

SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the “Risk Factors” section in this Document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED].

OVERVIEW

Who We Are

We are a leading global new energy technology company driven by innovation, dedicated to providing all-round energy storage solutions centered around energy storage batteries and systems. Since our establishment, we have remained dedicated to the energy storage sector and steadfastly implemented a globalization strategy. As the only pure-play⁽¹⁾ energy storage company with a GWh-level global shipment volume of lithium-ion ESS batteries, we offer high-quality products and solutions to customers in over 20 countries and regions. We have developed strong research, production, sales and service capabilities in key global markets. In 2024, we are the world’s third largest energy storage company in terms of lithium-ion ESS battery shipments according to CIC, reflecting our rapid growth and market presence in the global energy storage industry. In 2024, the shipment volume of our ESS batteries was 35.1GWh, representing a rapid growth from 2022 to 2024 at a CAGR of 167%. For the six months ended June 30, 2024 and 2025, the shipment volume of our ESS batteries was 8.5GWh and 30.0GWh, respectively, representing a period-to-period increase of 252.9%.

Our Products and Solutions

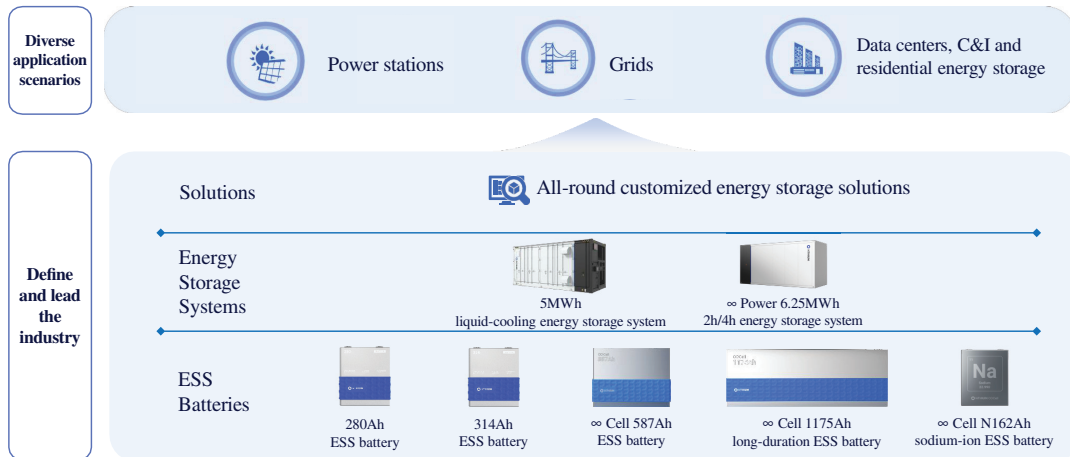
We always adhere to a customer-centric approach, providing a series of benchmark energy storage products and solutions tailored to different application scenarios, covering the entire industry chain from ESS batteries to energy storage systems and solutions. We generate revenue primarily from the sales of our ESS batteries and energy storage systems.

- **ESS Batteries.** As the core component of electrochemical energy storage systems, the performance of ESS batteries is key to operational efficiency of energy storage stations throughout their lifecycle. We focus on the innovation and development of ESS battery technologies and products, offering a comprehensive product matrix, including our 280Ah, 314Ah, ∞Cell 587Ah and ∞Cell 1175Ah ESS batteries, deployable across a broad range of grid and utility-scale and C&I scenarios. Additionally, we have introduced the world’s first sodium-ion utility-scale ESS battery with high charge/discharge rate and a cycle life exceeding 20,000 cycles, according to CIC which can be applied in extreme and complex scenarios such as high temperatures, and extreme cold.

(1) Pure-player in the electrochemical energy storage industry refers to energy storage companies focusing solely on the energy storage sector and are not involved in the power battery and consumer battery sectors.

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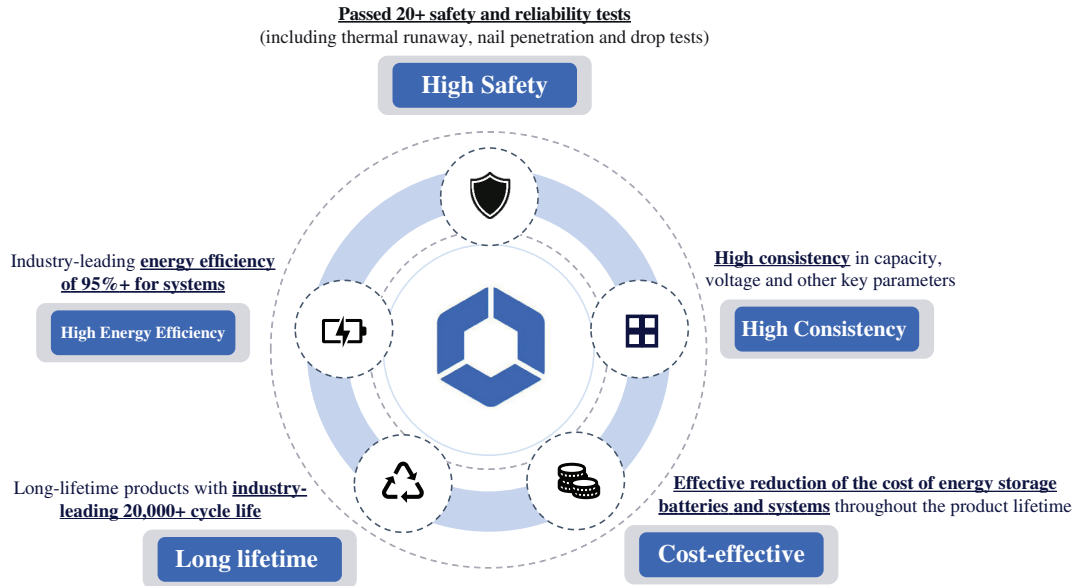
- Energy Storage Systems.** On top of ESS batteries, we provide all-round energy storage systems with leading capabilities that can be applied in power stations, grids, data centers, commercial and industrial, and residential scenarios. Our 5MWh liquid-cooling energy storage system has established the current standard specifications in the energy storage industry, while our ∞ Power 6.25MWh long-duration energy storage system is characterized by five key features: high safety, cost effectiveness, high compatibility, easy maintenance, and environment-friendly.
- Energy Storage Solutions.** We further extend downstream in the industry value by offering energy storage solutions. As a result of the platform-based architecture of our energy storage systems with flexible function modules, we provide customized energy storage solutions to customers, catering their diverse needs in different application scenarios, including ultra-quiet system solutions targeted at European users and “Desert Eagle” solutions for users in the Middle East suitable for local ecological environments.



