement (as long as I am required to be a party thereto) and perform the terms of the Equity Pledge Agreement and the Exclusive Option Agreement, both dated as of the date hereof, to which I am a party, and execute the documents required thereunder.

The Cayman Company is entitled to re-authorize or assign its rights related to the aforesaid matters to any other person or entity at its own discretion and without giving prior notice to me or obtaining my consent.

So long as I am a shareholder of the Domestic Company, this Power of Attorney shall be irrevocable and continuously valid and effective from the date of its execution, unless the Cayman Company issues adverse instructions in writing. Once the Cayman Company instructs me in writing to terminate this Power of Attorney in whole or in part, I will immediately withdraw the authorization herein granted to the Cayman Company, and execute power(s) of attorney in the same format of this Power of Attorney, granting other persons nominated by the Cayman Company the same authorization under this Power of Attorney.

This Power of Attorney shall be binding on my successors and assigns, and I will cause my successors (if applicable) and assigns to execute similar powers of attorney.

During the term of this Power of Attorney, I hereby waive all the rights associated with My Shareholding which have been authorized to the Cayman Company through this Power of Attorney, and shall not exercise such rights by myself.

[The space below is intentionally left blank.]

[Signature Page]

By: /s/ Changlong Sheng
Name: Changlong Sheng

Third Amended and Restated Equity Pledge Agreement

This Third Amended and Restated Equity Pledge Agreement **("Agreement")** is executed on 14 November 2024 in Beijing, the People's Republic of China **("PRC")** by and among the following Parties:

Party A: **Beijing Niudian Information Technology Co., Ltd.**，a limited liability company established and existing under the laws of the PRC, with its registered address at Room 1102, 11/F, Building 3, No. 10 Wangjing Street, Chaoyang District, Beijing. (**"Pledgee"**).

Party B: **Yi'nan Li**, a PRC citizen, with Identification Card No: 420111197006045512；**Token Yilin Hu**, a PRC citizen, with Identification Card No: 341204198410220033；**Changlong Sheng**, a PRC citizen, with Identification Card No: 321002197604111511. (collectively, "**Pledgors**").

Party C: **Beijing Niudian Technology Co., Ltd.**，a limited liability company established and existing under the laws of the PRC, with its registered address at Room 302, Building 1, No. 195 Courtyard, Huilongguan East Street, Changping District, Beijing.

In this Agreement, Pledgee, Pledgors and Party C are individually referred to as a **"Party"**, and collectively referred to as the **"Parties"**.

Whereas,

1. Pledgors are PRC citizens. Party C is a limited liability company registered in Beijing, PRC. The Pledgors are all shareholders of Party C, with a total capital contribution of RMB 40,714,285. Party C acknowledges the respective rights and obligations of Pledgors and Pledgee under this Agreement and agrees to provide any necessary assistance in registering the Pledge.

2. On 27 May 2015, Party A, Party B, Yuqin Zhang, Mingming Huang, Shichun Wu and Party C signed an Equity Pledge Agreement; On 11 June 2018, Party A, Party B, Yuqin Zhang, Mingming Huang, Shichun Wu and Party C signed an Amended and Restated Equity Pledge Agreement; On 20 July 2018, Party A, Party B,, Yuqin Zhang, Mingming Huang, Shichun Wu and Party C signed an Amended and Restated Equity Pledge Agreement; On 27 February 2020, Party A, Party B,, Yuqin Zhang, Mingming Huang and Party C signed a Second Amended and Restated Equity Pledge Agreement (**"Original Agreements").**

3. Pledgee is a wholly foreign owned enterprise registered in Beijing, PRC. On 20 July 2018, Pledgee and Party C signed an Amended and Restated Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement 1"**); Pledgee and Jiangsu Xiaoniu Diandong Technology Co., Ltd. signed an Amended and Restated Exclusive Business Cooperation Agreement **("Exclusive Business Cooperation Agreement 2"**); On 27 February 2020, Pledgee, Pledgors, Party C, and Niu Technologies, the indirect holder of 100% equity in Pledgee (**"Cayman Company"**), signed a Second Amended and Restated Exclusive Option Agreement; On 14

November 2024, Pledgee, Pledgors, Party C, and Cayman Company signed a Third Amended and Restated Exclusive Option Agreement (**"Exclusive Option Agreement"**). On 20 July 2018, Yi'nan Li, Yuqin Zhang and Changlong Sheng each signed a Power of Attorney; on 27 February 2020, Token Yilin Hu signed a Power of Attorney granting Cayman Company authorization; on 14 November 2024, Changlong Sheng signed a Power of Attorney granting Cayman Company authorization (collectively **"Power of Attorneys"**, which collectively with the Exclusive Business Cooperation Agreement 1, Exclusive Business Cooperation Agreement 2, the Exclusive Call Option Agreement and this Agreement are **"Control Agreements"**).

4. To ensure that Pledgee collects all payments due and payable by Party C, including without limitation the consulting and service fees, from Party C, and to ensure that Party C and Pledgors perform other obligations under the Exclusive Business Cooperation Agreement 1, Exclusive Business Cooperation Agreement 2, Exclusive Call Option Agreement, Power of Attorneys and this Agreement, Pledgors hereby pledge all of the equities they hold in Party C as security for the performance of obligations under the Exclusive Business Cooperation Agreement, Exclusive Call Option Agreement, Power of Attorneys and this Agreement.

1. Definitions

Unless otherwise provided herein, the terms below shall have the following meanings:

1.1 **"Pledge"** refers to the security interest granted by Pledgors to Pledgee pursuant to Article 2 of this Agreement, i.e., the right of Pledgee to be compensated on a preferential basis by conversion, auction or sale of the Equity.

1.2 **"Equity"** refers to all of the equities in Party C now lawfully held and hereafter acquired by Pledgors as set forth in Article 2.1.

1.3 **"Term of Pledge"** refers to the term set forth in Article 3 of this Agreement.

1.4 **"Contract Obligations"** refers to all of the obligations of Pledgors and Party C under the Exclusive Business Cooperation Agreement, Exclusive Call Option Agreement, Power of Attorneys and this Agreement (including without limitation, payment of the consulting and service fees to Pledgee when they are due and payable under the Exclusive Business Cooperation Agreement, whether at stated maturity, by acceleration or otherwise).

1.5 **"Secured Obligations"** refers to all direct, indirect and consequential losses and loss of predictable profits incurred by Pledgee due to any Event of Default of Pledgors and/or Party C. Amounts of such losses are based on, including without limitation, Pledgee's reasonable business plan and earnings expectations, as well as all of the expenses incurred by Pledgee in procuring Pledgors and/or Party C to perform their Contract Obligations.

1.6 **"Event of Default"** refers to any of the circumstances set forth in Article 7 of this Agreement.

1.7 **"Notice of Default"** refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As security for the prompt and complete performance of the Contract Obligations and repayment of the Secured Obligations of Pledgors and Party C, Pledgors hereby pledge to Pledgee, in first priority, their equity in Party C (including Party C's registered capital (capital contribution) currently owned by Pledgors and all relevant equity interests, as well as other registered capital (capital contribution) and all relevant equity interests that may be obtained by Pledgors in the future) (**"Equity"**). As of the date of this Agreement, the Equity used by Party B for the pledge is all of their equity in Party C which corresponds to 100% of Party C's registered capital, i.e., RMB 40.7 million.

Details regarding the Pledge of each Pledgor are as follows:

No.	Pledgors	Amount of Equity Pledged (RMB)	Percentage of Pledge
1	Yi'nan Li	2,035,714	5.00%
2	Token Yilin Hu	36,535,713	89.74%
3	Changlong Sheng	2,142,858	5.26%
Total	/	**40,714,285**	**100.00%**

2.2 The Parties understand and agree that the maximum amount of the Secured Obligations hereunder is RMB 4,023,000,000. During the term hereof, Pledgee may adjust the maximum amount of the Secured Obligations when necessary (including in case of variation in the valuation of the Secured Obligations and the monetary value of the Equity) by amending and supplementing this Agreement upon mutual agreement prior to the Settlement Date (as defined below). The maximum amount of the Secured Obligations for each Pledgor will be calculated based on their respective shareholding percentage in Party C.

2.3 Upon the occurrence of any of the events below (each an **"Event of Settlement"**), the Secured Obligations shall be determined at the total of all Secured Obligations that are due, outstanding and payable to Pledgee on or immediately prior to the date of such occurrence (**"Fixed Obligations"**):

(a) any other Control Agreements is terminated pursuant to the provisions thereunder;

(b) an Event of Default under Article 7 occurs and remains unresolved, which results in Pledgee serving a Notice of Default to Pledgors pursuant to Article 7.3;

(c) upon due enquiries, Pledgee reasonably determines that Pledgors and/or Party C is insolvent or could become insolvent; or

(d) any other event that requires the determination of the Secured Obligations in accordance with applicable PRC laws.

2.4 For the avoidance of doubt, the date of the occurrence of an Event of Settlement shall be the settlement date (**"Settlement Date"**). Pledgee shall be entitled, at the election of the Pledgee, to enforce the Pledge in accordance with Article 8 on or after the Settlement Date.

