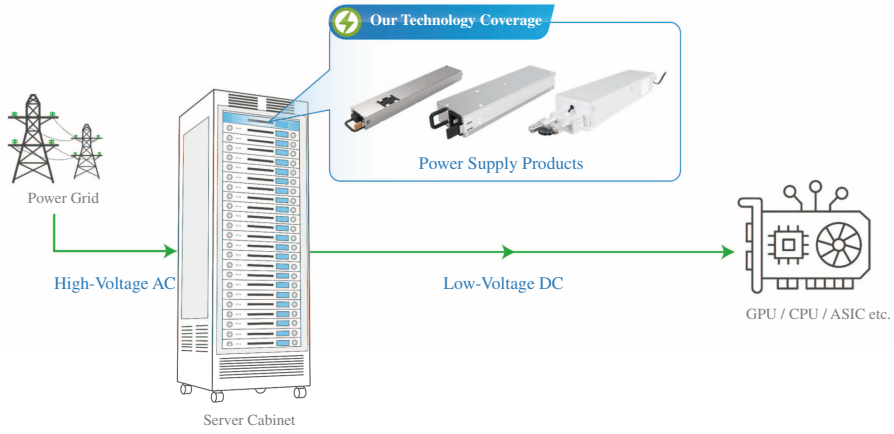
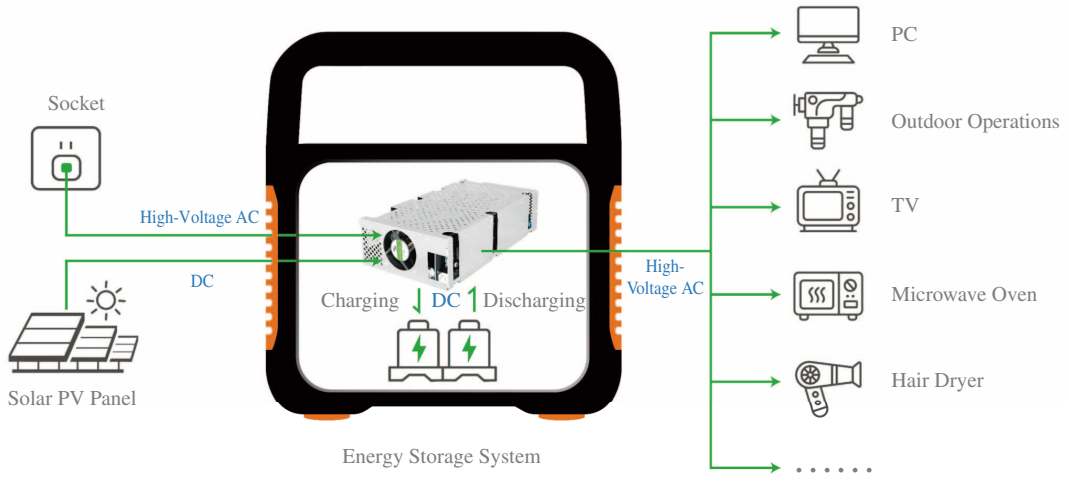
OVERVIEW

Driven by technological innovation and a proven ability to scale and commercialize, we are a global leader and the No. 1 provider in China of high-performance computing server power supply in terms of revenue in 2024, empowering a wide range of industrial, consumer and commercial energy conversion applications. According to Frost & Sullivan, in terms of revenue derived from high-performance computing server power supply in 2024, our shares in the global and Chinese mainland computing server power supply markets were 8.9% and 18.9%, respectively. Our products mainly serve application-specific computing (i.e., performing computing tasks for a particular purpose or function) and AI computing (which currently primarily uses GPUs designed to fulfill general purposes), catering to the exacting requirements on output, efficiency, power density, and reliability.



Leveraging deep technical experience and strong customer resources in computing server power supply, we successfully expanded into the ESS Power Conversion business. Through this business line, we primarily provide power conversion systems for portable and residential energy storage products, serving top portable energy storage brands such as Hello Tech, and also cater to industrial and commercial applications.



Our Market Opportunities

Computing Server Power Supply

The rapid advancement of AI is driving global demand for computing server into a high-growth trajectory, placing increasing demands on power supply for server systems and heightened requirements on output, efficiency, power density, and reliability. This shift is not only expanding the size of the overall market but also accelerating the qualitative transition from traditional power supply products toward higher-performance, more customized, and more integrated power solutions enabled by innovative designs.

Driven by these factors, the global computing server power supply market is expected to grow from RMB54.8 billion in 2024 to RMB323.3 billion in 2029. Within this market, the high-performance segment, defined as power supply products with single-unit power ratings of ≥3,000W and widely deployed in AIDCs and blockchain applications, is expected to grow at a CAGR of 100.9% from RMB4.5 billion in 2024 to RMB147.4 billion in 2029. Looking ahead, technological advancements, policy tailwind and sustained demand growth are expected to continue to accelerate industry expansion.

ESS Power Conversion

Demand for ESS power conversion solutions is primarily driven by the rise of outdoor leisure activities enabled by evolving lifestyles, the substitution of fossil fuel-powered equipment with electric alternatives in outdoor operations, increasing concerns over energy prices and energy security, residential backup power requirements, and the use of portable ESS in disaster relief and emergency rescue. Consequently, ESS power conversion solutions are evolving toward higher energy density, greater conversion efficiency, faster charging, longer cycle life, and more compact

designs. According to Frost & Sullivan, the market size of global ESS power conversion systems industry in terms of revenue is expected to grow from RMB34.9 billion in 2024 at a CAGR of 26.2% to RMB111.6 billion by 2029.

Our Customers

Our industry-leading product performance and customized design enable long-term, stable cooperation with globally recognized customers and foster strong customer loyalty, gaining preferred supplier status. Given the fast product iteration in our industry, we co-develop with our customers, respond quickly to their needs, and proactively deliver innovative customized solutions. Supported by our scalable production plants, we achieve rapid mass production and provide reliable, fast-iterating products.

Our Financial Performance

Our operating and financial performance further reflects our growth potential. During the Track Record Period, we have achieved rapid growth, as shown in the table below:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(in RMB thousands, except for percentages)			
			(unaudited)	
Revenue	261,189	555,884	332,193	751,398
Revenue growth	N/A	112.8%	N/A	126.2%
Gross profit	59,150	122,023	73,222	178,059
Gross profit margin	22.6%	22.0%	22.0%	23.7%
Profit for the year/period	4,237	39,601	17,324	76,105
Adjusted profit for the year/period (a non-IFRS measure)[(1)]	11,695	53,798	26,439	97,768

Note:

(1) Adjusted profit (a non-IFRS measure) is defined as profit for the period by adding back the effects of (i) financial costs related to redemption liabilities, (ii) **[REDACTED]**, (iii) changes in carrying amounts of redemption liabilities, and (iv) share-based compensation. Our adjusted profit (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation, or as substitute for analysis of, our results of operations or financial position as reported under IFRSs. For a reconciliation of adjusted profit for the year/period (a non-IFRS measure) for the periods presented, please see "*Financial Information — Non-IFRS Measure*".

According to Frost & Sullivan, we ranked first in terms of revenue growth from 2023 to 2024 among the five largest peers in the global high-performance computing server power supply market in terms of revenue in 2024.

COMPETITIVE STRENGTHS

Leader in the High-Performance Computing Server Power Supply Industry with Substantial Growth Potential

We are dedicated to the research, development, manufacturing and deployment of high-performance computing server power supplies widely applied in application-specific servers and AIDC. In this specialized industry segment, our profound technical expertise and proven ability to scale from R&D to industrial deployment underpin our market leadership. According to Frost & Sullivan, in terms of revenue in 2024, we ranked fourth globally and first in Chinese mainland, with market shares of 8.9% and 18.9%, respectively. Our market leadership positions us advantageously to capitalize on the substantial growth potential in this market.

Benefiting from the broadening deployment of AI computing and the rapid growth in demand for ASIC and GPU computing servers, the global high-performance computing server power supply market is expected to grow at a CAGR of 100.9% from 2024 to reach RMB147.4 billion by 2029.

High-performance computing server power supplies face exacting requirements on output power, efficiency, power density, and reliability. With years of accumulated expertise in high-performance power-supply engineering, we deliver computing server power supplies that meet these exacting requirements and are widely adopted by well-known computing server enterprises worldwide.

Comprehensive Product Matrix Empowering Industrial, Consumer and Commercial and Applications

Our comprehensive product matrix supports multiple applications from computing server power supplies to various industrial, consumer and commercial scenarios.

In terms of computing server power supply products,

- Our products deliver industry-leading performance. In 2021, we launched and mass-produced our first computing server power supply with 96% full-load efficiency; in 2024, we launched and mass-produced products achieving 97% full-load efficiency, further reducing energy loss by about 25% versus the prior generation and by about 40% as compared with the industry average, according to Frost & Sullivan. In 2025, our sample computing server power supply reached full-load efficiency up to 97.5%, delivering approximately 50% lower energy loss as compared with the industry average, single-unit power up to 20 kW, and possess a power density up to ~100 W/in^3. We plan to mass produce this sample in 2026.