Our Technological and Production Platform

We are committed to investing in R&D for key areas such as material system, battery design, system architecture and manufacturing process. By leveraging our proprietary R&D framework, we have achieved significant advances in safety, energy efficiency, consistency, lifetime, and cost-effectiveness. This has enabled us to develop a unique technical ecosystem and introduce competitive products.

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To industrialize the aforementioned key technologies, we invest heavily into advanced manufacturing technologies in areas such as equipment efficiency, production line configuration and automation, establishing high-efficiency, high-quality, and cost-effective intelligent manufacturing capabilities. As a result, we have successfully iterated four generations of intelligent factories within three years, allowing us to achieve stable, large-scale production with efficient process and equipment, thereby improving manufacturing efficiency.

For more information about our technologies and advantages, please refer to “Business — Research and Development — Key Technologies.”

Our Global Footprint

We are a global energy storage enterprise. Leveraging our advanced products and strong technical expertise, we are committed integrating into local communities. We have successfully entered core global markets such as China, the United States, and Europe, while actively exploring emerging markets in the Middle East, Africa, Oceania and South America. We have become one of the few energy storage technology companies that have achieved global operations covering the entire value chain, including R&D, product development, production, supply chain, marketing, delivery, and operation and maintenance services. We are the first Chinese company to set up production capacity for energy storage system in the United States. Currently, we have provided products and solutions to customers in over 20 countries and regions. Our overseas revenue has increased from RMB33 thousand in 2022 to RMB101.1 million in 2023, and further to RMB3,700.1 million in 2024. Moreover, our revenue from overseas increased significantly from RMB70.7 million for the six months ended June 30, 2024 to RMB1,221.0 million for the six months ended June 30, 2025.

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Our Growth

Our strategic focus on energy storage has endowed us with deep insights and efficient execution capabilities. We have built a robust operational system that quickly strengthens our competitive advantages. In just five years of establishment, we have become the third largest global energy storage company in terms of lithium-ion ESS battery shipments in 2024, according to CIC. From 2022 to 2024, we experienced rapid growth in shipment of lithium-ion ESS batteries with a CAGR of 167%. For the six months ended June 30, 2024 and 2025, the shipment volume of our ESS batteries was 8.5GWh and 30.0GWh, respectively, representing a period-to-period increase of 252.9%.

Our Market Opportunities

With rapid advancement in global transportation, manufacturing and AI, worldwide electricity demand is rising strongly and power supply is expanding accordingly. The global energy structure is undergoing unprecedented transformation, shifting from reliance on fossil fuels to clean and renewable energy, primarily includes wind and solar, primarily attributable to its low emissions, renewability, wide geographic availability and accessibility. Such shift presents significant market opportunities for the energy storage industry. Continued technological improvement and large-scale deployment will improve the cost-efficiency of energy storage solutions and position the sector for sustained high growth.

According to CIC, global shipments of lithium-ion ESS batteries are expected to rise from 314.7GWh in 2024 to 1,451.3GWh in 2030, demonstrating a CAGR of 29.0%. In light of the significant opportunities within the global energy storage market, we will steadfastly uphold our globalization strategy, accelerate localized operations, and drive technological advances, ensuring our continuous continued growth and development.

Our ESG Initiatives and Endeavors

ESG represents our commitment to long-term development and sustainable business operations. It is also the foundation of high-quality growth for enterprises. Since our inception, we have been dedicated to promoting the widespread application of renewable energy, reducing carbon emissions and environmental impacts, accelerating global energy transition, and achieving energy equity. We continuously implement ESG initiatives, integrating them into all aspects of corporate strategy and operations.

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Environmental-wise, we reduce environmental impacts throughout the product lifecycle through advanced technologies and supply chain optimization, advancing carbon neutrality goals. We provide high-efficiency energy storage solutions for large-scale clean energy bases globally, driving the transition to sustainable energy systems. Social-wise, we foster an equitable and sustainable social ecosystem by enhancing employee training, nurturing a diverse and inclusive culture. This initiative breaks traditional energy barriers, delivering sustainable power to underserved regions and advancing energy equity. Governance-wise, we uphold compliance and integrity, strengthen internal controls and risk management, and ensure transparent and timely information disclosure to elevate governance standards. Building on this foundation, we launched the “HIMPACT 2037” sustainability strategy, closely aligned with the UN Sustainable Development Goals (SDGs), to achieve ambitious ESG milestones by 2037.

Our Financial Performance

During the Track Record Period, we have achieved rapid growth and remarkable financial performance. Our operating revenue surged from RMB3,614.9 million in 2022 to RMB12,916.8 million in 2024, representing a CAGR of 89.0%. Our gross profit increased significantly from RMB410.3 million in 2022 to RMB1,237.8 million in 2023, and further to RMB2,308.6 million in 2024, with an improved gross profit margin from 11.3% in 2022 to 12.1% in 2023 and further to 17.9% in 2024. We achieved profitability with a net profit of RMB287.6 million in 2024, as compared to net losses of RMB1,776.9 million in 2022 and RMB1,975.0 million in 2023. We recorded adjusted net profit (a non-IFRS measure) of RMB318.0 million in 2024, as compared to adjusted net losses (a non-IFRS measure) of RMB104.6 million in 2022 and RMB225.2 million in 2023. For the six months ended June 30, 2024 and 2025, our operating revenue amounted to RMB2,147.6 million and RMB6,971.2 million, respectively, demonstrating robust period-to-period growth of 224.6%. Our gross profit surged from RMB78.1 million to RMB916.3 million, reflecting a period-to-period growth of 1,073.4%. We achieved a significant turnaround in profitability, recording a net profit of RMB212.8 million for the six months ended June 30, 2025, as compared to a net loss of RMB608.2 million for the six months ended June 30, 2024. Similarly, we recorded adjusted net profit (a non-IFRS measure) of RMB246.6 million for the six months ended June 30, 2025, as compared to adjusted net losses (a non-IFRS measure) of RMB594.9 million for the six months ended June 30, 2024.