2.5 Pledgee is entitled to collect dividends or other distributions arising from the Equity during the Term of the Pledge. Pledgors may not be entitled to any dividends or other distributions arising from the Equity unless Pledgee has given prior written consent. After deducting the individual income taxes payable by Pledgor, the dividends or other distributions distributed to Pledgors with respect to the Equity shall, at Pledgee's request, (1) be deposited into the account designated by Pledgee under Pledgee's custody and used to secure the Contract Obligations and repay the Secured Obligations first; or (2) be given unconditionally to Pledgee or the person designated by Pledgee to the extent permitted by law.

2.6 Pledgors may increase their capital contribution to Party C upon Pledgee's prior written consent. Pledgors' increased capital contribution in the registered capital as a result of their additional capital contribution shall be included in the equity pledged under this Agreement.

2.7 If Party C is required to be dissolved or liquidated under mandatory provisions of PRC law, upon Party C's dissolution or liquidation in accordance with law, any benefits distributed to Pledgors from Party C in accordance with law shall, at Pledgee's request, (1) be deposited into the account designated by Pledgee under Pledgee's custody and used to secure the Contract Obligations and repay the Secured Obligations first; or (2) be given unconditionally to Pledgee or the person designated by Pledgee to the extent permitted by law.

3. Term of Pledge

3.1 The Pledge shall become effective as of the date when it is registered with the local administration for market regulation (**"Registration Authority"**) in the place of Party C. The term of the Pledge (**"Term of Pledge"**) shall end when the last batch of Contract Obligation and Secured Obligation secured by the Pledge is fully fulfilled or repaid. The Parties agree that, promptly after the execution of this Agreement, Pledgors and Party A shall submit their application for equity pledge registration with the Registration Authority in accordance with the Measures on Equity Pledge Registration with the Administration for Industry and Commerce. The Parties further agree that within fifteen (15) days of formal acceptance by the Registration Authority of the equity pledge application, Pledgors and Party C shall complete the equity pledge registration and obtain the registration notice issued by the Registration Authority. The Parties acknowledge that in order to complete the equity pledge registration, the Parties shall submit this Agreement or an equity pledge agreement reflecting the Pledge hereunder and signed in the form as required by the local Registration Authority (**"Equity Pledge Agreement for Registration"**) to the Registration Authority at the place of Party C. Anything not stated in the Equity Pledge Agreement for Registration will be governed by this Agreement. Pledgors and Party C shall submit such necessary documents and undertake such necessary procedures as required by PRC laws and applicable requirements of the Registration Authority to ensure the Pledge is registered as soon as possible after submission.

3.2 During the Term of Pledge, if Company fails to perform the Contract Obligations or repay the Secured Obligations as agreed, Pledgee shall have the right, but not the obligation, to dispose of the Pledge in accordance with the provisions of this Agreement.

4. Custody of Records for Equity subject to Pledge

4.1 During the Term of Pledge set forth in this Agreement, Pledgors shall deliver to Pledgee's custody the originals of the capital contribution certificate for the Equity and the register of shareholders stating the Pledge (and other documents reasonably requested by Pledgee, including without limitation the pledge registration notice issued by relevant Registration Authority) within one week of the date the Pledge is registered. Pledgee shall maintain custody of such items during the entire Term of Pledge set forth in this Agreement.

5. Representations and Warranties of Pledgors and Party C

Pledgors Represent and Warrant to Pledgee as follows:

5.1 Pledgors are the sole legal and beneficial owner of the Equity. Unless otherwise being subject to other agreements entered into by Pledgors and Pledgee, Pledgors have legal, complete and full ownership of the Equity.

5.2 Pledgee shall have the right to dispose of and transfer the Equity in accordance with the provisions set forth in this Agreement.

5.3 Except for the Pledge, Pledgors have not placed any security interest or other encumbrance on the Equity. There are no disputes over the ownership of the Equity. The Equity is not seized or subject to any other legal proceedings or similar threats, and is good for pledging and transfer under applicable laws.

5.4 Pledgors' execution of this Agreement and exercise of their rights under this Agreement (or fulfillment of their obligations under this Agreement) will not breach any laws, regulations, and agreements or contracts to which Pledgors are a party, or any covenant Pledgors have made to any third parties.

5.5 All documents, materials, statements and certificates provided by Pledgors to Pledgee are accurate, true, complete and valid.

Party C Represents and Warrants to Pledgee as follows:

5.6 Party C is a limited liability company registered and legally existing under PRC laws. Party C has the qualification of an independent legal person and has complete and independent legal status and the legal capacity to sign, deliver and fulfill this Agreement.

5.7 Upon due execution by Party C, this Agreement constitutes legal, effective and binding obligations on Party C.

5.8 Party C has the complete internal right and authorization to sign and deliver this Agreement and all other documents relating to the transactions contemplated under this Agreement. Party C has the complete right and authorization to complete the transactions contemplated under this Agreement.

5.9 Regarding the assets owned by Party C, there are no security interests or any other

encumbrance that are substantial and may impact the Pledgee's right and interests in the Equity (including without limitation transfer of any of Party C's intellectual

property rights or any assets with a value higher than RMB 100,000, or any encumbrance on the ownership or right to use of such assets).

5.10 There are no pending (or, to the knowledge of Party C, threatening) litigation, arbitration or other legal proceedings in any court or arbitration tribunal against the Equity, Party C or its assets, and there are no pending (or, to the knowledge of Party C, threatening) administrative proceedings or penalties in any government authorities or administrative bodies, against the Equity, Party C or its assets, which may materially and adversely impact Party C's economic condition or the Pledgors' ability to fulfill their obligations and guarantee liabilities under this Agreement.

5.11 Party C hereby agrees that it is jointly and severally liable to Pledgee for any and all representations and warranties made by Pledgors under this Agreement.

5.12 Party C hereby warrants to Pledgee that, at any time and under any circumstances prior to the complete fulfillment or settlement of the Contract Obligations or Secured Obligations, the aforementioned representations and warranties are true and accurate and will be fully complied with.

6. Covenants and Further Agreements of Pledgors and Party C

The covenants and further agreements of Pledgors are set forth below

6.1 Pledgors hereby covenant to Pledgee, that during the term of this Agreement, Pledgors shall:

6.1.1 not transfer or agree to transfer by others of all or any part of the Equity, place or permit the existence of any security interest or other encumbrance that may affect the Pledgee's rights and interests in the Equity, without the prior written consent of Pledgee, except for the performance of the Exclusive Call Option Agreement executed by Pledgor, Pledgee and Party C on 14 November 2024;

6.1.2 comply with the provisions of all laws and regulations applicable to the pledge of rights, and within 5 days of receipt of any notice, order or recommendation issued or prepared by relevant competent authorities (or any other relevant parties) regarding the Pledge, present the aforementioned notice, order or recommendation to Pledgee, and shall comply with the aforementioned notice, order or recommendation or submit objections and representations with respect to the aforementioned matters upon Pledgee's reasonable request or upon consent of Pledgee; and

6.1.3 promptly notify Pledgee of any event or notice received by Pledgors that may have an effect on Pledgee's rights to the Equity or any portion thereof, as well as any event or notice received by Pledgors that may have an effect on any warranties and other obligations of Pledgors arising out of this Agreement.

6.2 Pledgors agree that the rights acquired by Pledgee in accordance with this Agreement with respect to the Pledge shall not be interrupted or damaged by Pledgors or any heirs or representatives of Pledgors or any other persons through any legal proceedings.

6.3 To protect or perfect the security interest granted under this Agreement, Pledgors

hereby undertake to execute in good faith and to cause other parties who have an interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgors also undertake to take and to cause other parties who have an interest in the Pledge to take actions required by Pledgee, to facilitate the exercise by Pledgee of its rights and authorization granted by this Agreement, and to enter into all relevant documents regarding ownership of the Equity with Pledgee or designee(s) of Pledgee (natural/legal persons). Pledgors undertake to provide Pledgee within a reasonable period time with all notices, orders and decisions regarding the Pledge that are required by Pledgee.

6.4 Pledgors hereby undertake to Pledgee that they will comply with and perform all warranties, covenants, agreements, representations and conditions under this Agreement. In the event of failure or partial performance of their warranties, covenants, agreements, representations and conditions, Pledgors shall indemnify Pledgee for all losses resulting therefrom.

6.5 the equity pledged under this Agreement is, for any reason, subject to mandatory measures imposed by court or other government authorities, Pledgors shall use their best efforts to release such mandatory measures imposed by court or other government authorities, including without limitation providing the court with other kinds of security or taking other measures.

6.6 If there is a possibility that the value of the Equity will be decreased, and such decrease is sufficient to harm the rights of Pledgee, Pledgee may request Pledgors to provide additional collateral or security. If Pledgors refuse to provide such collateral or security, Pledgee may, at any time, put the Equity up for auction or sell the Equity, and use the monies obtained from such auction or sale to settle the Secured Obligations in advance or put such monies under custody; all expenses therefore occurred shall be borne by Pledgor.