- Our advanced design enables us to capitalize on industry trends. More than 50% of our computing server power supply products shipped in the nine months ended September 30, 2025 in terms of revenue were liquid cooling models. According to Frost & Sullivan, liquid-cooling better addresses high-density power-delivery needs in computing centers and is an industry trend. In addition, by achieving a power density of 100 W/in^3, we are among the very few PRC enterprises capable of delivering such performance level. As such, our products can be integrated with high-end computing servers and racks.

Beyond computing server power supply, our products in ESS power conversion are also optimized for their applications.

We have shipped more than 400,000 units of our ESS power conversion products for the nine months ended September 30, 2025. Some of these products apply third-generation semiconductor technology such as GaN/SiC, which delivers superior efficiency and compactness. Certain products achieve peak efficiency up to 97%, with charging/discharging losses reduced by more than 50% compared with the industry averages. They comply with IP65 protection standards, providing resistance to water and dust, enabling reliable operation under demanding outdoor conditions. As a result, they can cover a wide range of high-growth consumer scenarios, including electric power tools, EV on-board charging, indoor/outdoor leisure and emergency power. In this business line, our customer base includes leading global portable power and consumer electronics brands. Their adoption of our products reflects our technological strengths in power conversion and positions us

advantageously to capture growth opportunities in the global energy storage market. According to Frost & Sullivan, the market size of global ESS power conversion systems industry in terms of revenue is expected to grow from RMB34.9 billion in 2024 at a CAGR of 26.2% to RMB111.6 billion by 2029. Within this business line, our nascent PV, storage and load ("**PSL**") power conversion systems cover commercial and industrial energy storage equipment, integrated PV-storage systems and power supplies supporting EV charging and computing loads. Utilizing high-voltage conversion and SiC technology, our PSL power conversion system solutions deliver conversion efficiency of up to 99.5% and support data-center microgrid systems from 200 kW to 1 MW. Such a high conversion efficiency reduces thermal stress and extends component service life, enhancing stability and safety while ensuring high power density.

Industry-Leading R&D and Design Capabilities Enabling Rapid Product Iteration and Customization

Driven by our innovation-oriented corporate culture, we established leading R&D and design capabilities that allow us to build products with core competitiveness and achieve rapid iteration. Recognitions such as "National High-Tech Enterprise" and "Key Specialized, Refined, Unique, and Innovative Little Giant", reflect our sustained commitment to innovation. In addition, as of the Latest Practicable Date, we owned 57 patents (including eight invention patents) and 14 software copyrights to protect our improvements in several key product performance aspects, such as efficiency, reliability and usability. Such intellectual properties relate to the application of GaN/SiC devices, digital control, thermal management, novel circuit topologies and structural designs.

Various core patents and proprietary technologies demonstrate our R&D and design capabilities, including: (i) the multi-phase interleaved LLC circuit structure, i.e., a resonant converter topology that uses inductor–inductor–capacitor (L–L–C) elements to create a resonant tank, primarily used in our 10 kW liquid-cooled, three-phase input computing server power supply products, which optimizes output performance and system lifecycle; (ii) high-efficiency synchronous-rectification BUCK control, i.e., a step-down DC/DC converter that reduces voltage from a higher level to a lower level, primarily used in our 3.6 kW air-cooled, single-input computing server power supplies, improving light-load efficiency; and (iii) high power conversion system designs that effectively reduce cost and volume. In addition, our "compute + storage integrated" technology enables intelligent coordination of computing loads and PV and energy storage powered data centers. Compared with traditional UPS-centric modes, our approach targets efficiency improvement of approximately 15% in computing centers, demonstrating industry-leading levels in complexity, stability, safety and consistency for PV, storage and computing collaboration.

Our engineering capabilities and system-driven development process establish a full chain from R&D to product iteration, strengthening our long-term competitiveness. The development of high-performance computing server power supplies on an industrial scale imposes stringent requirements across engineering stages. Therefore, manufacturers face high entry barriers, which demand excellence in topology design, thermal management, reliability verification, redundancy support and EMC/EMI, while also meeting UL, CE, CCC and other global certifications. In response, we have established safety and quality systems and maintain technical teams covering power supply R&D, algorithm optimization and thermal and structural design, forming a high-level delivery capability.

Our capabilities are manifested both in hardware and software. Given the diversity and complexity of the systems that customers adopt, computing server power supplies require software-hardware co-design, compatibility, scalability and fast response, with a high degree of customization. Therefore, we optimize algorithms in house to match hardware operation, adapt to customer systems, which prevents reverse-engineering by competitors.

Building on this comprehensive technology portfolio and our product matrix, we maintain agility in product development and iteration, allowing us to respond swiftly to downstream technology upgrades. As a result of our efforts, our high-performance computing server power supply products can cover a wide power range from 500 W to 20 kW, fulfilling diverse customer needs across a wide range of computing scenarios. They have also passed certifications of multiple international and industry-leading customers and have been highly recognized among such customers.

Global Base of High-Quality Customers with Strong Loyalty Through Tailored Solutions

We serve a global base of high-quality customers and build high customer loyalty through customized solutions. We have also expanded our overseas customer base, as our revenue from outside Chinese mainland increased by 1,446.4% from RMB3.9 million in 2023 to RMB59.8 million in 2024, and by 652.5% from RMB34.7 million in the nine months ended September 30, 2024 to RMB261.3 million in the same period in 2025.

Our strong customer acquisition and retention capabilities stem from our high responsiveness to customized performance and delivery requirements. Our technical strength and industry experience drive product performance, and we complement such capabilities through joint R&D with upstream and downstream enterprises from the ideation stage. In ensuring timely, efficient and high-yield delivery, our mature production chain and rapid mass-production capability are also essential. By platformization and modularization of hardware and software, we shorten custom development cycles and ensure product compatibility with customer systems. Our self-owned production plant, complemented by our OEM service providers in Changzhou and Malaysia,

enables mass production that fulfills customer demand across geographics. As a result, we have obtained certifications from multiple customers as their preferred supplier. Given the significant switching costs, our customer relationship is also cemented.

Visionary and Experienced Management Team

Our leadership team combines forward-looking vision and extensive industry experience. Our chief executive officer, chairman of the Board and general manager, Mr. Yin, has over 20 years of experience in server power supply and energy storage. He holds a bachelor's degree in electrical engineering and automation and a master's degree in power electronics and electrical drive from Harbin Institute of Technology. He previously served at Delta Group for more than 10 years sequentially as R&D manager and R&D director and focused on high-end server power supply R&D and management. While at Delta Group, he led global high-end server power supply development and business expansion. After his role at Delta Group, Mr. Yin served as the general manager of Quality Components & Systems Pte Ltd ("**QCS**") Hangzhou Design Center (杭州質勝科技有限公司) from June 2016 to January 2021. At QCS, Mr. Yin continued his focus on high-end server power supply R&D. Currently, he is primarily responsible for the overall strategic planning, key research and development planning, business development and enterprise management of our Group.

Our management team is endowed with both technological innovation capabilities and practical implementation expertise.

- Our COO, Mr. Chen Gang, brings over 15 years of experience in high-end server power supply R&D and supply chain management. He served as a deputy research and development manager at the Hangzhou Branch of Delta Electronics (Shanghai) Co., Ltd. and was responsible for its global high-end power supply development. His deep technical knowledge combined with operational expertise positions him to drive innovation and efficiency across our computing server power supply business.

- Our CTO, Dr. Shen Guoqiao, serves as an off-campus post-graduate supervisor at Zhejiang University and has published 27 international papers as of September 30, 2025. He excels in translating research into industrial applications, leading PSL system development with a world-class 99.5% charge/discharge efficiency. He served as a senior supervisor at Delta Group from March 2012 to March 2022.

- Our chief product officer, Mr. Chen Tie, expertises in power electronics and server power supply design, backed by over a decade of leadership in research and development. He served as a supervisor at Delta Group from July 2009 to August 2016, spearheading projects for internationally renowned customers, focusing on high-end server power supply R&D. Mr. Chen served as a manager of Hangzhou Zhisheng Technology Co., Ltd. from October 2016 to January 2021. He is primarily responsible for business development, management and strategic planning of the Group.

The aforementioned industry experience is complemented by the deep expertise in capital markets, investment, and corporate finance from our chief financial officer, Mr. Zhang Weijia, a CFA charterholder. With a career spanning roles at Zero2IPO Group and Onewo Inc., he has led high-technology investment projects, managed complex M&A transactions, and overseen strategic financial operations. His experience as CFO of a third-generation semiconductor company and leadership in private equity equips him well to drive our capital market strategy and investor relations with precision and insight.