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Our Highlights and Strategic Focus

Strategic Focus

Only Pure-player in the World¹

The only pure-play energy storage company with a GWh-level global shipment volume of lithium-ion ESS batteries

3rd in the World¹

In terms of global lithium-ion ESS battery shipments in 2024

Global Footprint

20+ Countries and Regions

Provide energy storage products and solutions to customers in over 20 countries and regions

First Chinese company to set up production capacity for energy storage systems in the United States¹

Our R&D Capabilities

Advanced Energy Storage Products¹

First mass-produced 314Ah ESS batteries

First to launch long-duration ESS batteries with capacity exceeding 1,000Ah

First to launch sodium-ion utility-scale ESS battery with cycle life exceeding 20,000 cycles

4,300+

Global patents and patent applications

1,030+

Number of R&D staff

Our Growth

167%

CAGR of ESS battery shipment volume from 2022 to 2024

13 Months²

From construction to production at full capacity

Note 1: According to CIC.

Note 2: Our Chongqing production base (Phase I) commenced construction in November 2022 and the first two production lines reached full capacity in December 2023, taking only 13 months.

The global energy structure is undergoing profound changes, and the energy storage industry is playing a vital role in the construction of new power systems and the development of new energy, ushering in vast market opportunities. Our three core strategies — focus on energy storage, globalization, and R&D innovation building competitive barriers. In our globalization journey, we are committed to deeply understanding local cultures, customer preferences, and market dynamics in each region. We actively embrace diverse markets, respect and integrate into local communities, and establish strategic partnerships with local enterprises and institutions, laying a solid foundation for our long-term global development.

- **Strategic Focus on Energy Storage.** Since our inception, we have strategically focused on the energy storage market, aspiring to become the world’s leading energy storage brand. Through our strategic focus and deep expertise in the energy storage sector, we have gained a profound understanding of the industry’s fundamental logic and core challenges, developed deep insights into global energy storage customer needs and application scenarios, and have become a comprehensive energy storage solutions provider centered around energy storage batteries and systems.

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- ***Continual Implementation of Globalization Strategy.*** Guided by our globalization strategy since day one, we have become one of the few energy storage companies that have achieved global operations covering the entire value chain, offering global customers with highly adaptable, full-lifecycle energy storage products and solutions. In 2024, our overseas revenue has experienced tremendous growth and accounted for 28.6% of our total revenue in the same year. Overseas business has already become an important part of our business development and revenue contribution.
- ***R&D Innovation Building Competitive Barriers.*** We have established four research institutes and one global solution center, which empower us to achieve in-house development and innovation across the entire value chain, from materials to batteries, energy storage systems, processes and solutions. We have been at the forefront of launching and mass-producing a series of industry-leading products including long-duration energy storage (“LDES”) batteries and systems, as well as sodium-ion energy storage batteries and systems. We have contributed to the development of many national and industry standards for LDES batteries and sodium-ion ESS batteries.

OUR STRENGTHS

We believe that the following competitive advantages contribute to our success and distinguish us from competitors:

- Global enterprise focused on energy storage;
- Deep presence in key global markets with localized operations;
- High-quality global customer base;
- R&D capabilities driving product innovation;
- Optimized manufacturing efficiency with reliable quality; and
- Visionary management team with strategic insight and determination.

For details, see “Business — Our Strengths.”

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OUR STRATEGIES

We plan to implement the following strategies to achieve our long-term goals:

- Continue to focus on energy storage;
- Expand localization operations across the globe;
- Accelerate technological innovation;
- Comprehensively implement digital and intelligence transformation; and
- Continuously build an agile and efficient organization.

For details, see “Business — Our Strategies.”

MANUFACTURING

We have established two production bases across China in Xiamen, Fujian Province and Chongqing, with a third production base being built in Heze, Shandong Province, which is expected to commence trial production in the second quarter of 2026. At the same time, we are the first Chinese company to set up production capacity for energy storage system in the U.S., with a new production base set up in Texas. Our effective annual production capacity for ESS batteries has increased from approximately 5.4GWh in 2022 to approximately 49.7GWh in 2024, reflecting our ability to rapidly scale our operations and efficiently execute our production expansion plans from conception to full-scale commercial production. Meanwhile, our designed annual production capacity reached 64.4GWh as of June 30, 2025. With the completion of ongoing production line upgrades, our production capacity will be further expanded. Our production bases utilize advanced production equipment and technologies and systems throughout the entirety of the production process, thereby achieving our core technological propositions in safety, energy efficiency, consistency, lifetime, and cost-effectiveness.

For details, see “Business — Manufacturing.”

OUR CUSTOMERS AND SUPPLIERS

In the China market, we primarily collaborate with third-party system integrators that embed our products into their solutions to end users globally. For overseas sales, we primarily sell energy storage systems to our customers and provide energy storage system solutions. Our end-users in China and overseas primarily include grid operators, power generation companies, renewable energy companies, and energy project developers. Revenue generated from our five largest customers in each period during the Track Record Period amounted to RMB1,278.8 million, RMB3,087.7 million and RMB6,184.1 million and RMB2,594.8 million, respectively, representing 35.4%, 30.3%, 47.9% and 37.2% of our total revenue for the respective period.