6.7 Without the prior written consent from Pledgee, Pledgors and/or Party C shall not (by themselves or assist others to) increase, decrease or transfer the registered capital of Party C (or their capital contributions to Party C) or impose any encumbrances on it (including the Equity). Subject to the foregoing provisions, any equity that is registered and obtained by Pledgors subsequent to the date of this Agreement shall be referred to as **"Additional Equity"**. Pledgors and Party C shall, immediately after Pledgors obtain the Additional Equity, enter into with Pledgee supplemental equity pledge agreement for the Additional Equity, cause the board of directors and meeting of shareholders of Party C to approve the supplemental equity pledge agreement, and deliver to Pledgee all documents necessary for the supplemental equity pledge agreement, including without limitation (a) the original shareholders' capital contribution certificate issued by Party C relating to the Additional Equity; and (b) the verified photocopy of the capital contribution verification report issued by a certified public accountant in PRC regarding the Additional Equity. Pledgors and Party C shall, in accordance with Article 3.1 of this Agreement, undertake the pledge registration procedures relating to the Additional Equity.

6.8 Unless otherwise instructed by Pledgee in writing, Pledgors and/or Party C agree that, if part of or all of the Equity is transferred between Pledgors and any third parties (**"Transferee of the Equity"**) in violation of this Agreement (including by division and succession), then Pledgors and/or Party C shall ensure that the Transferee of the Equity will unconditionally acknowledge the Pledge and undertake necessary

procedures for modification of the registration of the Pledge (including without limitation signing relevant documents) so as to ensure the continued existence of the Pledge.

6.9 If Pledgee provides Company with loans, Pledgors and/or Company agree to pledge the Equity to Pledgee as collateral of such additional loans, and to effect procedures as soon as possible in accordance with laws, regulations or local practice (if any), including without limitation executing relevant documents and completing registration procedures for creating (or modifying) a pledge.

The covenants and further agreements of Party C are set forth below.

6.10 If, for the execution and performance of this Agreement and the Pledge under this Agreement, it is necessary to obtain any third party consent, approval, waiver or authorization, any governmental approval, license or waiver, or complete registration or filing procedures with any government authorities (as required by the law), then Party C will use its best efforts to assist in obtaining the same and cause the same to remain in effect during the term of this Agreement.

6.11 Without prior written consent of Pledgee, Party C will not assist or allow Pledgors to create any new pledges or grant other security interests over the Equity, nor will Party C assist or allow Pledgors to transfer the Equity

6.12 Party C agrees to, jointly with Pledgor, strictly comply with Article 6.7, Article 6.8 and Article 6.9 of this Agreement.

6.13 Without prior written consent of Pledgee, Party C shall not transfer its assets, create or allow the existence of, any security interests or encumbrances on its assets that may affect the Pledgee's rights and interests in the Equity (including without limitation transfer of any of Party C's intellectual property rights or any assets with a value higher than RMB 100,000, or any encumbrance on the ownership or right to use of such assets).

6.14 Where there is litigation, arbitration or any other claims, which may adversely affect Party C, the Equity, or the Pledgee's interests under the Control Agreements, Party C undertakes that it will, as soon as possible, send written notice promptly to Pledgee and take all necessary measures to protect Pledgee's pledge interests in the Equity at reasonable requests of Pledgee.

6.15 Party C shall not conduct or allow any acts or actions that may adversely affect Pledgee's interests or the Equity under the Control Agreements.

6.16 Party C shall, during the first month of each calendar quarter, provide Pledgee with its financial statements for the preceding quarter, including without limitation its balance sheets, profit statements and cash flow statements.

6.17 Party C undertakes that it will, pursuant to Pledgee's reasonable requests, take all necessary measures and sign all necessary documents so as to ensure Pledgee's pledge interests over the Equity and exercise and realization thereof.

6.18 If the exercise of the Pledge under this Agreement results in any transfer of the Equity, Party C warrants that it will take all measures to effect such transfer.

6.19 Party B shall independently, and cause other shareholders of Party C to, within three months prior to the expiration of Party C's business term, effect and complete procedures for registration of extension of business term to maintain the effect of this Agreement.

7. Event of Default

7.1 Any of the following circumstances shall be deemed an Event of Default:

7.1.1 Party C fails to pay in full any of the consulting and service fees payable under the Exclusive Business Cooperation Agreement, or fail to repay its loan or breaches any other obligations of Party C under the Control Agreements;

7.1.2 Any representation or warranty by Pledgors in Article 5 of this Agreement contains material misrepresentations or errors, and/or Pledgors violate any of the warranties in Article 5 of this Agreement;

7.1.3 Pledgors and Party C fail to complete the registration of the equity pledge with the Registration Authority as set forth in Article 3.1;

7.1.4 Pledgors and Party C breach any provisions of this Agreement;

7.1.5 Except as expressly provided under Article 6.1.1, Pledgors transfer, purport to transfer or abandon the equity pledged or assign the equity pledged without the written consent of Pledgee;

7.1.6 Any of Pledgors' loans, warranties, indemnifications, covenants provided or any other debts or liabilities owed to any third party (1) become accelerated for repayment or performance due to default on the part of Pledgor; or (2) become due but are not capable of being repaid or performed in a timely manner;

7.1.7 Any approval, license, permit or authorization of government authorities that makes this Agreement enforceable, legal and effective is withdrawn, suspended, invalidated or substantively changed;

7.1.8 The promulgation of applicable laws renders this Agreement illegal or renders it impossible for Pledgors to continue to perform their obligations under this Agreement;

7.1.9 Adverse changes in properties owned by Pledgor, which causes Pledgee to believe that Pledgors' ability to perform their obligations under this Agreement has been affected;

7.1.10 The successor or custodian of Party C is capable of only partially performing or refuses to perform the payment obligations under the Exclusive Business Cooperation Agreement; and

7.1.11 Any other circumstances occur where Pledgee is or may become unable to exercise its right with respect to the Pledge, including without limitation the death of Pledgors or Pledgors becoming incapacitated.

7.2 Upon knowledge or discovery of the occurrence of any circumstances or event that may lead to the aforementioned circumstances described in Article 7.1, Pledgors shall immediately notify Pledgee in writing accordingly.

7.3 Unless an Event of Default set forth in this Article 7.1 has been successfully resolved to Pledgee's satisfaction within thirty (30) days of the Pledgee's notice, Pledgee may issue a Notice of Default to Pledgors in writing upon the occurrence of the Event of Default or at any time thereafter and demand that Pledgors immediately pay all outstanding payments due and payable and all other payments due and payable to Pledgee under the Control Agreements, and/or repays loans and/or disposes of the Pledge in accordance with the provisions of Article 8 of this Agreement.

8. Exercise of Pledge

8.1 Without Pledgee's written consent, Pledgors shall not assign the Equity in Party C.

8.2 Pledgee may issue a Notice of Default to Pledgors when exercising the Pledge.

8.3 Subject to the provisions of Article 7.3, Pledgee may exercise the right to enforce the Pledge concurrently with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee elects to enforce the Pledge, Pledgors shall cease to be entitled to any rights or interests associated with the Equity.

8.4 In the event of default, Pledgee is entitled to dispose of the equity pledged hereunder to the extent permitted and in accordance with applicable laws; if, after satisfying all Secured Obligations, there is any balance in the monies collected by Pledgee by enforcing the Pledge, then such balance shall be, without interest, paid to Pledgors or other parties entitled to receive such balance.

8.5 When Pledgee disposes of the Pledge in accordance with this Agreement, Pledgors and Party C shall provide necessary assistance to enable Pledgee to enforce the Pledge in accordance with this Agreement.

8.6 Unless otherwise provided by law, all actual expenses, taxes, charges and all legal fees relating to the establishment and realization of the Pledge shall be borne by Pledgor.

9. Assignment

9.1 Without Pledgee's prior written consent, Pledgors shall not have the right to assign or delegate their rights and obligations under this Agreement.

9.2 This Agreement shall be binding on Pledgors and their successors and permitted assigns, and shall be valid with respect to Pledgee and each of its successors and assigns.

9.3 At any time, Pledgee or the Cayman Company may assign any and all of its rights and obligations under the Exclusive Business Cooperation Agreement to its designee(s) (natural/legal persons), in which case the assigns shall have the rights and obligations of Pledgee under this Agreement, as if it were the original party to this Agreement. When Pledgee or the Cayman Company assigns its rights and obligations under the Exclusive Business Cooperation Agreement, upon Pledgee's request, Pledgors shall execute relevant agreements or other documents relating to such assignment.

9.4 In the event of a change in Pledgee due to an assignment, Pledgors shall, at the request of Pledgee, execute a new pledge agreement with the new pledgee on the same terms and conditions as this Agreement.

9.5 Pledgors shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by any of the Parties, including the Exclusive Call Option Agreement and the Power of Attorneys granted to Pledgee, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the effectiveness and enforceability thereof. Any remaining rights of Pledgors with respect to the equity pledged hereunder shall not be exercised by Pledgors unless in accordance with the written instructions of Pledgee.