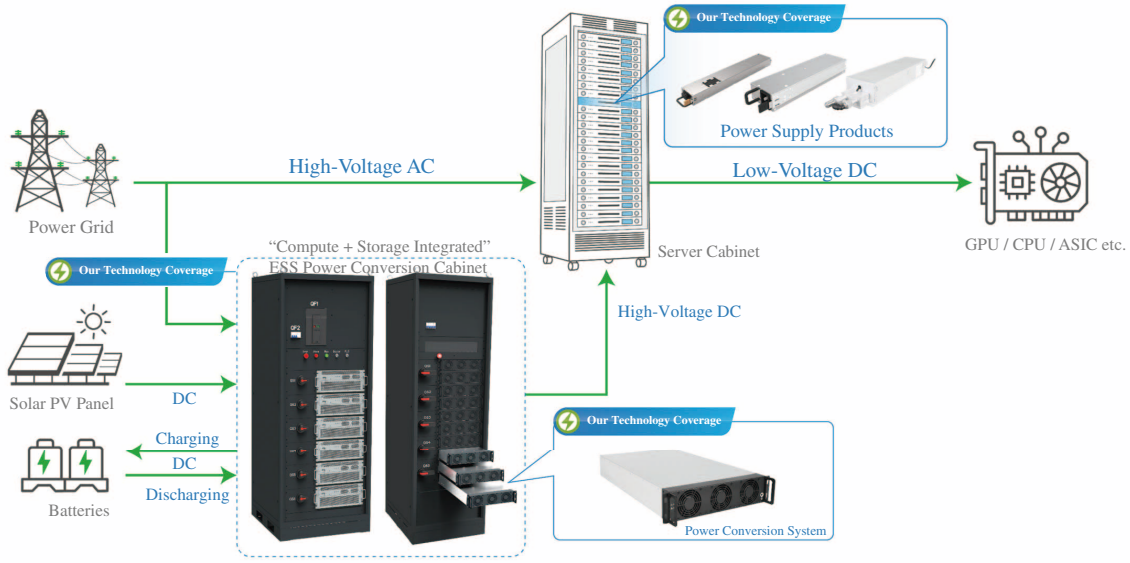
A great majority of our senior management have R&D backgrounds. Under Mr. Yin's leadership, we have cultivated an innovation-oriented corporate culture and built a strong team with multidisciplinary academic backgrounds and cross-industry experience. As of September 30, 2025, we had 837 full-time employees, and 247, or 29.5%, of our employees discharge research and development duties.

STRATEGY

Continue Strengthening Our Position in High-Performance Computing Server Power Supply, While Broadening Our Product Portfolio and Diversifying Applications

We aim to reinforce the competitiveness of our high-performance computing server power supply products. In doing so, we plan to develop customized power supply solutions for computing centers and intensify R&D cooperation with leading domestic and international customers. In particular, we plan to enhance custom development capabilities for high-voltage, liquid-cooled power supplies, and we are exploring the extension of our portfolio by providing holistic solutions by integrating power supply with GPUs and ASIC.

For ESS Power Conversion, we will collaborate with existing major customers to develop next-generation innovations and actively expand our customer base. Leveraging our core technologies and experience in high efficiency, high power density and energy management for computing server power supplies, we expect to realize synergies and transfer related technologies effectively to embodied robotics and unmanned aerial vehicle ("**UAV**") power. We will upgrade and strengthen energy storage system integration and improve system-level energy efficiency through intelligent management to better serve applications such as powering data centers, and peak-shaving in consumer, industrial and commercial energy use. Regarding our nascent PSL power conversion system solutions in this business line, we will improve product maturity and performance and increase customer recognition and market share. We will further advance the R&D and deployment of "PV, storage and load + computing" microgrid solutions to achieve intelligent linkage between computing loads and energy storage dispatch. Compared with traditional uninterruptable power supply ("**UPS**") power supply, this approach is expected to improve data-center energy efficiency by approximately 15% while addressing grid disturbance issues and enhancing efficiency, stability and sustainability.



Increase R&D Investment to Reinforce Technological Barriers

We plan to expand our R&D team and recruit additional talent, particularly those with strong experience in power supply and system hardware, intelligent control and algorithms, and cross-disciplinary development. We will expand and establish our R&D centers to provide the space to support diversified product development, reduce time-to-market, and enhance collaboration across our expanded team. We will also deepen cooperation with universities, research institutions and upstream and downstream enterprises.

Through these initiatives, we will strengthen technology innovation and apply for patents in various areas, including industrial-scale application of GaN/SiC components, liquid-cooling technologies, algorithmic control and AI-linked systems coordinating computing loads with energy storage dispatch, thereby maintaining our leading technical advantages.

Enhance Intelligent Manufacturing and Global Supply Chain

Consistent with our business expansion strategy, we will increase production line automation and introduce AI inspection systems to build a more intelligent manufacturing framework, improving production capacity, production efficiency and quality control effectiveness and accuracy.

To satisfy fast-growing downstream demand, increase supply chain resilience and agility, we plan to expand our production capacity globally. We will establish production capacity in Southeast Asia via self-built production plants and/or cooperation with upstream and downstream enterprises. These measures will strengthen our global customer coverage and enhance the resilience and stability of our global manufacturing footprint.

Strengthen Domestic and International Sales Capabilities and Expand Distribution Channels, and Deepen Engagement with Key Customers

We will further consolidate our cooperation with customers in high-performance Computing Server Power Supply and ESS Power Conversion. In the meantime, we are also developing new customers in related fields such as electric vehicles and embodied robotics. Through these efforts, we aim to continue expanding sales channels and increase market share. In addition, we will deepen joint R&D and co-development with upstream and downstream customers to reinforce our role as a trusted partner and build a stronger customer ecosystem.

We also plan to actively expand sales channels through recruiting additional sales and marketing personnel and setting up sales centers to provide higher-quality and more timely customer service and grow our customer base.

Expansion Through Potential Strategic Investment or Acquisition

At appropriate times, we plan to undertake targeted strategic investments or acquisitions to further supplement our technology portfolio, enhance R&D capability and integrate industry chain resources. Potential acquisition targets may include upstream suppliers and peers in the fields of computing server power supplies and ESS power conversion who possess solid R&D and delivery capabilities and can generate synergies or offer innovations that complement ours. We expect such transactions to expand our R&D capabilities and expertise, extend our influence along the value

chain, integrate resources effectively, ensure supply chain stability and better meet downstream application needs. As of the Latest Practicable Date, no specific targets have been identified, and no letters of intent have been entered into.

OUR EVOLUTION

In 2021, we started offering high-performance power supply products that convert and regulate electrical power from the grid to reliably supply high-performance computing servers and data centers. To ensure we stand out from the competition, we tailor our products to customers' evolving needs, which arose from cutting-edge blockchain applications, primarily digital asset mining. Some of these needs can be addressed by enhancing product performance: improving conversion efficiency to save electricity costs and provide higher computing power, increasing power density to maximize space efficiency, and optimizing thermal performance to support reliable operation. However, others require us to take a wholistic approach to anticipate industry trends and deliver products that exceed future performance benchmarks, support emerging applications, and meet strict delivery timelines and volume requirements.

From the outset, such needs were especially pronounced in power supply for application-specific computing servers, as the rapid evolution in the high-performance computing server power supply market requires us to co-evolve with our customers at a comparable or faster pace. We therefore adapted ourselves to not only pioneer the creative design and application of new materials, such as third-generation semiconductors in power supply products, but also rapidly scale up the mass production of new products, all typically within six months, a shorter period than the industry average. According to Frost & Sullivan, typical product development and application timeline is nine to 12 months, and mass production timeline tends to be longer than 12 months. We have also developed a strategic vision, pursuant to which we both apply our existing capabilities towards emerging areas with high potential, such as AI computing servers, and develop new and complementary capabilities to achieve long-term growth. As a result, we have been establishing a comprehensive product matrix for AIDC, including power supply units compatible with high-voltage direct current ("**HVDC**") structure, and energy storage and conversion systems, making significant progress in our product portfolio expansion.

This vision is validated by the rapid expansion of our business. During the Track Record, while application-specific computing server power supply remained a core pillar of our business, we leveraged our proven expertise and capabilities to successfully branch out into related businesses, including:

- ***AI Computing Server Power Supply.*** Our strong technological and operational capabilities in application-specific computing server power supply are directly transferable to AI application environments. This is firstly because AI computing

servers, which are currently primarily empowered by GPUs, share similarly stringent requirements with application-specific computing servers, primarily ultra-efficient and high-density power delivery. AI computing servers also typically operate under more lenient conditions compared to application-specific servers, which typically operate at full load at 24/7. Due to the shared features of application specific computing servers and AI servers, our experience in designing power supplies for harsher and full-load environments positions us advantageously. In addition, the advancement of AI ASIC, i.e., the application of ASICs in AI computing servers for AI inferencing, has gained significant traction given its cost- and energy-efficiency, scalability and sustainability. Furthermore, the experience and expertise in operating application-specific computing servers can be directly transferred to AI computing server power supply.

- ***ESS Power Conversion.*** Our experience in the power supply products for application-specific computing servers underpins our expansion into the growing market for ESS power conversion products, driven by shared requirements for high conversion efficiency, safety standards and intelligent energy management. In the meantime, our brand recognition and the proven reliability of our computing server power supply provide us with strong marketing opportunities for our products. We then introduced PSL power conversion system solutions, which apply our technology to large-capacity applications, achieving load flexible DC power supply on an expansive scale. It could potentially enable us to vertically integrate our business. We believe such endeavors can benefit from our established business lines given regulatory tailwind and significant synergies in technology and customer channels.