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Revenue generated from our largest customer in the same periods were RMB348.1 million, RMB893.6 million, RMB2,239.7 million and RMB846.6 million, respectively, representing 9.6%, 8.8%, 17.3% and 12.1% of our total revenue for the respective period. For details, see “Business — Sales, Marketing and Customers.”

Our suppliers primarily include suppliers of key raw materials, primarily consisting of lithium iron phosphate, graphite, electrolytes, separators, copper foils and aluminum foils. Purchases from our five largest suppliers in each period during the Track Record Period amounted to RMB3,951.5 million, RMB4,314.4 million, and RMB3,589.0 million and RMB2,692.6 million, respectively, representing 52.8%, 30.3%, 30.7% and 31.6% of our total purchases for the respective period. Purchases from our largest supplier in the same periods were RMB1,462.3 million, RMB2,170.2 million, RMB1,845.3 million and RMB825.2 million, respectively, representing 19.5%, 15.3%, 15.8% and 9.7% of our total purchases for the respective period. For details, see “Business — Supply Chain Management.”

RISK FACTORS

Our business and the [REDACTED] involve certain risks, including risks relating to (i) our industry and business; (ii) doing business in the jurisdictions where we operate; and (iii) the [REDACTED]. Some of the major risks we face include, but are not limited to, the following:

- We have a limited operating history, making it difficult to evaluate our business prospects based on our previous operating history and historical financial performance, and we may not be successful in expanding our operations, or sustain our historical growth rate in the future.
- We face risks associated with the global operations and business expansion, and if we are unable to successfully manage the complexity of our global operations and deal with the challenges and risks related to our global operations, our business and financial condition and results of operations may be materially and adversely affected.
- We face competition in our business. If we fail to compete effectively with our competitors, our business, results of operations and financial condition may be materially and adversely affected.
- Our research and development are subject to risks and uncertainties, and we may not be able to derive the desired benefits from our research and development efforts, which may negatively affect our competitiveness and profitability.

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- We may fail to keep up with rapid technological changes and evolving industry standards, the effects of which cannot be accurately predicted nor fully mitigated, which could render our products in production or under research and development and our production facilities uncompetitive or obsolete, and the demand for our products may decrease as a result.
- We may face failure or delays in the design, manufacture and launch of our new products.
- We, our shareholders, affiliates, Directors, Supervisors, senior management and employees may be involved in legal or other proceedings from time to time and may face reputational risks and significant liabilities as a result.
- We and our employees may be exposed to intellectual property infringement and other claims by third parties, which, if successful, could cause us to pay significant damages and incur other costs.
- Failure to protect our intellectual property rights may materially and negatively affect our business, results of operations and financial condition.
- If we are unable to retain existing customers and attract new customers, our business, financial conditions and results of operations will be adversely affected.
- We recorded net losses in the past, and we may not be able to maintain and improve profitability as expected.
- Potential unsatisfactory performance of or defects in our products may cause us to incur significant additional expenses and costs, result in product recalls, tarnish our reputation, expose us to product liability claims and cause our sales and market share to decline.

COMPETITIVE LANDSCAPE

We operate in the global energy storage industry, and we are the only company among global lithium-ion battery manufacturers with a GWh-level global shipment volume of lithium-ion ESS batteries or higher that is dedicated to the energy storage sector, according to CIC. The global lithium-ion energy storage market is expected to grow rapidly from 2024 to 2030, being driven by factors such as continual growth in global green energy demand, introduction of favorable policies, rapid growth of data centers generating increasing demand for energy storage systems, and improved cost-effectiveness by the application of LDES systems. According to CIC, the global energy storage industry has a high market concentration, with the market share of the top five ESS battery companies reached 74% in 2024, in terms of lithium-ion ESS battery shipments. Among competitors, we ranked third in the global energy storage market in 2024, in terms of lithium-ion ESS battery shipments, with a market share of 11%, according to CIC. See “Industry Overview” for more details on our competitive landscape, market drivers and development trends.

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SUMMARY OF KEY FINANCIAL INFORMATION

Description of Selected Components of Consolidated Statements of Profit or Loss

The following table sets forth a summary of our consolidated statements of profit or loss for the year/period indicated.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Revenue	3,614,889	10,201,828	12,916,757	2,147,566	6,971,212
Cost of sales	(3,204,600)	(8,963,982)	(10,608,197)	(2,069,475)	(6,054,873)
Gross profit	410,289	1,237,846	2,308,560	78,091	916,339
Other income	23,789	243,094	502,869	163,461	407,709
Other gains and losses	(1,291,450)	(1,718,250)	21,022	15,666	3,335
Selling and marketing expenses	(70,343)	(240,363)	(303,222)	(142,414)	(190,021)
Administrative expenses	(653,213)	(710,315)	(789,826)	(327,842)	(489,095)
Research and development expenses	(197,367)	(484,915)	(530,038)	(265,622)	(271,400)
Impairment losses under expected credit loss (“ECL”) model, net of reversal	517	(171,242)	(532,314)	(89,017)	(28,907)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Share of results of associates	1,898	(3,248)	(20,207)	(5,769)	765
Finance costs	(64,733)	(206,444)	(335,740)	(165,242)	(188,971)
(LOSS) PROFIT BEFORE TAX	(1,840,613)	(2,053,837)	314,342	(738,688)	152,083
Income tax credit (expense)	63,754	78,838	(26,699)	130,514	60,684
(LOSS) PROFIT FOR THE YEAR/PERIOD	(1,776,859)	(1,974,999)	287,643	(608,174)	212,767
Attributable to:					
Owners of the Company	(1,769,785)	(1,962,602)	258,536	(587,156)	212,110
Non-controlling interests	(7,074)	(12,397)	29,107	(21,018)	657
	<u>(1,776,859)</u>	<u>(1,974,999)</u>	<u>287,643</u>	<u>(608,174)</u>	<u>212,767</u>

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Revenue

Revenue by Product Type

The following table sets forth a breakdown of our revenue by product type, in absolute amounts and as percentages of total revenue for the year/period indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(RMB in thousands, except for percentages)										
(unaudited)										
ESS batteries ⁽¹⁾	2,538,320	70.2	7,957,162	78.0	7,960,613	61.6	1,871,585	87.1	5,449,273	78.2
Energy storage systems	909,493	25.2	1,973,217	19.3	4,670,503	36.2	168,704	7.9	1,279,217	18.3
Materials and others ⁽²⁾	167,076	4.6	271,449	2.7	285,641	2.2	107,277	5.0	242,722	3.5
Total	3,614,889	100.0	10,201,828	100.0	12,916,757	100.0	2,147,566	100.0	6,971,212	100.0

Notes:

- (1) During the Track Record Period, substantially all of our revenues from ESS batteries were generated from lithium-ion batteries. We have introduced our sodium-ion ESS batteries and achieved mass production in the second half of 2025.
- (2) Revenue of materials and others mainly include revenue from sales of materials related to ESS batteries.