10. Termination

Upon the full performance and payment of the consulting and service fees under the Exclusive Business Cooperation Agreement and upon termination of Party C's obligations under other Control Agreements, this Agreement shall be terminated, and Pledgee shall then cancel or terminate this Agreement as soon as reasonably practicable.

Unless otherwise required by law, Pledgors or Party C may not terminate or rescind this Agreement under any circumstances.

11. Handling Fees and Other Expenses

All fees and out-of-pocket expenses relating to this Agreement, including without limitation attorney's fees, costs of production, stamp tax and any other taxes and fees, shall be borne by Party C. If applicable laws require that Pledgee shall bear some related taxes and fees, Pledgors shall cause Party C to fully repay Pledgee the paid taxes and fees.

12. Confidentiality

The Parties acknowledge that any oral or written information exchanged among them with respect to this Agreement is confidential information. Each Party shall maintain the confidentiality of all such information, and without obtaining the written consent of other Parties, it shall not disclose to any third parties any relevant information, except for: (a) information that is or will be in the public domain (provided that this is not the result of a public disclosure by the receiving Party); (b) information disclosed as required by applicable laws or rules or regulations of any stock exchange; or (c) information required to be disclosed by any Party to its legal counsel or financial advisor regarding the transaction contemplated hereunder, provided that such legal counsel or financial advisor are also bound by confidentiality duties similar to the duties in this Article. Disclosure of any confidential information by any employee or entity engaged by any Party shall be deemed disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for any reason.

13. Governing Law and Resolution of Disputes

13.1 The execution, effectiveness, construction, performance, and the resolution of disputes hereunder shall be governed by the formally published and publicly available laws of the PRC. Matters not covered by formally published and publicly available laws of the

PRC shall be governed by international legal principles and practices.

13.2 In the event of any dispute with respect to the construction and performance of the provisions of this Agreement, the Parties shall negotiate in good faith to resolve the dispute. In the event the Parties fail to reach an agreement on the dispute within 30 days after any Party's request for resolution of the dispute through negotiations, any Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission (**"CIETAC"**) for arbitration, in accordance with its then-effective arbitration rules. The arbitration proceedings shall be conducted in Beijing, and the language used in arbitration shall be Chinese. The arbitral award shall be final and binding on all Parties.

13.3 Upon the occurrence of any disputes arising from the construction and performance of this Agreement or during the pending arbitration of any dispute, except for the matters under dispute, the Parties to this Agreement shall continue to exercise their respective rights under this Agreement and perform their respective obligations under this Agreement.

14. Notices

14.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission, to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

14.1.1 Notices delivered personally, or sent by courier service or registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices.

14.1.2 Notices sent by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission)

14.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Beijing Niudian Information Technology Co., Ltd.**
Address: No. 1 Building, No.195 Huilongguan East Road, Changping District, Beijing, China.
Attn: Xueting Xu
Phone: 18611112255

Party B:
Address: No. 1 Building, No.195 Huilongguan East Road, Changping District, Beijing, China.
Attn: Xueting Xu
Phone: 18611112255

Party C: **Beijing Niudian Technology Co., Ltd.**
Address: No. 1 Building, No.195 Huilongguan East Road, Changping District,

Beijing, China.
Attn: Xueting Xu
Phone: 18611112255

14.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

15. Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

16. Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement. Upon being signed by the Parties, this Agreement will supersede the Original Agreements, which will automatically terminate at such time.

17. Attachments

The attachments set forth herein shall be an integral part of this Agreement.

18. Effectiveness

18.1 Any amendments, changes and supplements to this Agreement shall be in writing and shall become effective upon completion of the governmental registration procedures (if applicable) after the affixation of the signatures or seals of the Parties.

18.2 This Agreement is made in four (4) copies. Each of Pledgor, Pledgee and Party C shall hold one (1) copy, respectively; and one (1) copy shall be submitted to the Registration Authority. Each copy of this Agreement shall have equal effect.

[The space below is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Pledge Agreement as of the date first above written.

Party A: Beijing Niudian Information Technology Co., Ltd. (Company Seal)

By: /s/ Xueting Xu
Name: Xueting Xu
Title: Legal Representative

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Pledge Agreement as of the date first above written.

Party B：

By: /s/ Yi'nan Li
Name: Yi'nan Li

By: /s/ Token Yilin Hu
Name: Token Yilin Hu

By: /s/ Changlong Sheng
Name: Changlong Sheng

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Equity Pledge Agreement as of the date first above written.

Party C: Beijing Niudian Technology Co., Ltd. (Company Seal)

By: /s/ Xueting Xu
Name: Xueting Xu
Title: Legal Representative

Third Amended and Restated Exclusive Option Agreement

This Third Amended and Restated Exclusive Option Agreement (**"Agreement"**) is executed on 14 November 2024, in Beijing, the People's Republic of China (**"PRC"**), by and among the following Parties:

Party A: **Niu Technologies**, a company established and existing under the laws of the Cayman Islands.

Party B: **Yi'nan Li**, a PRC citizen, with Identification Card No: 420111197006045512 ; **Token Yilin Hu** , a PRC citizen, with Identification Card No: 341204198410220033 ; **Changlong Sheng**, a PRC citizen, with Identification Card No: 321002197604111511.

Party C: **Beijing Niudian Technology Co., Ltd.** , a limited liability company established and existing under the laws of the PRC, with its registered address at Room 302, Building 1, No. 195 Courtyard, Huilongguan East Street, Changping District, Beijing.

Party D: **Beijing Niudian Information Technology Co., Ltd.** , a limited liability company established and existing under the laws of the PRC, with its registered address at Room 1102, 11/F, Building 3, No. 10 Wangjing Street, Chaoyang District, Beijing.

In this Agreement, Party A, Party B, Party C and Party D are individually referred to as a **"Party"**, and collectively referred to as the **"Parties"**.

Whereas:

1. Party A indirectly holds 100% of the equity in Party D;

2. Party B collectively holds 100% of the equity of Party C;

3. Party B intends to grant Party A an irrevocable and exclusive option to purchase all of the equity in Party C;

4. On 27 May 2015, Party D and Party C signed an Exclusive Business Cooperation Agreement; Party B, Yuqin Zhang, Mingming Huang, Shichun Wu and Party D signed an Equity Pledge Agreement; Party B, Yuqin Zhang, Mingming Huang and Shichun Wu each signed a Power of Attorney granting authorization to Party D; and Party B, Yuqing Zhang, Mingming Huang, Shichun Wu, Party C and Party D signed an Exclusive Call Option Agreement;

5. On 11 June 2018, Party D and Party C signed an Amended and Restated Exclusive Business Cooperation Agreement; Party D, Party B, Yuqin Zhang, Mingming Huang, Shichun Wu and Party C signed an Amended and Restated Equity Pledge Agreement, Party B, Yuqin Zhang, Mingming Huang and Shichun Wu each signed a Power of Attorney granting authorization to Party A;

6. On 20 July 2018, Party D signed an Amended and Restated Exclusive Business Cooperation Agreement (**"Exclusive Business Cooperation Agreement"**) respectively with Party C and Jiangsu Xiaoniu Diandong Technology Co., Ltd.; Party D, Party B,

Yuqing Zhang, Mingming Huang, Shichun Wu and Party C signed an Amended and Restated Equity Pledge Agreement, Party B, Yuaqing Zhang, Mingming Huang and Shichun Wu each signed a Power of Attorney granting authorization to Party A; on 14 November 2024, Changlong Sheng signed a Power of Attorney granting authorization to Party A;

7. On 27 February 2020, Party D, Party B, Party C and Yuqin Zhang signed a Second Amended and Restated Equity Pledge Agreement; on 14 November 2024, Party D, Party B and Party C signed a Third Amended and Restated Equity Pledge Agreement (**"Equity Pledge Agreement"**);

8. On 20 July 2018, Party D, Party B, Yuqing Zhang, Mingming Huang, Shichun Wu and Party C signed an Amended and Restated Exclusive Option Agreement. On 27 February 2020, Party A, Party B, Party C, Party D and Yuqin Zhang signed a Second Amended and Restated Exclusive Option Agreement ("**Original Document"**). The Parties hereby agree to amend and restate the Original Document.

Now, therefore, upon mutual consultation, the Parties agree as follows:

1. Sale and Purchase of Equity

1.1 Option Granted

Party B hereby irrevocably grants Party A an irrevocable and exclusive option to purchase, or designate Party D or any other third party (each, a **"Designee"**, who shall be approved by Party A's board of directors) to purchase in part or in whole the equity in Party C held or to be held by Party B, once or at multiple times, at any time in a manner as determined by Party A at its sole discretion and at the price described in Article 1.3 herein (**"Equity Call Option"**). Except for Party A and the Designee(s), no person shall be entitled to the Equity Call Option or other rights with respect to the equity of Party B. Party C hereby agrees to Party B's grant of the Equity Call Option to Party A. The term **"person"** as used herein shall refer to individuals, corporations, joint ventures, partnerships, enterprises, trusts or non-corporate organizations.