These business lines are complementary to each other, as we can leverage our mature R&D capabilities, proven manufacturing scalability, and leading market position in established business lines, including Application-Specific Computing Server Power Supply and ESS Power Conversion, to support our endeavors in emerging solutions and fields. Our new breakthroughs can in turn validate the sophistication of our technology and our capability to deliver state-of-the-art integrated solutions, enabling our business as a whole to achieve advancements in innovation, product integration, and market leadership across both established and emerging markets.

Underpinning our expansion is our integrated operation spanning R&D, design, manufacturing, and sales, fostering synergies and reinforcing our leadership in both high-performance computing server power supply and energy storage energy conversion system markets.

Building on this foundation, we aim to enhance the synergies across our three business lines by advancing integrated systems of power conversion and energy storage for data centers. Specifically, we are accelerating the development of microgrid solutions that unify AI computing

server power supply for both servers and other computing devices with energy storage solutions. This integrated approach enables intelligent power load coordination and dynamic energy dispatch, which is optimally aligned with the needs of supercomputing centers and industrial energy users seeking improved energy stability and sustainability. In parallel, our ESS Power Conversion business continue to scale given increasing customer demand. These business lines reinforce our ability to deliver end-to-end power supply solutions across diverse applications.

OUR BUSINESS LINES AND PRODUCTS

We offer a comprehensive portfolio of products across three business lines: (i) Application-Specific Computing Server Power Supply, (ii) AI Computing Server Power Supply, and (iii) ESS Power Conversion.

Among these business lines,

- Our ***Application-Specific Computing Server Power Supply business*** is our biggest revenue contributor. Its revenue grew by 60.6% from 2023 to 2024 and by 93.5% from the nine months ended September 2024 to the same period in 2025, cementing our No. 1 position in terms of revenue in 2024 in China's high-performance computing server power supply market.

- Our ***AI Computing Server Power Supply business*** has shown the fastest growth. Its revenue increased by 2,547.6% from 2023 to 2024 and by 685.8% from the nine months ended September 2024 to the same period in 2025, propelled by the rapidly increasing demand for AI computing server power supply products.

- Our ***ESS Power Conversion business*** shows significant growth, as our revenue from this business increased by 1,318.0% from 2023 to 2024 and by 233.4% from the nine months ended September 2024 to the same period in 2025.

The following table sets forth our revenue breakdown by business line for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	*%*	*RMB*	*%*	*RMB*	*%*	*RMB*	*%*
	(in thousands, except for percentages)							
					(unaudited)			
Application-Specific Computing Server Power Supply	250,359	95.9	402,023	72.3	255,428	76.9	494,128	65.8
AI Computing Server Power Supply	63	0.0	1,668	0.3	373	0.1	2,931	0.4
ESS Power Conversion	10,723	4.1	152,055	27.4	76,286	23.0	254,339	33.8
Others[(1)]	44	0.0	138	0.0	106	0.0	—	—
Total	**261,189**	**100.0**	**555,884**	**100.0**	**332,193**	**100.0**	**751,398**	**100.0**

Note:

(1) Mainly including revenue from processing services.

The following table sets forth the sales volume and average selling price by business line for the periods indicated.

	Years ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price	Sales volume	Average selling price
	(Thousand Unit)	*(RMB'000 /unit)*	*(Thousand Unit)*	*(RMB'000 /unit)*	*(Thousand Unit)*	*(RMB'000 /unit)*	*(Thousand Unit)*	*(RMB'000 /unit)*
Application-Specific Computing Server Power Supply	258.6	1.0	340.3	1.2	216.4	1.2	321.7	1.5
AI Computing Server Power Supply	0.2	0.3	1.4	1.2	0.7	0.5	1.7	1.7
ESS Power Conversion	9.6	1.1	268.4	0.6	127.2	0.6	421.7	0.6

For more information on the fluctuation of our revenue, sales volume and average selling price during each period, see "*Financial Information*".

Application-Specific Computing Server Power Supply Business

As a market leader in high-performance application-specific computing server power supply, we have been delivering high-performance power supply products to high-performance application-specific computing server hardware manufacturers, cloud computing service providers, and large-scale supercomputing center operators. During the Track Record Period, these products were mainly intended for digital asset mining. According to Frost & Sullivan, since 2022, the demand for and price of high-performance application-specific computing server power supply have become less directly correlated with the price of digital asset despite previous strong correlation. Instead, factors such as product performance and specifications, particularly energy efficiency and output power, now play a greater role in shaping purchase decisions.

We provide both server-grade power supplies and integrated rack-scale power systems. We have equipped our products with a series of features to fulfill customer expectations:

Customer Expectations	Our Answers
• ***Extreme load and reliability***. Extreme power demand in dense operating environments is expected, as application-specific computing often occurs at full load continuously, requiring highly reliable and sustained high output power.	✓ Our products incorporate a comprehensive operational assessment system and dust- and moisture-proof design, ensuring stability and adaptability even in extreme environments that are common in application-specific computing, safeguarding our customers' operation.
• ***Thermal efficiency***. Power-intensive application-specific devices require efficient heat dissipation to ensure stable operation. In addition, given that they are often deployed in non-data center environments that may experience extreme temperatures, they should withstand wide temperature variation.	✓ Our products feature advanced airflow design for air-cooled units and simplified top-side cooling components for liquid-cooled units, enabling reliable operation at temperatures up to 80°C, beyond typical industrial-grade limits of 50-60°C, increasing our customers' operation stability and tolerance of extreme variation.

Customer Expectations	Our Answers
• ***Compatibility and upgradability.*** Application-specific devices often draw power from industrial-grade electrical infrastructure, necessitating three-phase input support and broad voltage compatibility. They can also be unmanned or located in places with low accessibility, making OTA diagnostics and updates essential for uptime and efficiency.	✓ Our products leverage advanced digitally controlled power conversion architectures with dynamic voltage regulation and intelligent communication protocols, supporting wide output ranges and enabling real-time OTA monitoring and maintenance through thorough system integration.

Key information on our main application-specific computing server power supply products is as follows:

No.	Products	Key Performance Metrics and Applications
1	**Liquid-Cooled Three-Phase Input Computing Server Power Supply Series** 	• Power: 10,000W • Full-load efficiency: up to 97% • Dimensions (mm): 487.7x140x72 • Temperature Range (°C): up to 70 • Cooling Method: liquid cooled ➢ Geared towards supercomputing centers with more intensive power output demands
2	**Air-Cooled Single-Input Computing Server Power Supply Series** 	• Power: 3,600 W; 5,000 W • Full-load efficiency: 3,600 W: up to 97%; 5,000 W: 97% • Dimensions (mm): 300x131x71; 275x259x67.8 • Temperature Range (°C): up to 70; up to 55 • Cooling Method: forced-air cooling ➢ Particularly suitable for supercomputing centers and compatible with mainstream application-specific-computing -related infrastructure

AI Computing Server Power Supply Business

Our AI Computing Server Power Supply business focuses on delivering high-performance power supply products tailored for supercomputing centers, high-performance computing center, and cloud service. Therefore, our primary customers in this business line include AI/TMT companies, cloud computing service providers and server manufacturers.

Our key products in this business include server-grade power supplies and integrated rack-scale power systems. These products are designed to excel in handling large-scale AI workloads that are expected to meet customer expectations:

Customer Expectations	Our Answers
• ***High reliability under substantial workload***. AI training both demands high power output due to the large GPU workloads and requires uninterrupted reliability to avoid costly rollbacks (i.e., restarting training from an earlier checkpoint and discarding progress due to interruptions such as power failures). Continuous high current and heat stress challenge power supply stability, making consistent, dependable performance essential under heavy loads.	✓ Our power supplies deliver consistent, high-output performance with advanced thermal management and component durability, ensuring stable operation under extreme load conditions typical of AI training environments, achieving a mean time between failures of more than 300,000 hours.
• ***Cost and sustainability requirement***. High conversion efficiency is essential to reduce power loss and cooling requirements, directly impacting operational cost and performance and sustainability metrics.	✓ By being able to possess typical operating efficiency that exceeds 97%, our products are eligible for integration with industry-leading servers used in AI data centers, which typically require efficiency at such a benchmark to maximize cost efficiency and operational performance, and foster sustainability, according to Frost & Sullivan. This allows us to both access high-end market and support sustainability goals.

Customer Expectations	Our Answers
• ***Space efficiency***. Thermal bottlenecks need to be overcome through implementing advanced thermal management, which can enable deployment in tightly packed server environments and achieve space efficiency.	✓ Our power supplies feature optimized airflow design and compact architecture, enabling superior heat dissipation and space-saving deployment in high-density AI server racks. As a result, certain of our AIDC products can achieve a power density of 100W/in^3, well above the industry average, according to Frost &Sullivan.