In 2023 and 2024, revenue generated from sales of energy storage systems significantly increased from RMB1,973.2 million to RMB4,670.5 million primarily as we rapidly expanded our overseas sales. As a result, our gross profit margin for energy storage systems increased significantly from 13.2% in 2023 to 33.7% in 2024, primarily due to the increased sales of energy storage systems overseas in 2024 which entailed comparatively higher gross profit margin. Our revenue from our ESS batteries increased from RMB1,871.6 million for the six months ended June 30, 2024 to RMB5,449.3 million for the six months ended June 30, 2025, primarily due to our increased sales volume of ESS batteries, mainly attributable to our technological advantages and well-established sales network, driving a significant increase in our sales volumes. Our revenue from our energy storage systems increased from RMB168.7 million for the six months ended June 30, 2024 to RMB1,279.2 million for the six months ended June 30, 2025, primarily due to the increase in sales in the Americas and Europe with our continuous overseas expansion efforts.

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Revenue by Region

The following table sets forth the breakdown of our revenue by geographic region, in absolute amounts and as percentages of total revenue for the year/period indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(RMB in thousands, except percentages)										
(unaudited)										
Mainland China . .	3,614,856	100.0	10,100,713	99.0	9,216,616	71.4	2,076,889	96.7	5,750,262	82.5
The United States .	17	0.0	537	0.0	3,385,597	26.2	6	0.0	821,119	11.8
Others ⁽¹⁾	16	0.0	100,578	1.0	314,544	2.4	70,671	3.3	399,831	5.7
Total	3,614,889	100.0	10,201,828	100.0	12,916,757	100.0	2,147,566	100.0	6,971,212	100.0

Note:

- (1) Other overseas markets primarily include Europe, the Middle East, Africa, Australia and Asia excluding mainland China.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

The following table sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by product type for the year/period indicated.

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin	Gross profit/(loss)	Gross profit/(loss) margin
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
(RMB in thousands, except for percentages)										
(unaudited)										
ESS batteries	272,282	10.7	993,269	12.5	719,258	9.0	60,319	3.2	526,629	9.7
Energy storage systems .	136,436	15.0	261,192	13.2	1,573,719	33.7	18,862	11.2	380,048	29.7
Materials and others ⁽¹⁾ .	1,571	0.9	(16,615)	(6.1)	15,583	5.5	(1,090)	(1.0)	9,662	4.0
Total/Overall	410,289	11.3	1,237,846	12.1	2,308,560	17.9	78,091	3.6	916,339	13.1

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Note:

- (1) Materials and others mainly include materials related to ESS batteries. We recorded gross loss of materials and others for the year ended December 31, 2023 with a negative gross margin of 6.1%, primarily due to the decreased sales prices of materials related to ESS batteries compared to its purchase price as a result of the fluctuation of the prices of raw materials during the year. We recorded gross loss of materials and others for the six months ended June 30, 2024 with a negative gross margin of 1.0%, primarily due to fluctuations in raw material prices.

Non-IFRS Financial Measures

Our consolidated financial information was prepared in accordance with IFRS. To supplement our consolidated results which were prepared and presented in accordance with IFRS, we use adjusted net (loss)/profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of certain items. We believe that these measures provide useful information to [REDACTED] and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, the use of the non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial condition as reported under IFRS. In addition, the non-IFRS measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

We define adjusted net (loss)/profit (a non-IFRS measure) as (loss)/profit for the year/period adjusted by adding back fair value loss on puttable shares liabilities, share-based compensation expense and [REDACTED]. Our management considers that the puttable shares liabilities had been terminated in 2023 and no further fair value change on this will be recognized. In addition, share-based compensation expense is non-cash in nature and do not result in cash outflow. We also exclude [REDACTED] which are related to this [REDACTED].

We define adjusted EBITDA (a non-IFRS measure) as adjusted (loss)/profit for the year/period adjusted by adding back income tax (credit)/expense, finance costs, interest income and depreciation and amortization.

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The following table sets forth a reconciliation of our adjusted net (loss)/profit (a non-IFRS measure) and adjusted EBITDA (a non-IFRS measure) for 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 to the nearest measures prepared in accordance with IFRS.

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	RMB	RMB	RMB	RMB	RMB
	(RMB in thousands)			(unaudited)	
(Loss) profit for the year/period	(1,776,859)	(1,974,999)	287,643	(608,174)	212,767
<i>Add:</i>					
Fair value loss on puttable shares liabilities	1,290,461	1,715,798	—	—	—
Share-based compensation expense	381,811	33,989	23,591	13,265	26,122
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net (loss) profit (a non-IFRS measure) . .	(104,587)	(225,212)	317,996	(594,909)	246,560
<i>Add:</i>					
Income tax (credit) expense	(63,754)	(78,838)	26,699	(130,514)	(60,684)
Finance costs	64,733	206,444	335,740	165,242	188,971
Interest income	(11,250)	(81,526)	(76,069)	(39,925)	(58,291)
Depreciation and amortization	84,971	340,325	650,764	204,820	340,702
Adjusted EBITDA (a non-IFRS measure)	(29,887)	161,193	1,255,130	(395,286)	657,258

SUMMARY

Discussion of Key Balance Sheet Items

The following table sets forth a summary of consolidated balance sheet as of the dates indicated.