For the avoidance of doubt, Party A may exercise any right hereunder (including the Equity Call Option) at any time after execution and effectiveness of this Agreement. In the event that Party B dies or becomes incapacitated, Party A may, to the greatest extent permitted by PRC law, exercise the rights hereunder (including the Equity Call Option) against Party B or Party B's legal successors or agents in accordance with the terms of this Agreement.

1.2 Steps for Exercising Equity Call Option

Party A may exercise the Equity Call Option, subject to the laws and regulations of the PRC. When exercising the Equity Call Option, Party A shall issue a written notice to Party B (**"Equity Call Option Notice"**), specifying: (a) Party A's, Party D's or the Designee's decision to exercise the Equity Call Option; (b) the portion of equity to be purchased from Party B (**"Optioned Interests"**) by Party A, Party D or the Designee; and (c) the date on which the Optioned Interests shall be purchased/transferred.

1.3 Equity Purchase Price and Its Payment

Unless an appraisal is required by PRC laws applicable to the Equity Call Option in connection with Party A's exercise of the Equity Call Option, the purchase price of the Optioned Interests **("Equity Purchase Price")** shall be RMB 100 or the lowest price permitted by PRC laws. After withholding taxes necessary for payment of the Equity Purchase Price pursuant to PRC laws, Party A, Party D and/or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days after the Optioned Interests are duly transferred to Party A, Party D and/or the Designee.

1.4 Transfer of Optioned Interests

For each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving Party B's transfer of the Optioned Interests to Party A, Party D and/or the Designee(s);

1.4.2 As to Party B's transfer of the Optioned Interests to Party A, Party D and/or the Designee(s), Party B shall obtain a written statement specifying approval of the transfer and waiver of right of first refusal from other shareholders of Party C;

1.4.3 Party B shall execute an equity transfer agreement with respect to each transfer with Party A, Party D and/or each Designee (whichever is applicable), in accordance with the provisions of this Agreement and the Equity Call Option Notice; and

1.4.4 The relevant Parties shall execute all other necessary contracts, agreements or documents (including without limitation, amendments to the articles of association of the company), obtain all necessary government licenses and permits (including without limitation the business license of the company) and take all necessary actions to transfer valid ownership of the Optioned Interests to Party A, Party D and/or the Designee(s), unencumbered by any Security Interests, and cause Party A, Party D and/or the Designee(s) to become the registered owner(s) of the Optioned Interests. For the purpose of this Article and this Agreement, "Security Interests" shall include securities, mortgages, third party rights or interests, stock options, acquisition right, right of first refusal, right of offset, and ownership retention or other security arrangements, but shall be deemed to exclude any Security Interest created by this Agreement, Party B's Equity Pledge Agreement and Party B's Power of Attorney. **"Party B's Equity Pledge Agreement"** as used in this Article and this Agreement shall refer to the Equity Pledge Agreement executed by and among Party B, Party C and Party D on the date of this Agreement, including any revisions, amendments or restatements thereto; and the **"Party B's Power of Attorney"** as used in this Article and this Agreement shall refer to the Power of Attorney granting Party A authorization signed by Party B on the date of this Agreement, including any revisions, amendments or restatements thereto.

2. <u>Covenants</u>

2.1 Covenants regarding Party C

Party B (as a shareholder of Party C) and Party C hereby covenant as follows:

2.1.1 Without the prior written consent of Party A, they shall not in any manner supplement, change or amend the articles of association or bylaws of Party C, increase or decrease its registered capital, or change its structure of registered capital in other manners;

2.1.2 They shall maintain Party C's corporate existence in accordance with good financial and business standards and practices by prudently and effectively operating its business and handling its affairs, and cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement signed on the date of this Agreement;

2.1.3 the prior written consent of Party A, they shall not at any time following the date hereof, sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in assets, business or revenues of Party C, or allow creation of any encumbrance thereon by way of any Security Interest;

2.1.4 After mandatory liquidation described in Article 3.6 below, Party B will pay Party A, Party D and/or the Designee(s) the full amount of any residual interest Party B receives in a nonreciprocal transfer or cause the payment to happen. If such transfer is prohibited by PRC laws, Party B will pay the proceeds to Party A or its designated person(s) in a manner permitted under PRC laws;

2.1.5 Without the prior written consent of Party A, they shall not incur, inherit, guarantee or allow the existence of, any debt, except for (i) debts incurred in the ordinary course of business other than through loans; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained;

2.1.6 They shall always operate all of Party C's businesses during the ordinary course of business to maintain the asset value of Party C and refrain from any action/omission that may affect Party C's operating status and asset value;

2.1.7 Without the prior written consent of Party A, they shall not cause Party C to execute any major contract, except the contracts signed in the ordinary course of business (for purpose of this paragraph, a contract with a value exceeding RMB 100,000 shall be deemed a major contract);

2.1.8 Without the prior written consent of Party A, they shall not cause Party C to provide any person with any loan or credit or guarantee in any form

2.1.9 They shall provide Party A with information on Party C's business operations and financial condition at Party A's request;

2.1.10 If requested by Party A, they shall procure and maintain insurance for Party C's assets and business from an insurance carrier acceptable to Party A, at an amount and type of coverage typical for companies that operate similar businesses;

2.1.11 Without the prior written consent of Party A, they shall not cause or permit Party C to merge, consolidate with, acquire or invest in, any person, or cause or permit Party C to sell assets with a value higher than RMB 100,000;

2.1.12 They shall immediately notify Party A of any existing or potential litigation, arbitration or administrative proceedings relating to Party C's assets, business or revenue;

2.1.13 To maintain Party C's ownership of all of its assets, they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints, or raise necessary and appropriate defenses against all claims;

2.1.14 Without the prior written consent of Party A, they shall ensure that Party C shall not in any manner distribute dividends to its shareholders, provided that upon Party A's written request, Party C shall immediately distribute all distributable profits to its shareholders;

2.1.15 At the request of Party A, they shall appoint any persons designated by Party A as directors of Party C and/or dismiss any existing director(s) of Party C; and

2.1.16 Unless mandatorily required by PRC laws, Party C shall not be dissolved or liquidated without Party A's written consent.

2.2 Covenants of Party B

Party B hereby covenants as follows:

2.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose of any legal or beneficial interest in the equity in Party C held by Party B, or allow creation of any encumbrance thereon by way of any Security Interest, except for the pledge placed on these equity in accordance with Party B's Equity Pledge Agreement;

2.2.2 Party B shall not put forward, or vote in favor of, any shareholders' resolution to, or otherwise request Party C to, issue any dividends or other distributions with respect to Party B's equity in Party C. In the event that Party B receives any proceeds, profit distribution or dividend from Party C, Party B shall, as permitted under PRC laws, immediately pay or transfer such proceeds, profit distribution or dividend to Party A, Party D and/or the Designee(s) as service fees under the Exclusive Business Cooperation Agreement for the benefit of Party C;

2.2.3 Party B shall cause the body of shareholders and/or the board of directors of Party C not to approve the sale, transfer, mortgage or otherwise disposal of any legal or beneficial interest in the equity in Party C held by Party B, or allow creation of any encumbrance thereon by way of any Security Interest, without the prior written consent of Party A or Party D, except for the pledge placed on these equity in accordance with Party B's Equity Pledge Agreement;

2.2.4 Party B shall cause the meeting of shareholders or the board of directors of Party C not to approve the merger or consolidation with any person, or the acquisition of or investment in any person, without the prior written consent of Party A;

2.2.5 Party B shall immediately notify Party A of any existing or potential litigation, arbitration or administrative proceedings relating to the equity in Party C held by Party B;

2.2.6 Party B shall cause the meeting of shareholders or the board of directors of Party C to vote their approval of the transfer of the Optioned Interests as set forth in this Agreement and to take any and all other actions that may be requested by Party A;

2.2.7 To maintain Party B's ownership in Party C, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate complaints, or raise necessary and appropriate defenses against all claims;

2.2.8 Party B shall appoint any person designated by Party A as director of Party C, at the request of Party A;

2.2.9 At the request of Party A at any time, Party B shall promptly and unconditionally transfer their equity in Party C to Party A, Party D or the Designee(s) in accordance with the Equity Call Option under this Agreement, and Party B hereby waives their right of first refusal to the transfer of equity by another existing shareholder of Party C (if any); and

2.2.10 Party B shall strictly abide by the provisions of this Agreement and other contracts jointly or separately executed by and among Party A, Party B, Party C and Party D, perform the obligations hereunder and thereunder, and refrain from any action/omission that may affect the validity and enforceability thereof. To the extent that Party B has any remaining rights with respect to the equity hereunder or under the Equity Pledge Agreement made by and among the same parties hereto or under the Power of Attorney granted in favor of Party A, Party B shall not exercise such rights unless instructed by Party A in writing.