Key information on our main AI computing server power supply products is as follows:

No.	Products	Key Performance Metrics and Applications
1	**Liquid-Cooled CRPS GaN Server Power Supply Series** 	• Power: 3,500W • Typical operating* efficiency: 97.5% • Dimensions (mm): 265 x 73.5 x 40 • Temperature Range (°C): up to 70 • Cooling Method: liquid cooled ➢ Geared towards computing centers with intensive power output and efficiency demands
2	**Liquid-Cooled Power Supply Series** 	• Power: 5,000W • Typical operating* efficiency: 94% • Dimensions (mm): 502 x 60.9 x 246 • Temperature Range (°C): up to 85 • Cooling Method: liquid cooled ➢ Designed to deliver high and variable output power for customized computing functions requiring a range of voltages and currents

Note: AI computing server power supply products typically do not operate at full load. As such, presenting operating efficiency under typical conditions is more relevant

ESS POWER CONVERSION BUSINESS

As part of our broader commitment to advanced power supply technologies, we have been growing our ESS Power Conversion business primarily to enter the consumer market. This business mainly serves the growing customer demand for portable and residential energy storage

systems. Our products enable bidirectional power flow, allowing seamless connection to the public power grid and solar PV panels for battery charging, while also supplying stored energy to household loads through AC output. The combination of our high conversion efficiency and safety standards, compact design, and intelligent energy management differentiates our products in this business to become the preferred choice of many of our target customers, which include leading consumer electronics brands and large OEMs, and appeal to users with indoor and outdoor or emergency power needs.

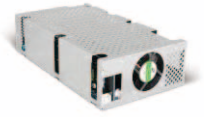
As part of our strategic expansion into integrated energy infrastructure, we have developed and sold PSL power conversion systems and have obtained customers. Given the typically expansive scale of PV energy storage and load flexible DC power supply projects, our products in this business aim to serve energy storage solutions that have higher output power than conventional consumer market products. These solutions include industrial and commercial energy storage systems, integrated PV energy storage solutions, and load flexible DC power supply systems such as power supplies for EV charging stations and computing systems. As of the Latest Practicable Date, we had already delivered to customers sample products that enable PSL-AIDC integration.

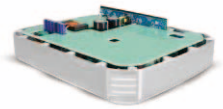
In addition to addressing customer demand of high power conversion efficiency and thermal compatibility, they also possess a series of features to meet customer expectations:

Customer Expectations	Our Answers
• ***Compactness and compatibility***. Such products are intended for use in a wide range of portable, residential or small commercial ESS, which may have different space and local grid profiles. In addition, given the wide local grid and battery voltage ranges in the points of installation, these products need to accommodate diverse grid and battery configurations.	✓ Through refining our application of bidirectional inverter technology, our products deliver broad voltage adaptability while reducing size and weight, making installation easier across varied grid and battery configurations. For example, compared with market mainstream products, our 1 kW product has a reduced size from 24dm^3 by 25% to 18dm^3 and weight from 14kg by 22.9% to 10.8kg.

Customer Expectations	Our Answers
• ***Renewable energy integration***. Frequent integration with renewable energy requires such products to effectively tackle the challenges brought about by such energy sources, such as intermittent or variable power generation. Having MPPT (Maximum Power Point Tracking) for solar PV input, for example, would enable efficient solar energy harvesting.	✓ Our enhanced charging/discharging efficiency (up to 97% peak efficiency, compared with the industry standard of 95%) minimizes energy loss, enabling optimized performance when paired with renewable energy sources and reducing operational costs for every cycle, increasing lifecycle cost saving for our products.
• ***Safety, stability and applicability.*** The stringent requirements applicable to portable and residential consumer use mandate the products to prioritize safe operation and comprehensive protection. Customers would also typically prefer products with low noise levels for portable, indoor or residential use and with low maintenance requirement, which can be enabled through OTA monitoring.	✓ Certain of our products meet IP65 protection standards for dust and water resistance, ensuring safe and reliable operation even in harsh conditions, while compact design supports quiet, low-maintenance portable and residential applications.

Key information on our main ESS Power Conversion products is as follows:

No.	Products	Key Performance Metrics and Applications
1	**Energy Storage PCS** 	• Power: 1,500 W • Full-load efficiency: 93% • Dimensions (mm): 270x152x70.8 • Temperature Range (°C): -20~40 • Cooling Method: Forced air-cooling ➢ Particularly suitable for use in both portable and residential power supplies and can supply power to equipment that requires uninterrupted power supply

No.	Products	Key Performance Metrics and Applications
2	**Energy Storage PCS — Independent Air Duct Edition** 	• Power: 1,800 W • Dimensions (mm): 336x264x89.5 • Full-load efficiency: 95% • Temperature Range (°C): -20~40 • Cooling method: passive cooling ➢ Meets IP65 standards and is suitable for use in harsh outdoor environments, e.g., electrical cutting

OUR CORE TECHNOLOGIES

Our core technological capabilities stem from decades of expertise in power conversion technologies, strengthened by a visionary management team and empowered by a highly experienced engineering team. This foundation enables us to maintain a high degree of technical differentiation and product competitiveness, erecting significant competition barriers in our target markets.

On this foundation, we have developed a full-stack technology portfolio that integrates advanced hardware design, proprietary software, and precision manufacturing processes. This integrated approach supports our long-term innovation cycle and ensures consistent product performance, cost competitiveness, and scalability.

Our core technical strengths bring the following features to our products:

- **High Power Density**: Compact designs that maximize performance per unit volume, which allows our customers to increase the load of servers and racks without significantly modifying existing infrastructure, which reduces costs, or enables higher computing performance in a given space, achieving space efficiency.

- **High Efficiency**: We deliver industry-leading conversion efficiency across voltage and load ranges, leveraging advanced architectures such as Totem-Pole PFC and optimized resonant topologies. With peak efficiencies reaching 97.5% for servers, 99.5% for DC-DC converters, and 99% for PCS modules, which are well above industry norms, our designs minimize energy loss, reduce cooling requirements, and enhance operational reliability, driving significant cost savings throughout the product lifecycle.

- **Cost Optimization**: Strategic use of domestic materials and design-for-manufacturing practices. Our ability to leverage domestic materials and supply network allows us to shorten the supply chain, agilely respond to market demands, and minimize communication costs. In addition, by increasing the manufacturability of our products in the design stage, we also achieve savings both in terms of time and final production costs.

- **Easy System Integration:** Based on microprocessors and software control, we use modular design to accurately, flexibly, and stably complete energy conversion, seamlessly connecting with other systems, devices, or software to achieve data exchange and collaborative operation.

- **Wide coverage**. Our application-specific and AI computing server power supply products cover a wide power range from 500 W to 20 kW. These products are supported by a broad portfolio of thermal management technologies, including air, liquid (including immersion (oil)) cooling, allowing us to flexibly address diverse deployment environments.

- **Co-design hardware-software.** Leveraging our expertise in designing both the hardware and software used in power supply products, we embed proprietary software in our products, which both optimizes the performance of our products and safeguards our innovation through erecting a competition barrier.

Our key technologies underpinning the advanced features include:

- Application of **wide-bandgap semiconductors** (GaN and SiC): It elevates efficiency and power density and enables compact and lightweight design, which in return saves space and reduces energy loss. Given the nature and novelty of such semiconductors, their industrial-scale application in mass manufactured power supply products has been challenging for many industry players. However, our profound know-how and experience in their incorporation in power supply products have allowed us to manage the related challenges and capitalize on their potential.

- Advanced **power electronics topologies** and **magnetic integration:** It improves efficiency and power density, achieving compact and lightweight designs, which reduces space usage, lowers energy loss and cuts costs.

- Precision **thermal management** systems: It incorporates multiple cooling technologies to meet high power density and reliability requirements. High-temperature liquid-cooling also promotes waste heat utilization and reduces system energy consumption.

- Proprietary **digital control algorithms**, combined with **software co-design** for system-level optimization, deliver flexible configuration, stable operation, and rapid adaptation to diverse applications: this integrated approach simplifies system integration, enhances scalability and maintainability, and enables real-time remote management. By embedding intelligence into both hardware and software layers, we create solutions that foster seamless collaboration with customers while remaining highly secure and difficult to replicate, establishing a competitive edge that competitors cannot reverse-engineer.

- **Structural and mechanical design** optimized for manufacturability and reliability: It increases power density, reduces manufacturing costs, ensures long service life, and lowers maintenance expenses.

- **Software co-design** for system-level performance tuning: It provides flexible adaptation to different system applications, shortens system build cycles, and ensures stable operation.

Furthermore, our agility in converting such cutting-edge technologies into market-ready products also enhances our competitive advantage. Such agility is reflected in our track record of achieving months of lead time for product launch compared with our competitors. For example, in our Application-Specific Computing Server Power Supply business, we completed the design and validation of a 9 kW/27 V power supply product within 2 months, followed by small-batch delivery in 2.5 months, and mass production of 30,000 units within 4 months, outpacing the industry average of approximately one year; for the liquid cooled 20 kW/97.5% efficiency project, we achieved design-to-sample delivery in just 4 months, ahead of the industry average by more than five months.