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	<i>(RMB in thousands)</i>			
Total non-current assets	4,682,812	10,563,903	12,794,463	13,759,984
Total current assets	5,326,440	13,460,737	18,655,973	20,936,131
Total current liabilities	9,291,565	9,742,677	14,440,018	17,530,725
NET CURRENT (LIABILITIES)				
ASSETS	(3,965,125)	3,718,060	4,215,955	3,405,406
TOTAL ASSETS LESS				
CURRENT LIABILITIES	717,687	14,281,963	17,010,418	17,165,390
NON-CURRENT LIABILITIES . .	2,354,713	6,229,744	8,552,313	8,474,876
NET (LIABILITIES) ASSETS . . .	(1,637,026)	8,052,219	8,458,105	8,690,514
TOTAL (DEFICIT) EQUITY . . .	(1,637,026)	8,052,219	8,458,105	8,690,514

We recorded net current liabilities of RMB3,965.1 million as of December 31, 2022 and net current assets of RMB3,718.1 million as of December 31, 2023, primarily due to (i) an RMB4,477.6 million increase in trade, bills and other receivables due to the increased sales of our products; (ii) an RMB3,032.0 million increase in cash and cash equivalents, and (iii) an RMB4,911.1 million decrease in financial liabilities at FVTPL; and partially offset by (i) an RMB3,830.5 million increase in trade, bills and other payables due to an increase in procurement of raw materials; and (ii) an RMB1,992.9 million increase in bank and other borrowings.

Our net current assets increased from RMB3,718.1 million as of December 31, 2023 to RMB4,216.0 million as of December 31, 2024, primarily due to (i) an RMB4,210.2 million increase in trade, bills and other receivables due to an increase in sales of our products; (ii) an RMB1,467.1 million increase in restricted bank deposits; and partially offset by (i) an RMB3,350.4 million increase in trade, bills and other payables due to an increase in procurement of raw materials and to increase our production volume to meet increasing customer demand; and (ii) an RMB585.4 million increase in contract liabilities.

SUMMARY

Our net current assets decreased from RMB4,216.0 million as of December 31, 2024 to RMB3,405.4 million as of June 30, 2025, primarily due to (i) an RMB1,274.4 million increase in bank and other borrowings; (ii) an RMB1,114.3 million increase in trade, bills and other payables, generally in line with our expanded production and procurement; (iii) an RMB746.0 million increase in contract liabilities in line with our business expansion; and partially offset by an RMB2,171.6 million increase in inventories resulting from higher stock levels to support our expanded business scale.

We recorded total equity of RMB8,052.2 million in 2023, as opposed to total deficit of RMB1,637.0 million in 2022, primarily due to (i) derecognition of puttable shares liabilities of RMB11,201.9 million upon the termination of the Company’s obligations arising from certain redemption rights and liquidation preferences as set out in Note 33 to Appendix I to this Document, and (ii) issue of new shares of RMB4,694.9 million, partially offset by (i) recognition of puttable shares liabilities of RMB4,574.9 million in relation to the Company entering into investment agreements with independent investors, and (ii) loss for the year of RMB1,975.0 million. Our total equity increased to RMB8,458.1 million in 2024, primarily due to (i) our profit for the year of RMB287.6 million, and (ii) capital injection from non-controlling shareholders of RMB89.5 million. Our total equity remained relatively stable at RMB8,458.1 million as of December 31, 2024 and RMB8,690.5 million as of June 30, 2025.

For details, see “Financial Information — Discussion of Key Balance Sheet Items.”

Cash Flows

The following table sets forth a summary of our cash flows for the year/period indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Net cash (used in)					
from operating					
activities	(260,065)	(1,746,358)	109,784	(283,403)	1,353,481
Net cash used in					
investing activities .	(2,541,405)	(4,905,291)	(2,623,797)	(1,700,613)	(2,571,452)
Net cash from					
financing activities .	4,971,257	9,683,164	1,522,149	906,921	823,074
Net increase					
(decrease) in cash					
and cash					
equivalents	2,169,787	3,031,515	(991,864)	(1,077,095)	(394,897)

SUMMARY

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	(RMB in thousands)			(unaudited)	
Cash and cash equivalents at the beginning of the year/period	82,660	2,252,487	5,284,501	5,284,501	4,293,783
Effect of foreign exchange rate changes	40	499	1,146	666	6,426
Cash and cash equivalents at the end of the year/period	<u>2,252,487</u>	<u>5,284,501</u>	<u>4,293,783</u>	<u>4,208,072</u>	<u>3,905,312</u>

Net Cash Used in Operating Activities

For the six months ended June 30, 2025, our net cash from operating activities was RMB1,353.5 million, which was primarily attributable to our profit before tax of RMB152.1 million, as adjusted by non-cash and other items to arrive at an operating cash inflows before movements in working capital of RMB437.8 million. Our movements in working capital primarily reflected (i) an increase in trade, bills and other receivables of RMB278.1 million, primarily due to settlements received from certain customers; and (ii) an increase in trade, bills and other payables of RMB3,310.0 million, primarily due to an increase in procurement of raw materials to meet increasing customer demand; partially offset by (i) an increase in inventories of RMB1,927.2 million to support our business expansion.

In 2024, our net cash from operating activities was RMB109.8 million, which was primarily attributable to our profit before tax of RMB314.3 million, as adjusted by non-cash and other items to arrive at an operating cash inflows before movements in working capital of RMB1,431.6 million. Our movements in working capital primarily reflected (i) an increase in trade, bills and other payables of RMB3,913.8 million, primarily due to an increase in procurement of raw materials to meet increasing customer demand, and (ii) an increase in contract liabilities of RMB585.4 million; partially offset by (i) an increase in trade, bills and other receivables of RMB5,405.1 million, primarily due to an increase in sales of our energy storage products which contributed to the large balance of trade receivables as of the end of 2024, and (ii) an increase in inventories of RMB329.1 million, primarily due to higher production volume to meet anticipated sales demand.