3. Representations and Warranties

Party B and Party C hereby represent and warrant to Party A, jointly and severally, as of the date of this Agreement and each date of transfer of the Optioned Interests, that:

3.1 They have the authority to execute and deliver this Agreement and any equity transfer contracts to which they are a party concerning the Optioned Interests to be transferred thereunder (each, a **"Transfer Contract"**), and to perform their obligations under this Agreement and any Transfer Contracts. Party B and Party C agree to execute Transfer Contracts consistent with the terms of this Agreement when Party A exercises the Equity Call Option. This Agreement and the Transfer Contracts to which they are a party constitute or will constitute their legal, valid and binding obligations and shall be enforceable against them in accordance with the provisions thereof;

3.2 The execution and delivery of this Agreement or any Transfer Contracts and the obligations under this Agreement or any Transfer Contracts shall not: (i) cause any violation of any applicable PRC laws; (ii) be inconsistent with the articles of association, bylaws or other organizational documents of Party C; (iii) cause the violation of any contracts or instruments to which they are a party or which are binding on them, or constitute any breach under any contracts or instruments to which they are a party or which are binding on them; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them;

3.3 Party B has a good and merchantable title to the equity in Party C that Party B holds. Except for Party B's Equity Pledge Agreement, Party B has not created any Security Interest on such equity;

3.4 Party C has a good and merchantable title to all of its assets and has not created any Security Interest on the aforementioned assets;

3.5 Party C does not have any outstanding debts, except for (i) debts incurred in the ordinary course of business; and (ii) debts disclosed to Party A for which Party A's written consent has been obtained;

3.6 If PRC laws require Party C to be dissolved or liquidated, Party C shall sell all of its assets to the extent permitted by PRC laws to Party A, Party D or another qualifying entity designated by Party A, at the lowest selling price permitted by applicable PRC laws. Any obligation for Party A, or the qualifying entity designated by Party A, to pay as a result of such transaction shall be waived by Party C; or any proceeds from such transaction shall be paid to Party A, Party D or the qualifying entity designated by Party A in partial satisfaction of the service fees under the Exclusive Business Corporation Agreement, as applicable under then-effective PRC laws;

3.7 Party C has complied with all laws and regulations of the PRC applicable to asset acquisitions; and

3.8 There are no pending or threatened litigation, arbitration or administrative proceedings relating to the equity in Party C, assets of Party C or Party C.

4. Effective Date

This Agreement shall become effective upon the date hereof and shall terminate upon transfer of all of Party B's equity in Party C to Party A and/or any other person designated by Party A in accordance with this Agreement and applicable laws.

5. Governing Law and Dispute Resolution

5.1 Governing law

The execution, effectiveness, construction, performance, amendment and termination of this Agreement and the resolution of disputes hereunder shall be governed by the formally published and publicly available PRC laws.

5.2 Methods of Dispute Resolution

In the event of any dispute with respect to the construction and performance of this Agreement, the Parties shall first resolve the dispute through friendly negotiations. In the event the Parties fail to reach an agreement on the dispute within 30 days after any Party's request to the other Parties for resolution of the dispute through negotiations, any Party may submit the relevant dispute to the China International Economic and Trade Arbitration Commission (**"CIETAC"**) for arbitration, in accordance with its then-effective arbitration rules. The arbitration proceedings shall be conducted in Beijing, and the language used in arbitration shall be Chinese. The arbitral award shall be final and binding on all Parties.

6. Taxes and Fees

Each Party shall pay any and all transfer and registration tax, expenses, fees and levies incurred in connection with preparation and execution of this Agreement and the Transfer Contracts, as well as the consummation of the transactions contemplated hereunder and thereunder in accordance with PRC laws.

7. Notices

7.1 All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, postage prepaid, by a commercial courier service or by facsimile transmission, to the address of such Party set forth below. A confirmation copy of each notice shall also be sent by email. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

7.1.1 Notices delivered personally, or sent by courier service or registered mail, postage prepaid, shall be deemed effectively given on the date of delivery or refusal at the address specified for notices

7.1.2 Notices sent by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

7.2 For the purpose of notices, the addresses of the Parties are as follows:

Party A: **Niu Technologies**
Address: No. 1 Building, No.195 Huilongguan East Road, Changping District, Beijing, China.
Attn: Xueting Xu
Phone: 18611112255

Party B:
Address: No. 1 Building, No.195 Huilongguan East Road, Changping District, Beijing, China.
Attn: Xueting Xu
Phone: 18611112255

Party C: **Beijing Niudian Technology Co., Ltd.**

Address: No. 1 Building, No.195 Huilongguan East Road, Changping District, Beijing, China.
Attn: Xueting Xu
Phone: 18611112255

Party D： Beijing Niudian Information Technology Co., Ltd.
Address: No. 1 Building, No.195 Huilongguan East Road, Changping District, Beijing, China.
Attn： Xueting Xu
Phone: 18611112255

7.3 Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

8. Confidentiality

The Parties acknowledge that any oral or written information exchanged among them with respect to this Agreement is confidential information. Each Party shall maintain the confidentiality of all such information, and without obtaining the written consent of other Parties, it shall not disclose to any third parties any relevant information, except for: (a) information that is or will be in the public domain (provided that this is not the result of a public disclosure by the receiving Party); (b) information disclosed as required by applicable laws or rules or regulations of any stock exchange; or (c) information required to be disclosed by any Party to its legal counsel or financial advisor regarding the transaction contemplated hereunder, provided that such legal counsel or financial advisor is also bound by confidentiality duties similar to the duties in this Article. Disclosure of any confidential information by any employee or entity engaged by any Party shall be deemed disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for any reason.

9. Further Warranties

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement.

10. Liability for Breach

10.1 If Party B or Party C materially violates any provision under this Agreement, Party A may terminate this Agreement and/or request damages from Party B or Party C; this Article 10 will not be prejudicial to any other rights of Party A under this Agreement.

10.2 Unless otherwise provided by laws, neither Party B nor Party C may end or terminate this Agreement under any circumstances.

11 Miscellaneous

11.1 Amendment, Change and Supplement

Any amendment, change and supplement to this Agreement shall be subject to execution of a written agreement by all of the Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreements reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement. Upon being signed by the Parties, this Agreement will supersede the Original Agreements, which will automatically terminate upon such signature.

11.3 Headings

The headings of this Agreement are for convenience only, and shall not be used to interpret, construct or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language and Counterparts

This Agreement is made in Chinese in four copies, with each Party holding one copy. The four copies have equal legal effect.

11.5 Severability

In the event that one or several of the provisions of this Agreement are found to be invalid, illegal or unenforceable in any aspect in accordance with any laws or regulations, the validity, legality or enforceability of the remaining provisions of this Agreement shall not be affected or compromised in any respect. The Parties shall strive in good faith to replace such invalid, illegal or unenforceable provisions with effective provisions that accomplish to the greatest extent permitted by law the intentions of the Parties, and the economic effect of such effective provisions shall be as close as possible to the economic effect of those invalid, illegal or unenforceable provisions.

11.6 Successors

This Agreement shall be binding on and shall inure to the interest of the respective successors/inheritors of the Parties and the permitted assigns of such Parties.

11.7 Survival

11.7.1 Any obligations that occur or that are due as a result of this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination thereof.

11.7.2 The provisions of Articles 5, 7, 8 and Article 11.7 shall survive the termination of this Agreement.

11.8 Waivers

Any Party may waive the terms and conditions of this Agreement, provided that such a waiver must be provided in writing and signed by the Parties. No waiver by any Party in certain circumstances with respect to a breach by other Parties shall operate as a waiver by such a Party with respect to any similar breach in other circumstances.

[The space below is intentionally left blank]

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party A：Niu Technologies

By: /s/ Yan Li
Name: Yan Li
Title: Director

SIGNATURE PAGE TO EXCLUSIVE OPTION AGREEMENT

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party B：

By: /s/ Yi'nan Li
Name: Yi'nan Li

By: /s/ Token Yilin Hu
Name: Token Yilin Hu

By: /s/ Changlong Sheng
Name: Changlong Sheng

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party C: Beijing Niudian Technology Co., Ltd. (Company Seal)

By: /s/ Xueting Xu
Name: Xueting Xu
Title: Legal Representative

SIGNATURE PAGE TO EXCLUSIVE OPTION AGREEMENT

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement as of the date first above written.

Party D: Beijing Niudian Information Technology Co., Ltd. (Company Seal)

By: /s/ Xueting Xu
Name: Xueting Xu
Title: Legal Representative

SIGNATURE PAGE TO EXCLUSIVE OPTION AGREEMENT

Exhibit 8.1

List of Principal Subsidiaries, the Variable Interest Entity and the Subsidiaries of the Variable Interest Entity

Subsidiaries	**Place of Incorporation**
Niu Technologies Group Limited	Hong Kong
Beijing Niudian Information Technology Co., Ltd.	Mainland China
Niu Innovation Technology Ltd	British Virgin Islands
Niu Technologies Europe AG	Switzerland
Niu Technologies Germany GmbH	Germany

Variable Interest Entity	**Place of Incorporation**
Beijing Niudian Technology Co., Ltd.	Mainland China

Subsidiaries of the Variable Interest Entity	**Place of Incorporation**
Jiangsu Xiaoniu Diandong Technology Co., Ltd.	Mainland China
Shanghai Xiaoniu Internet Technology Co., Ltd.	Mainland China
Changzhou Niudian International Trading Technology Co., Ltd.	Mainland China

Exhibit 11.2

NIU TECHNOLOGIES

AMENDED AND RESTATED STATEMENT OF POLICIES GOVERNING MATERIAL NON-PUBLIC INFORMATION AND THE PREVENTION OF INSIDER TRADING

(AS ADOPTED BY THE BOARD OF DIRECTORS OF NIU TECHNOLOGIES AND EFFECTIVE ON DECEMBER 22, 2023)

This Amended and Restated Statement of Policies Governing Material Non-Public Information and the Prevention of Insider Trading (this "**Statement**") applies to all directors, officers, employees and consultants of Niu Technologies and its subsidiaries and affiliated entities (collectively, the "**Company**").