Going forward, we plan to continue to enhance our industry-scale application of next-generation technologies in our products, such as third-generation semiconductor devices, high-performance magnetic components, and multi-environment adaptive designs, so that we could potentially further enhance our product competitiveness and support the evolving needs of high-performance computing server and energy storage energy conversion applications.

RESEARCH AND DEVELOPMENT

We have committed significant resources towards R&D to maintain and increase our products' competitiveness. In 2023, 2024 and the nine months ended September 30, 2025, we incurred research and development expenses of RMB42.3 million, RMB63.2 million and RMB61.2 million, respectively, representing 16.2%, 11.4% and 8.1% of our revenues in the respective periods. Our research and development expenses were not capitalized during the Track Record Period. We have an R&D team with complementary expertise to realize our R&D objectives. As of September 30, 2025, 247, or 29.5%, of our employees discharge R&D duties, and we maintain designated personnel responsible for overseeing R&D activities for each business line to ensure accountability. Owing to our continued efforts, we now possess a range of intellectual properties related to our products. See "— *Intellectual Properties*".

Led by Mr. Yin, who possesses both deep technical expertise and exhibits proven leadership, we primarily leverage in-house R&D for our products, as we believe it is better suited to enhance product performance across key metrics, reduce our reliance on critical third-party suppliers, and mitigate risks related to cost escalation and development delays. Therefore, we often research on and apply novel and advanced technologies, such as GaN solution power supply, on an industrial scale.

Our in-house R&D is also the bedrock of our extensive customized product development. Leveraging such capabilities, we integrate with customers' product development and manufacturing processes. Pursuant to our customized product development agreements, our customers provide us with the technical specifications of the expected power supply product, and we are responsible for the R&D of the product. After the successful completion of product development, we may enter into separate agreements to manufacture and deliver such products. While the intellectual property arising from such customized product development typically belongs to the relevant customer, since our participation in their product development process starts from the ideation stage and deepens over time, we can gain a stronger understanding of their needs and increasingly contribute as a key partner in shaping their solutions. This understanding helps increase our participation in their future projects given that we become more than a part supplier, but an avid and essential co-designer for their own solutions. This virtuous cycle enhances customer loyalty and helps us gain exposure to the frontier of industrial application of advanced technology, which fosters our know-how and institutional knowledge. We can then translate such capabilities gained from specific projects into improvements in products offered to a wide range of current and potential customers, instead of building up from scratch.

In augmenting our in-house R&D capabilities, from which our R&D achievements predominantly derive, we have also been in collaboration with various academic institutions, such as Zhejiang University, to both gain exposure to the cutting-edge of power supply technology and

provide valuable industry insights to complement their research. With them, we have entered into multi-year agreements under which they undertake to complete certain research assignments according to our technical requirements, and we possess the right to file, use and transfer patent either by ourselves or jointly with them. We support their research assignments by paying milestone fees and require non-delegation and confidentiality for R&D achievements.

R&D Process

Our R&D focuses on delivering high-efficiency and commercially viable power supply solutions tailored to the evolving needs of computing and energy storage markets. This enables us to meet stringent performance standards while maintaining full control over system integration and innovation cycles. Key stages of our R&D process are as follows:

- **Project Initiation & Feasibility Gate:** Sales input specific customer requirements, competitor analysis, projected pricing, lifecycle volume, and explicit environmental mandates. Concurrently, engineering teams provide preliminary cost and fee estimates, development timelines, and safety certification budgets. The Product Line Director then signs off the assessment, serving as the first major investment gate.

- **Project Definition & Planning:** We draft the project charter and release the assigned project code, master schedule, and full team roster. This stage formally locks in volume forecasts and embeds all critical compliance requirements directly into the product's master specification document.

- **Design Execution & Prototyping:** Detailed engineering begins with mandatory schematic and design calculation reviews before PCB layout. We create a comprehensive quality & test master plan that defines all validation protocols, required equipment, and accounts for project-specific complexities. Key outputs include schematic drawing, PCB design, electrical parameter calculations, and prototype fabrication.

- **Design Optimization and Qualification:** All modifications from testing, manufacturing feedback, or evolving requirements are tracked via a formal engineering change order system. A dedicated quality engineering team executes a structured qualification plan. We resolve all design-for-manufacturability issues and finalize special process instructions, which directly dictate final component selection and supplier qualification.

- **Pre-Production Validation & Certification:** We build pilot-run units using updated manufacturing files and execute the complete validation suite, including reliability stress tests. Pilot production is meticulously gated; work orders are only released after full material kit confirmation and a pre-production launch meeting with manufacturing.

- **Production Ramp & Lifecycle Management:** Upon the final approval, the product enters batch manufacturing. Production is managed via ERP-controlled work orders, flowing from the SMT line through final assembly to designated locations. We continuously monitor line yield, component quality, and market demand, using this data to optimize production schedules, cost, and product strategy throughout its commercial lifecycle.

R&D Achievements and Focuses

We have established a strong foundation in power supply product innovation, supported by a growing intellectual property portfolio. See "— *Intellectual Properties*". Leveraging such intellectual properties and our know-how, our product development has yielded a range of high-efficiency computing server power supplies. See "— *Our Business Lines and Products*". In the ESS Power Conversion business line, we have introduced third-generation semiconductor-based products with power losses 50% lower than mainstream products, i.e., traditional first-generation semiconductor-based products, according to Frost & Sullivan. For PSL power conversion applications, our high-voltage, multi-level architecture has reached 99.5% efficiency, positioning us at the forefront of the industry.

Our current R&D efforts focus on next-generation computing server power supplies and microgrid systems. Key projects for computing server power supplies include a 20 kW liquid cooled unit supporting 70°C inlet temperature, a cost-optimized 10 kW oil-cooled model with improved efficiency, and high-density AI power supplies such as a 3,200 W CRPS (100 W/in^3) and a 5,500 W OCP unit meeting Ruby standards with 97.5% peak efficiency. These products are designed to support high-end chipsets and demanding supercomputing center environments. For microgrid systems, we are advancing towards mass manufacturing our 800 V DC output, 100 kW AC/DC conversion module and our 600 kW parallel system cabinet with 99% efficiency, designed to provide HVDC power for AI data centers and support integrated computing power and energy storage solutions. Additionally, we are developing a 1 MW PSL integrated computing microgrid system to enable the construction of distributed green computing power systems.

Looking forward, we aim to further enhance efficiency and power density through scaled adoption of third-generation semiconductors, advanced circuit topologies, and optimized thermal designs. Our R&D priorities include exploring high-temperature cooling, enhancement of waste heat recovery, digital control transformation, domestic component substitution, and customized power supply system development for leading AI platforms. We are also advancing high-power HVDC microgrid and power supply technologies (200 kW–1 MW) integrated with renewable energy and energy storage, currently in testing, with plans for phased commercialization to support future revenue growth.

SALES AND MARKETING

Our sales and marketing framework is designed to build and maintain long-term relationships with customers both in Chinese mainland and abroad. Our customers primarily include application-specific computing server providers, AI computing server providers, AI/TMT companies, supercomputing center operators, server manufacturers, cloud service providers and energy storage solution providers. Many of these customers hold leading positions in their respective industries, including computing, telecommunications, energy, and manufacturing. In addition, the majority of our sales are conducted through commercial negotiations with customers, with only a very limited portion of our sales attributable to public bidding or tender processes.

We work with our core customers on customized product development, which makes us play a pivotal role in their product and solution design processes. In addition, we are expanding our diversified overseas sales and service network to strengthen our international presence and are implementing a marketing strategy with a focus on applications areas such as computing, power management and energy storage. To that end, our sales team actively seeks to expand customer relationships and pursue new business opportunities, particularly as we continue to diversify our product portfolio.

During the Track Record Period, substantially all of our sales were made directly to customers. In very limited circumstances, we sold to trading companies, particularly in overseas markets or in small batches, where we expect such sales to achieve broader customer coverage in terms of geographics and scale. We maintain a buyer-seller relationship with these trading companies. During each period of the Track Record Period, revenue from their purchases accounted for less than 5% of our total revenue.

Our Customers

We have built long-term and stable relationships with leading players across multiple industries, including cloud computing service providers, server manufacturers and computing enterprises. These strong relationships provide a solid foundation for our future sales growth.

Major Customers

In 2023, 2024 and the nine months ended September 30, 2025, sales to our five largest customers in each year/period amounted to RMB247.9 million, RMB509.2 million and RMB665.9 million, accounting for 94.8%, 91.6% and 88.6% of our total revenue in the respective periods. In the same periods, sales to our largest customer amounted to RMB234.9 million, RMB284.3 million

and RMB203.0 million, accounting for 89.9%, 51.1% and 27.0% of our total revenue in the respective periods. Our credit terms with them are typically within 60 days, and we generally accept bank transfer as payment method.

The tables below set forth certain information of our top five customers during the Track Record Period.