In 2023, our net cash used in operating activities was RMB1,746.4 million, which was primarily attributable to our loss before tax of RMB2,053.8 million, as adjusted by non-cash and other items to arrive at an operating cash inflows before movements in working capital of

SUMMARY

RMB374.4 million. Our movements in working capital primarily reflected (i) an increase in trade, bills and other receivables of RMB4,619.2 million, primarily due to an increase in trade receivables as a result of the increased sales, and (ii) a decrease in contract liabilities of RMB495.5 million, primarily due to a decrease in advance payments from our customers; partially offset by an increase in trade, bills and other payables of RMB2,330.4 million, primarily due to an increase in procurement of raw materials to meet increasing customer demand.

In 2022, our net cash used in operating activities was RMB260.1 million, which was primarily attributable to our cash outflow before tax of RMB1,840.6 million, as adjusted by non-cash and other items to arrive at an operating cash outflows before movements in working capital of RMB81.9 million. Our movements in working capital primarily reflected (i) an increase in inventories of RMB1,760.3 million, primarily due to the increase in our production capacity and sales volume as in 2022, and the corresponding increase in the provision of inventories in order to meet the business demand, and (ii) an increase in trade, bills and other receivables of RMB416.1 million, primarily due to an increase in trade receivables as a result of the increased sales; partially offset by an increase in trade, bills and other payables of RMB1,582.0 million, primarily due to an increase in procurement of raw materials to meet increasing customer demand, and the corresponding increase in procurement payables.

For details, see “Financial Information — Liquidity and Capital Resources — Cash Flows.”

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the year/period indicated.

	For the year ended December 31,			For the six months ended June 30,
	2022	2023	2024	2025
Gross profit margin (%)	11.3	12.1	17.9	13.1
Net profit margin (%)	(49.2)	(19.4)	2.2	3.1
Return on equity (%) ⁽¹⁾	NM ⁽³⁾	NM ⁽³⁾	3.4	NM ⁽⁷⁾
Return on assets (%) ⁽²⁾	NM ⁽³⁾	NM ⁽³⁾	0.9	NM ⁽⁷⁾
Debt-to-asset ratio (%) ⁽⁴⁾	116.4	66.5	73.1	75.0
Current ratio ⁽⁵⁾	0.6	1.4	1.3	1.2
Quick ratio ⁽⁶⁾	0.4	1.2	1.1	0.9

Notes:

- (1) Return on equity is calculated as profit for the relevant year/period divided by the ending balance of total equity, then multiplied by 100%.

SUMMARY

- (2) Return on assets is calculated as profit for the relevant year/period divided by the ending balance of total assets, then multiplied by 100%.
- (3) NM (Not Meaningful): As a net loss was recorded for the relevant year, this figure is not meaningful.
- (4) Debt-to-asset ratio is calculated as total liabilities at the end of the year/period divided by total assets, then multiplied by 100%.
- (5) Current ratio is calculated as total current assets at the end of the year/period divided by total current liabilities.
- (6) Quick ratio is calculated as total current assets at the end of the year/period minus inventories, then divided by total current liabilities.
- (7) NM (Not Meaningful): Ratios based on six-month period results are not comparable with annual ratios.

For details, see “Financial Information — Key Financial Ratios.”

SALES VOLUME

The following tables set forth the breakdown of our sales volumes and average selling prices (net of tax) by product type for the year/period indicated.

	For the year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	(GWh)			

Sales Volume

ESS batteries	3.3	15.6	28.3	22.9
Energy storage systems	1.0	2.2	5.3	1.7

	For the year ended December 31,			Six months ended June 30,
	2022	2023	2024	2025
	(RMB/Wh)			

Average Selling Price

ESS batteries	0.77	0.51	0.28	0.24
Energy storage systems	0.92	0.91	0.87	0.74

Our sales volumes of both ESS batteries and energy storage systems increased rapidly as a result of our continuous business expansion efforts and the increase in our production volume. The average selling price of ESS batteries declined during the Track Record Period, primarily due to a decline in raw material prices and in response to market competition. According to CIC, it is consistent with industry norm that the prices of ESS batteries typically fluctuate in line with the movement in raw material prices. The average selling price of energy

SUMMARY

storage systems remained relatively stable from 2022 to 2024, as our energy storage systems are primarily sold in overseas markets with strong demands. The average selling price of energy storage systems decreased slightly from RMB0.87/Wh in 2024 to RMB0.74/Wh for the six months ended June 30, 2025, primarily due to the increased proportion of sales in Asia and Europe, which typically featured relatively lower unit prices compared to Americas in the relevant periods.

BUSINESS SUSTAINABILITY AND PROVEN PATH TO PROFITABILITY

In 2024 and for the six months ended June 30, 2025, we achieved profitability and recorded net profits of RMB287.6 million and RMB212.8 million, and net profit margin of 2.2% and 3.1%, respectively, demonstrating our ability to grow sustainably and profitably in a short span of time since our inception. In 2022 and 2023, we recorded net loss of RMB1,776.9 million and RMB1,975.0 million, respectively, with a net loss margin of 49.2% and 19.4%, respectively. Our historical loss-making positions in 2022 and 2023 were primarily because we recorded significant amount of fair value loss on puttable shares liabilities of RMB1,290.5 million in 2022 and RMB1,715.8 million in 2023. As the obligations arising from the redemption rights and liquidation preferences attached to relevant shares were terminated in 2023, we did not record fair value loss on puttable shares liabilities since 2024. During the Track Record Period, we recorded improving gross profit margins of 11.3% in 2022, 12.1% in 2023, 17.9% in 2024, and 13.1% for the six months ended June 30, 2025. Moreover, we incurred significant upfront investments such as expenses in research and development to optimize our solutions and enhance our technological leadership, and administrative expenses to keep pace with the increasing administrative needs arising from rapid global business expansion. We believe that such significant investments were crucial to rapidly establishing a sustainable business platform for profitability.