This Statement consists of three sections: Section I provides an overview; Section II sets forth the Company's policies prohibiting insider trading; and Section III explains insider trading.

I. SUMMARY

Preventing insider trading is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company, as well as that of all persons affiliated with it. "Insider trading" occurs when any person purchases or sells any securities while in possession of inside information relating to the securities. As explained in Section III below, "inside information" is information which is considered to be both "material" and "non-public."

The Company considers strict compliance with the policies set forth in this Statement (collectively, the "**Policy**") to be a matter of utmost importance. Violation of the Policy could cause extreme reputational damage and possible legal liability to you and the Company. Knowing or willful violations of the letter or spirit of the Policy will be grounds for immediate dismissal from the Company. Violation of the Policy might expose the violator to severe criminal penalties, as well as civil liability to any person harmed by the violation. The monetary damages flowing from a violation could be multiple times the profit realized by the violator, not to mention the attorney's fees of the persons harmed.

This Statement applies to all directors, officers, employees and consultants of the Company and extends to all of such persons' activities within and outside their duties at the Company. Every director, officer, employee and consultant of the Company must review this Statement, and when requested by the Company, must execute and return the Certificate of Compliance attached hereto to the Compliance Officer for the Company (the "**Compliance Officer**") within seven (7) days after receiving the request. Questions regarding this Statement should be directed to the Compliance Officer by e-mail at fion.zhou@niu.com.

II.
POLICIES PROHIBITING INSIDER TRADING

For purposes of this Statement, the terms "purchase" and "sell" of securities exclude the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards, if applicable, that does not involve the sale of securities. Among other things, the cashless exercise of options does involve the sale of securities and therefore is subject to the policies set forth below. The Policy does not apply to the exercise of a tax withholding right pursuant to which you elect to have the Company withhold ordinary shares or American Depositary Shares ("**ADSs**") subject to an option or other award to satisfy tax withholding requirements.

A. ***No Trading*** **– No director, officer, employee or consultant of the Company may purchase or sell any ADSs, ordinary shares or other securities of the Company or enter into a binding security trading plan in compliance with Rule 10b5-1 under the U.S. Securities Exchange Act of 1934, as amended (a "Trading Plan") while in possession of material non-public information relating to the Company or its ADSs, ordinary shares or other securities (the "Material Information")**.

In the event that the Material Information possessed by you relates to the ADSs or other securities of the Company, the above policy will require waiting for at least forty-eight (48) hours after public disclosure of the Material Information by the Company, which forty-eight (48) hours shall include in all events at least one full Trading Day on the Nasdaq Stock Market (the "**Nasdaq**") following such public disclosure. The term "**Trading Day**" is defined as a day on which the Nasdaq is open for trading. Except for public holidays in the United States, the Nasdaq's regular trading hours are from 9:30 a.m. to 4:00 p.m., New York City time, Monday through Friday.

In addition, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan, without the prior clearance by the Compliance Officer, during any period designated as a "limited trading period" by the Company, regardless of whether such director, officer, employee or consultant possesses any Material Information.

Furthermore, all transactions in the securities of the Company (including without limitation, acquisitions and dispositions of the ADSs, the sale of ordinary shares issued upon exercise of options or vesting of other share-based awards and the execution of a Trading Plan, but excluding the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve the sale of securities) by directors, officers and key employees designated by the Company from time to time must be pre-approved by the Compliance Officer.

Please see Section III below for an explanation of the Material Information.

B. ***Trading Window*** **– Assuming none of the "no trading" restrictions set forth in Section II-A above applies, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan other than during a Trading Window.**

A "**Trading Window**" is the period in any fiscal quarter of the Company commencing at the close of business on the second Trading Day following the date of the Company's public disclosure of its financial results for the prior year or quarter, as applicable, and ending on December 31, March 31, June 30 or September 30, as the case may be.

In other words,

(1) beginning on January 1 of each year, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company's public disclosure of its financial results for the fiscal year ended on December 31 of the prior year, and

(2) beginning on April 1, July 1 and October 1 of each year, respectively, no director, officer, employee or consultant of the Company may purchase or sell any securities of the Company or enter into a Trading Plan until the close of business on the second Trading Day following the date of the Company's public disclosure of its financial results for the fiscal quarter ended on March 31, June 30 and September 30 of that year, respectively.

If the Company's public disclosure of its financial results for the prior period occurs on a Trading Day more than four hours before the Nasdaq closes, then such date of disclosure shall be considered the first Trading Day following such public disclosure.

Please note that trading in any securities of the Company during the Trading Window is not a "safe harbor," and all directors, officers, employees and consultants of the Company should strictly comply with the Policy.

When in doubt, do not trade! Check with the Compliance Officer first.

Notwithstanding the foregoing, sale of securities of the Company pursuant to an existing Trading Plan which was entered into in accordance with the Policy and in compliance with applicable law is not subject to the restrictions on trading in Sections II-A and II-B above.

C. ***No Tipping*** – No director, officer, employee or consultant of the Company may directly or indirectly disclose any Material Information to anyone who trades in securities (so-called "tipping"), regardless of whether the person or entity who receives the information, the "tippee," is related to you and regardless of whether you receive any monetary benefit from the tippee.

D. ***Confidentiality*** – No director, officer, employee or consultant of the Company may communicate any Material Information to anyone outside the Company under any circumstances unless approved by the Compliance Officer in advance, or to anyone within the Company other than on a need-to-know basis.

E. ***No Comment*** – No director, officer, employee or consultant of the Company may discuss any internal matters or developments of the Company with anyone outside the Company, except as required for the performance of regular corporate duties. Unless you are expressly authorized to the contrary, if you receive any inquiries about the Company or its securities by the

financial press, research analysts or others, or any requests for comments or interviews, you are required to decline comment and direct the inquiry or request to the Company's Chief Financial Officer, who is responsible for coordinating and overseeing the release of information of the Company to the investing public, analysts and others in compliance with applicable laws and regulations.

F. ***Corrective Action*** – If you become aware that any potential Material Information has been or may have been inadvertently disclosed, you must notify the Compliance Officer immediately so that the Company can determine whether or not corrective action, such as general disclosure to the public, is warranted.

Rule 10b5-1 Trading Plans **–** Rule 10b5-1 provides an affirmative defense against insider trading liability under U.S. securities laws. A person subject to this Policy can rely on this defense and trade in the Company's securities, regardless of their awareness of inside information, if the transaction occurs pursuant to a pre-arranged written Trading Plan that was entered into when the person was not in possession of material non-public information and that complies with the requirements of Rule 10b5-1.

Anyone subject to this Policy who wishes to enter into a Trading Plan must submit the Trading Plan to the Compliance Officer for approval **at least ten business days** prior to the planned entry into the Trading Plan. Trading Plans may not be adopted by a person when he or she is in possession of material non-public information about the Company or its securities and must comply with the requirements of Rule 10b5-1 (including specified waiting periods and limitations on multiple overlapping plans and single trade plans).

Once a Trading Plan is adopted, you must not exercise any subsequent influence over the amount of securities to be traded, the price at which they are to be traded or the date(s) of the trade(s). You may amend or replace a Trading Plan only during periods when trading is permitted in accordance with this Policy, and you must submit any proposed amendment or replacement of a Trading Plan to the Compliance Officer for approval prior to adoption. You must provide notice to the Compliance Officer prior to terminating a Trading Plan. You should understand that a modification or termination of a Trading Plan may call into question your good faith in entering into and operating the plan (and therefore may jeopardize the availability of the affirmative defense against insider trading allegations).

III.
EXPLANATION OF INSIDER TRADING

As noted above, "**insider trading**" refers to the purchase or sale of a security while in possession of "material" "non-public" information relating to the security. "Securities" include not only stocks, bonds, notes and debentures, but also options, warrants and similar instruments. "Purchase" and "sale" are defined broadly under the U.S. federal securities laws. "Purchase" includes not only the actual purchase of a security, but any contract to purchase or otherwise acquire a security. "Sale" includes not only the actual sale of a security, but any contract to sell or otherwise dispose of a security. These definitions extend to a broad range of transactions, including conventional cash-for-stock transactions, the grant and exercise of stock options and

acquisitions and exercises of warrants or puts, calls or other options related to a security. It is generally understood that "**insider trading**" includes the following:

- trading by insiders while in possession of material non-public information;
- trading by persons other than insiders while in possession of material non-public information where the information either was given in breach of an insider's fiduciary duty to keep it confidential or was misappropriated; and
- communicating or tipping material non-public information to others, including recommending the purchase or sale of a security while in possession of material non-public information.