For the year ended December 31, 2023

	Customer	Major products sold	Revenue	Percentage of total revenue	Commencement of business relationship
			(in RMB thousands)	*%*	
1	Shenzhen MicroBT Group[(1)]	Application-specific computing server power supply products	234,861	89.9	2021
2	Customer A[(2)]	ESS Power Conversion products	4,790	1.8	2022
3	Customer B[(3)]	Application-specific computing server power supply products	4,143	1.6	2023
4	Customer C[(4)]	Application-specific computing server power supply products	2,684	1.0	2022
5	Customer D[(5)]	Application-specific computing server power supply products	1,435	0.5	2023
	Total		**247,913**	**94.8**	

For the year ended December 31, 2024

	Customer	Major products sold	Revenue	Percentage of total revenue	Commencement of business relationship
			(in RMB thousands)	*%*	
1	Shenzhen MicroBT Group[(1)]	Application-specific computing server power supply products	284,269	51.1	2021
2	Customer E[(6)]	ESS Power Conversion products	137,764	24.8	2022
3	Customer F[(7)]	Application-specific computing server power supply products	43,941	7.9	2023
4	Customer G[(8)]	Application-specific computing server power supply products	34,802	6.3	2023
5	Customer H[(9)]	Application-specific computing server power supply products	8,380	1.5	2022
	Total		**509,156**	**91.6**	

For the nine months ended September 30, 2025

	Customer	Major products sold	Revenue	Percentage of total revenue	Commencement of business relationship
			(in RMB thousands)	%	
1	Customer E[6]	ESS Power Conversion products	203,028	27.0	2022
2	Customer G[8]	Application-specific computing server power supply products	197,359	26.3	2023
3	Shenzhen MicroBT Group[1]	Application-specific computing server power supply products	176,745	23.5	2021
4	Customer I[10]	Application-specific computing server power supply products	44,659	5.9	2024
5	Customer F[7]	Application-specific computing server power supply products	44,114	5.9	2023
	Total		**665,905**	**88.6**	

Notes:

(1) A technology company focused on the research, development, and sales of computer software, hardware, integrated circuits, and chip design, headquartered in Shenzhen.

(2) A technology company engaged in battery manufacturing, photovoltaic technology services, and power equipment research and development, headquartered in Suzhou.

(3) A trading company specializing in the sales of batteries, battery components, and power distribution equipment, headquartered in Shenzhen, under common control with a trading company engaged in the sales of electronic components, batteries, and power distribution equipment, headquartered in Dongguan. Revenue of the two companies have been consolidated due to such common control.

(4) An electronic device manufacturing company specializing in electronic components, hardware products, and specialized electronic materials, headquartered in Dongguan.

(5) A technology firm focused on new energy, communications, and computer technology, specializing in R&D, system integration, and sales of related equipment and integrated circuits, headquartered in Shanghai.

(6) A manufacturing company specializing in the research, development, and sales of lithium batteries, energy storage systems, and solar power technology, headquartered in Shenzhen. It has been listed on the Shenzhen Stock Exchange since 2022.

(7) A technology company specializing in the integration and sales of AI application solutions and also offering technical services and supply chain support.

(8) A Nasdaq-listed company focused on digital asset mining, AI cloud, and data centers, headquartered in Singapore.

(9) A company that develops hardware and software solutions in the fields of zero-knowledge proof acceleration, AI infrastructure, and blockchain, headquartered in Santa Clara, California.

(10) A company focused on computer hardware/software R&D and sales, data processing, and system integration, headquartered in Chengdu.

During the Track Record Period, to the best knowledge of our Directors, except for Shenzhen MicroBT and its subsidiaries ("**Shenzhen MicroBT Group**"), none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest customers in any period during the Track Record Period that are required to be disclosed under the Hong Kong Listing Rules. For details related to previous equity investment involving Shenzhen MicroBT, please see "*History, Development and Corporate Structure*". For details related to our commercial transactions with Shenzhen MicroBT Group, please see "— *Our Relationship with Shenzhen MicroBT Group*".

Arrangement with Our Customers

We generally enter into framework agreements with our major customers, with actual price and volume specified in individual purchase orders. The terms of these agreements vary depending on the specific product and the result of our negotiation with each customer, but these agreements typically contain the following terms:

Duration	:	Long-term, typically one to three years, renewable upon mutual consent.
Pricing	:	Specified in purchase orders.
Transfer of risks	:	Risk is transferred to our customer when we complete product delivery to locations designated by our customer.
Payment and credit terms	:	Bank transfer; monthly payment with credit term ranging from one to four months after receiving invoice. We may also require prepayment.
Minimum purchase requirements	:	None
Logistics	:	We are responsible for the logistics and delivery of the products, including insurance and handling fees.

Warranty	:	Warranty period is typically around two years after product acceptance, during which period we provide free repair and exchange.
Breach Penalties	:	Our failure to manufacture and deliver to customer the product in accordance with specification may entitle customer to unilateral termination and liquidation damage of 20% of the purchase order amount breached and other consequential damage that customer suffers. Our delay in delivery may result in daily penalties calculated as 0.5-1% of the purchase order amount per day delayed, capped at 30 days. Additional delays may result in customer's unilateral termination and liquidation damage of 20% of the purchase order amount breached, together with other consequential damage that customer suffers.
Confidentiality	:	Each party shall keep confidential any information on the other party obtained in the course of negotiating, executing and performing the framework agreement and the purchase orders. The confidentiality obligation survives the termination of the framework agreement.
Termination	:	Upon term expiration, or unilaterally by us or the customer upon the other party's breach of the agreement.

The principal terms of our typical purchase orders primarily include actual quantity and specifications of products to be purchased pursuant to such purchase orders, unit price and total purchase amount, delivery location and expected date. During the Track Record Period and up to the Latest Practicable Date, there was no material breach of framework agreements or purchase orders by us or our customers.

Our Relationship with Shenzhen MicroBT Group

Historical Transaction Scale

Shenzhen MicroBT is a technology company primarily focused on the R&D and sales of computing solutions, integrated circuits, and chips. During the Track Record Period, Shenzhen MicroBT Group was our related party until December 2025, and our sales to Shenzhen MicroBT Group contributed to 89.9%, 51.1% and 23.5% of our revenue for 2023, 2024 and the nine months ended September 30, 2025, respectively. Despite the relatively high revenue contribution from

Shenzhen MicroBT Group, we have no undue reliance on Shenzhen MicroBT Group in conducting our business, and the proportion of revenue contributed by Shenzhen MicroBT Group to the Group has been progressively decreasing throughout each year/period during the Track Record Period.

We do not consider that such substantial transactions would negatively impact our operations given the specific circumstances relevant to our transactions with Shenzhen MicroBT Group:

- ***Product competitiveness and supply chain integration***. The products we supply to Shenzhen MicroBT Group have high technical barriers and customized features and are deeply integrated into its supply chain. This is attributable to our deep understanding of the specifications and standards of their products, which would enable Shenzhen MicroBT Group to save time and costs and ensure their product quality and performance meet the requirements of its downstream customers. As a result, replacing us as a supplier would entail significant technical and time costs. This enhances our bargaining position in business negotiations. During the Track Record Period, our pricing for products provided to Shenzhen MicroBT Group was substantially similar to comparable products that we provided to other customers, and the salient terms of our sales agreements with Shenzhen MicroBT Group are substantially similar to those with our other major customers.

- ***Mutually beneficial and dependent relationship***. Our products' competitiveness and our ability to rapidly scale up production could allow our current and potential customers, including Shenzhen MicroBT Group, to enjoy a stable supply of advanced products customized to their needs. As we have established ourselves as a preferred supplier to Shenzhen MicroBT Group, they are more likely to continue doing business with us to take advantage of dependable product supply, trusted product quality resulting from close collaboration, and our strong R&D commitment.

Overlapping of Supplier and Customer

During the Track Record Period, Shenzhen MicroBT Group was also one of our suppliers in 2023. We sold application-specific computing server power supply products and ESS power conversion products to Shenzhen MicroBT Group, while we purchased smart cameras from Shenzhen MicroBT Group as token gifts mainly for marketing and promotion purposes. Such a transaction was one-off in nature and non-recurring. In 2023, our purchase from Shenzhen MicroBT amounted to RMB0.3 million, accounting for 0.2% of our total purchases in the same year. Our sales to and purchases from Shenzhen MicroBT Group were conducted in the ordinary course of business and on commercial terms negotiated on an arm's length basis.

Related Party

Shenzhen Micro BT was considered our related party during the Track Record Period, and it ceased to be our related party in December 2025. For Shenzhen MicroBT's investment and shareholding relationship with our Group, please see "*History, Development and Corporate Structure*". For historical related party transactions with Shenzhen MicroBT Group, see "*Financial Information — Transactions with Shenzhen MicroBT Group*" and Note 37(a) to "*Appendix I — Accountants' Report*" for our transactions with Shenzhen MicroBT Group during the Track Record Period. Please also see "*Risk Factors — Risks Relating to Our Business and Industry — We derived a significant portion of our revenue from a limited number of customers during the Track Record Period and may continue to be exposed to the risk of customer concentration subsequent to the Track Record Period*" and "*Risk Factors — Risks Relating to Our Business and Industry — We generate a significant portion of revenue from sales to Shenzhen MicroBT Group. Any material changes in our relationships with the Related Parties would have a material adverse impact on our business, financial conditions and operating results*".