We achieved profitability in 2024 and for the six months ended June 30, 2025 primarily through (i) increasing sales revenue through further expanding customer base and geographic reach, (ii) expanding product portfolio with increasing gross profit margins and international sales as well as enhanced gross profit margin in domestic market, and (iii) improving operational efficiency and cost management.

For details see “Business — Business Sustainability and Proven Path to Profitability.”

DIVIDENDS

No dividend was paid or declared by us or any of our subsidiaries since our incorporation. PRC laws require that dividends be paid only out of our distributable profits. Distributable profits are our after-tax profits, less appropriations to statutory and other reserves that we are required to make. As advised by our PRC Legal Adviser, we shall not pay dividends to Shareholders until we have made up for accumulated losses. Pursuant to our Articles of Association, which sets forth our dividend policy, our Board may declare dividends in the future after taking into account our results of operations, financial conditions, cash requirements and availability, and other factors as it may deem relevant at such time. Any

SUMMARY

declaration and payment as well as the amount of dividends will be subject to our constitutional documents, applicable PRC laws and approval by our Shareholders. After the [REDACTED], we may declare and pay dividends mainly by cash or by stock that we consider appropriate. We do not have have a pre-determined dividend ratio in our Articles of Association. Decisions to declare or to pay any dividends in the future will depend on, among other things, our Company’s profitability, operations and development plans, external financing environment, costs of capital, our Company’s cash flows, and other factors that our Directors may consider relevant. Our ability to distribute dividends in the future also depends on whether we can receive dividends from our subsidiaries.

FUTURE PLANS AND USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] stated in this Document), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and [REDACTED] and estimated expenses payable by us in connection with the [REDACTED] (assuming the [REDACTED] is not exercised).

We intend to use the net [REDACTED] as follows:

- approximately [REDACTED]%, or HK\$[REDACTED], will be used to increase our production capacity for ESS batteries to address the increasing demand from downstream customers;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for research and development to further enhance our technological leadership in the energy storage field;
- approximately [REDACTED]%, or HK\$[REDACTED], will be used to build our global sales and service network over the next three years to support our international growth strategies; and
- approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

For details, see “Future Plans and Use of [REDACTED].”

SUMMARY

OUR SHAREHOLDING STRUCTURE

Our Single Largest Shareholders

As at the Latest Practicable Date and immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), Hithium Technology controlled and will control 29.09% and [REDACTED]% of our total issued share capital. Hithium Technology is held by Zhuhai Haiheng, Zhuhai Huiwei and Mr. Wang, our executive Director and chief executive officer, as to 73.31%, 21.98% and 4.71%, respectively. Zhuhai Haiheng is held by Mr. Wu as to 92% and Mr. Wang as to 8%. Mr. Wu is the general partner of Zhuhai Haiheng. Zhuhai Huiwei is held and managed by individuals who are our Independent Third Parties who are not involved in the management and daily operation of our Company. Therefore, Mr. Wu, Mr. Wang, Zhuhai Haiheng and Hithium Technology will be our Single Largest Shareholders upon the [REDACTED]. For further details, see “Relationship with the Single Largest Shareholders.”

[REDACTED] Investments

We have undergone multiple rounds of [REDACTED] Investments. For further details of the backgrounds of our [REDACTED] Investors and the principal terms of the [REDACTED] Investments, see “History, Development and Corporate Structure — [REDACTED] Investments.”

[REDACTED]

Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], the total [REDACTED] (including [REDACTED]) payable by our Company are estimated to be approximately HK\$[REDACTED] (equivalent to approximately RMB[REDACTED]), or [REDACTED]% of our gross [REDACTED], assuming the [REDACTED] is not exercised. These [REDACTED] comprise of (i) HK\$[REDACTED] of [REDACTED] expenses (including but not limited to [REDACTED] and fees); and (ii) HK\$[REDACTED] of [REDACTED] expenses, including HK\$[REDACTED] of fees and expenses of legal advisors and accountants and HK\$[REDACTED] of other fees and expenses.

SUMMARY

As of June 30, 2025, we have incurred [REDACTED] of RMB[REDACTED] (equivalent to HK\$[REDACTED]) for the [REDACTED], as being charged to our consolidated statements of profit or loss and other comprehensive income. We estimate that of the total [REDACTED] (including [REDACTED], assuming the [REDACTED] is not exercised and based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]), HK\$[REDACTED] is expected to be charged to our consolidated statements of profit or loss and other comprehensive income and HK\$[REDACTED] is expected to be charged against equity upon the [REDACTED].

[REDACTED]

LEGAL PROCEEDINGS AND COMPLIANCE

We are committed to adhering to the laws and regulations applicable to our business. During the Track Record Period and up to the Latest Practicable Date, we did not experience any non-compliance incidents that our Directors believe would, individually or collectively, have a material operational or financial impact on our business and operations as a whole.

SUMMARY

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Recent Development

Regulatory Update

Since 2025, the U.S. government has announced certain tariffs and relevant new policies affecting various countries or regions as well as industries, thereby creating uncertainties to the economic development of various countries and global trade. For example, as of the Latest Practicable Date, the United States imposed an additional “reciprocal tariff” rate of up to 34% on goods imported from China, of which 24% additional reciprocal tariffs have been suspended until November 10, 2025. As a countermeasure, China also imposed 34% additional tariff on goods imported from the United States, of which 24% has been similarly suspended for the corresponding period. As of the Latest Practicable Date, no further extension beyond November 10, 2025 has been announced. As relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts, and we will closely monitor relevant situation. See also “Risk Factors — Risks Relating to Our Industry and Business — We face risks associated with the global operations and business expansion, and if we are unable to successfully manage the complexity of our global operations and deal with the challenges and risks related to our global operations, our business and financial condition and results of operations may be materially and adversely affected” for the details of such tariff policies.”

No Material Change

Our Directors confirm that, as of the Latest Practicable Date, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since June 30, 2025, the end of the period reported on the Accountants’ Report included in Appendix I to this Document.