As noted above, for purposes of this Statement, the terms "purchase" and "sell" of securities exclude the acceptance of options or other share-based awards granted by the Company and the exercise of options or vesting of other share-based awards that does not involve the sale of securities. Among other things, the cashless exercise of options does involve the sale of securities and therefore is subject to the Policy.

What Facts are Material?

The materiality of a fact depends upon the circumstances. A fact is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the fact is likely to have a significant effect on the market price of the securities. Information may be material even if it relates to future, speculative or contingent events and even if it is significant only when considered in combination with publicly available information. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security, debt or equity.

Examples of material information include (but are not limited to) information concerning:

- dividends;
- corporate earnings or earnings forecasts, or changes to previously released earnings announcements or guidance;
- changes in financial condition or asset value;
- negotiations for the mergers or acquisitions or dispositions of significant subsidiaries or assets;
- significant new contracts or the loss of a significant contract;
- significant new products or services;
- significant marketing plans or changes in such plans;
- capital investment plans or changes in such plans;

- material litigation, administrative action or governmental investigations or inquiries about the Company, any of its affiliated companies, or any of its officers or directors;
- significant borrowings or financings;
- defaults on borrowings;
- new equity or debt offerings;
- adoption of repurchase plans or amendment of existing repurchase plans;
- significant personnel changes;
- a cybersecurity incident or risk that may adversely impact the Company's business, reputation or share value;
- changes in accounting methods and write-offs; and
- any substantial change in industry circumstances or competitive conditions which could significantly affect the Company's earnings or prospects for expansion.

A good general rule of thumb: **when in doubt, do not trade**.

What is Non-public?

Information is "**non-public**" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Dow Jones, Reuters Economic Services, The Wall Street Journal, Bloomberg, Associated Press, PR Newswire or United Press International. Circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

In addition, even after a public announcement, a reasonable period of time must lapse in order for the market to react to the information. Generally, one should allow approximately forty-eight (48) hours following publication as a reasonable waiting period before such information is deemed to be public.

Who is an Insider?

"**Insiders**" include directors, officers, employees and consultants of a company and anyone else who has material non-public information about a company. Insiders have independent fiduciary duties to their company and its shareholders not to trade on material non-public information relating to the company's securities. All directors, officers, employees and consultants of the Company are considered insiders with respect to material non-public information about business, activities and securities of the Company. The directors, officers, employees and consultants of the Company may not trade the Company's securities while in possession of material non-public information relating to the Company or tip (or communicate except on a need-to-know basis) such information to others.

It should be noted that trading by household members of a director, officer, employee or consultant can be the responsibility of such director, officer, employee or consultant under certain circumstances and could give rise to legal and Company-imposed sanctions.

Trading by Persons Other than Insiders

Insiders may be liable for communicating or tipping material non-public information to a third party (a "**tippee**"), and insider trading violations are not limited to trading or tipping by insiders. Persons other than insiders also can be liable for insider trading, including tippees who trade on material non-public information tipped to them or individuals who trade on material non-public information which has been misappropriated.

Tippees inherit an insider's duties and are liable for trading on material non-public information tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their tippees, so are tippees who pass the material non-public information along to others who trade on such information. In other words, a tippee's liability for insider trading is no different from that of an insider. Tippees can obtain material non-public information by receiving overt tips from others or through, among other things, conversations at social, business, or other gatherings.

Penalties for Engaging in Insider Trading

Penalties for trading on or tipping material non-public information can extend significantly beyond any profits made or losses avoided, both for individuals engaging in the unlawful conduct and their employers. The United States Securities and Exchange Commission and the United States Department of Justice have made the civil and criminal prosecution of insider trading violations a top priority. Enforcement remedies available to the government or private plaintiffs under the U.S. federal securities laws include:

- administrative sanctions;
- sanctions by self-regulatory organizations in the securities industry;
- civil injunctions;
- damage awards to private plaintiffs;
- disgorgement of profits gained by the violator;
- civil fines for the violator of up to three times the amount of profit gained or loss avoided by the violator;
- civil fines for the employer or other controlling person of a violator (i.e., where the violator is an employee or other controlled person) of up to the greater of approximately US$2,500,000 or three times the amount of profit gained or loss avoided by the violator;
- criminal fines for individual violators of up to US$5,000,000 (US$25,000,000 for an entity); and
- jail sentences of up to 20 years.

In addition, insider trading could result in serious sanctions by the Company, including immediate dismissal. Insider trading violations are not limited to violations of the U.S. federal securities laws. Other U.S. federal and state civil or criminal laws, such as the laws prohibiting mail and wire fraud and the Racketeer Influenced and Corrupt Organizations Act (RICO), also may be violated upon the occurrence of insider trading.

Material Non-public Information Regarding Other Companies

This Policy and the guidelines described herein also apply to material non-public information relating to other companies, including the Company's customers, vendors and suppliers ("**Business Partners**"), particularly when that information is obtained in the course of employment with, or other services performed by, or on behalf of, the Company. Civil and criminal penalties, and discipline, including termination of employment for cause, may result from trading on material non-public information regarding the Company's Business Partners. Each individual should treat material non-public information about the Company's Business Partners with the same care required with respect to information related directly to the Company.

Individual Responsibility

Each person subject to this Policy is individually responsible for complying with this Policy and ensuring the compliance of any family members, such as spouses, minor children, adult family members who share the same household, and any other person or entity whose securities trading decisions are influenced or controlled by the person whose transactions are subject to this Policy. Accordingly, you should make your family and household members aware of the need to confer with you before they trade in the Company's securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws concerning trading while in possession of material non-public information as if the transactions were for your own account.

CERTIFICATION OF COMPLIANCE

TO: Compliance Officer

RE: AMENDED AND RESTATED STATEMENT OF POLICIES OF NIU TECHNOLOGIES GOVERNING MATERIAL NON-PUBLIC INFORMATION AND THE PREVENTION OF INSIDER TRADING

I have received, reviewed, and understand the policies set forth in the above-referenced Amended and Restated Statement of Policies (such policies, as amended from time to time, the "**Policy**") and hereby undertake, as a condition to my present and continued employment at or association with Niu Technologies or any of its subsidiaries or affiliated entities, to comply fully with the Policy.

I hereby certify that I have adhered to the Policy during the time period that I have been employed by or associated with Niu Technologies or any of its subsidiaries or affiliated entities.

I hereby undertake to adhere to the Policy in the future.

Signature: _____
Name: _____
ID Card Number: _____
Title: _____
Date: _____

Exhibit 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Yan Li, certify that:

1. I have reviewed this annual report on Form 20-F of Niu Technologies;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 18, 2025

By: /s/ Yan Li
Name: Yan Li
Title: Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Fion Wenjuan Zhou, certify that:

1. I have reviewed this annual report on Form 20-F of Niu Technologies;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

6. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 18, 2025

By: /s/ Fion Wenjuan Zhou
Name: Fion Wenjuan Zhou
Title: Director and Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Niu Technologies (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yan Li, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 18, 2025

By: /s/ Yan Li
Name: Yan Li
Title: Chairman of the Board of Directors
and Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Niu Technologies (the "Company") on Form 20-F for the year ended December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fion Wenjuan Zhou, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 18, 2025

By: /s/ Fion Wenjuan Zhou
Name: Fion Wenjuan Zhou
Title: Director and Chief Financial Officer

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (No. 333-229190 and No. 333-278892) on Form S-8 of our reports dated April 18, 2025, with respect to the consolidated financial statements of Niu Technologies and the effectiveness of internal control over financial reporting.

/s/ KPMG Huazhen LLP

Beijing, China
April 18, 2025

Exhibit 15.2

Date: April 18, 2025

Niu Technologies

Building C, Rongxin Technology Center,
No. 34 Chuangyuan Road,
Chaoyang District, Beijing 100012
People's Republic of China

Dear Sir/Madam:

We hereby consent to the use of our name and the summary of our opinion under the headings, "Item 3. Key Information—D. Risk Factors—Risks Related to Our Corporate Structure" and "Item 4. Information on the Company—C. Organizational Structure", included in Niu Technologies' Annual Report on Form 20-F for the year ended December 31, 2024 ("Annual Report"), which will be filed with the Securities and Exchange Commission ("SEC") in the month of April 2025, and further consent to the incorporation by reference into the Registration Statement (Form S-8 Nos. 333-229190 and 333-278892) pertaining to Niu Technologies' Amended and Restated 2016 Global Share Incentive Plan and 2018 Share Incentive Plan. We also consent to the filing of this consent letter with the SEC as an exhibit to the Annual Report.

In giving such consent, we do not hereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours Sincerely,

/s/ DaHui Lawyers
DaHui Lawyers