In light of the foregoing, our Directors believe that (i) we do not have any undue reliance on Shenzhen MicroBT Group that would materially and adversely affect our business and operations and (ii) our mutually beneficial and stable relationship with Shenzhen MicroBT Group will continue to enable us to secure future orders from Shenzhen MicroBT Group.

Concentration of Our Customers

During the Track Record Period, sales to our top five customers were relatively concentrated. In 2023, 2024 and the nine months ended September 30, 2025, sales to our five largest customers in each year/period accounted for 94.8%, 91.6% and 88.6% of our total revenue in the respective periods. Our sales agreements with our top five customers have substantially similar terms with those with our other customers, including credit terms and pricing.

We are aware of the risks generally associated with customer concentration. For the relevant risks involved, please refer to "*Risk Factors Risks Relating to Our Business and Industry We derived a significant portion of our revenue from a limited number of customers during the Track Record Period and may continue to be exposed to the risk of customer concentration subsequent to the Track Record Period*". Nevertheless, we do not consider that such customer concentration would negatively impact our operations given the specific circumstances relevant to our business. Apart from the factors substantially similar to those elaborated in "*— Our Relationship with Shenzhen MicroBT Group*", the following industry factors and our continuous diversification efforts apply:

- ***Industry norm for concentration***. According to Frost & Sullivan, the high-performance power supply industry is still at a stage of early development where they are relatively small in scale and high in market concentration. As of December 31, 2024, there were approximately 20 manufacturers of high-performance power supply globally, with the top five accounting for 84.9% of revenue. In Chinese mainland, roughly 10 manufacturers existed as of the same date, and the top five held 77.8% of the market. In addition, the digital assets mining computing server market is also highly concentrated, with the three largest digital assets mining computing server providers accounting for more than 80% of the market share in each year/period during the Track Record Period. Given the limited selection, the need for competitive products and the time and cost consideration elaborated above, it is an industry norm for downstream customers to procure a significant amount of products from a limited number of high-performance power supply solution providers, and it is also an industry norm for high-performance power supply solution providers to sell a significant amount of products to a limited number of downstream customers, resulting in a significant sales percentage to such customers.

- ***Continued customer diversification***. We are continuously expanding our product portfolio to serve a broader range of industries, evidenced by our revenue growth in each of our business lines, thereby effectively mitigating the risk of overconcentration. In addition, as a result of the aforementioned mutual benefits, and given that we maintained good and stable relationships with our major customers we believe our major customers will continue to transact with us. and the likelihood of termination or a material adverse change of our relationships with our major customers is relatively low.

- ***Customer base expansion strategy***. Geographically, we plan to broaden our customer base globally, with a particular focus on overseas markets, supported by our overseas manufacturing footprint and the establishment of international sales and marketing centers. To capitalize on industry tailwind, we are positioning AI and PSL as important future growth drivers. We are building partnerships with industry-leading customers in

emerging application areas, such as AIDC and microgrids, to establish market recognition. We will also continue to diversify applications for our existing product portfolio by extending solutions such as ESS into new fields, including embodied robotics and UAVs, thereby further expanding our addressable customer base.

In light of the foregoing, our Directors believe the relatively high concentration of our five largest customers is in line with industry norms and does not adversely affect our operational independence or sustainable business capabilities.

Product Pricing

We determine the pricing of our products primarily with reference to product specification, development and manufacturing costs. In addition, we consider a range of factors including purchase volumes, technical complexity, customer relationship, product lifecycle and prevailing market conditions.

Marketing Efforts

We implement a focused marketing strategy led by our sales and business development teams, supported by regional R&D centers and technical support units. Our marketing efforts are structured around our primary products. Each business line is supported by dedicated product teams that collaborate closely with industry partners to identify emerging needs and tailor solutions accordingly.

We adopt a solution-oriented sales strategy, whereby we position our products not just as components but as systems optimized for integration into high-efficiency, high-power density applications. This approach is reinforced by our reputation for technical excellence and our track record of serving global leaders in supercomputing centers, telecommunications, and renewable energy, enabling strong word-of-mouth referrals and our organic growth of customer base.

We leverage our nationwide presence, including our offices in Shanghai and Shenzhen, to maintain proximity to key markets and provide timely technical engagement. These centers play a critical role in pre-sales engineering, customer co-development, and post-sales support, enhancing our responsiveness and deepening customer relationships. We also actively participate in industry exhibitions and trade shows to showcase our products and engage with prospective customers. Furthermore, by leveraging digital platforms, including our official website and corporate social media accounts, we have been distributing product content and company updates around the globe. These combined efforts support sustained brand development and expand our reach across domestic and international markets.

SUPPLY CHAIN

Our Suppliers

Our suppliers are mainly raw material suppliers of magnetic components, integrated circuits, power semiconductors, and PCBs, and we also engage logistics and OEM service suppliers. We have established and maintained stable, long-term and sustainable relationships with these major suppliers, most of which are headquartered in Chinese mainland. As a result, a substantial majority of our components and materials is sourced from Chinese mainland, enhancing our supply chain's resilience. We also maintain a diverse supplier base as mandated by our project management processes to avoid over-reliance on any single supplier.

Supplier Selection and Evaluation

We employ a multi-layered supply chain management strategy to ensure cost stability, sourcing reliability, and procurement efficiency across critical components. For key materials such as power semiconductors and chips, we conduct multi-vendor benchmarking and maintain multi-sourcing arrangements to enhance price competitiveness and reduce dependency risk. Price negotiations are supported by internal cost verification systems, under which supplier quotes are required to fall below our internal cost thresholds.

For customized components, suppliers must provide detailed cost breakdowns, based on which we select the most cost-effective option among two or three qualified vendors. In the case of strategic or high-priority projects, we establish target pricing frameworks and engage in real-time negotiations to ensure alignment with project budgets. This disciplined and data-driven approach enables us to maintain a stable and resilient supply chain while optimizing procurement costs.

We regularly evaluate the performance of our suppliers, focusing on criteria such as operational performance, e.g., delivery capability, price and quality of the products supplied. Suppliers failing to meet our standards are issued rectification notices or may be subject to suspension or removal from our approved vendor list. In cases of repeated underperformance, suppliers may be disqualified from future engagement.

We actively promote responsible sourcing and social compliance among suppliers. We typically require our suppliers to commit to social responsibility and environmental protection and are subject to audits aligned with industry standards. Identified issues are addressed collaboratively through improvement plans, aiming to enhance supplier sustainability practices and align with our strategic objectives.

Arrangement with Our Suppliers

We enter into procurement framework agreements with certain of our suppliers, under which we place purchase orders specifying the price, quantity and specifications of products procured. The terms of the agreements vary depending on the result of our negotiation with each supplier, but these agreements typically include the following terms:

Duration	:	Long-term, generally two years, renewable upon parties' consent.
Pricing	:	Generally specified in purchase orders.
Payment and credit terms	:	Bank transfer; monthly payment with credit term ranging from 30 to 90 days after receiving invoice.
Minimum purchase requirements	:	Not applicable.
Warranty	:	Warranty period is typically five years after product acceptance, during which period we are entitled to free return and exchange. We are entitled to full indemnity on any of our losses caused by defective products, including equipment damage and delay or shutdown time losses.
Breach Penalties	:	Supplier's delay in delivering products that pass our acceptance may result in daily penalties calculated as 0.5% of the purchase order amount per day delayed. Suppliers also agree to compensate us for consequential damage that we suffer.
Logistics	:	The suppliers are responsible for the logistics and delivery of the products, including insurance and handling fees.
Termination	:	Upon expiration. In addition, the suppliers are entitled to unilateral termination upon at least three months of prior written notice.

We are entitled to unilateral termination upon supplier's failure to cure its delay in delivery, or if the supplier refuses to provide us with a quote that is equal or more favorable than market pricing under the same conditions.

During the Track Record Period and up to the Latest Practicable Date, there was no material breach of framework agreements or purchase orders by us or our suppliers.

Major Suppliers

In 2023, 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers in each year/period amounted to RMB67.8 million, RMB162.2 million and RMB178.3 million, accounting for 37.7%, 35.7% and 31.4% of our total purchases in the respective periods. In the same periods, purchases from our largest supplier amounted to RMB25.8 million, RMB64.0 million and RMB57.3 million, accounting for 14.4%, 14.1% and 10.1% of our total purchases in the respective periods. Our credit terms with them are typically 60 to 90 days, and we generally pay by notes and bank transfer.

The tables below set forth certain information of our top five suppliers during the Track Record Period:

For the year ended December 31, 2023

	Supplier	Major products provided to us	Purchase amount	Percentage of purchases	Commencement of business relationship
			(in RMB thousands)	*%*	
1	Supplier A[(1)]	Magnetic components	25,794	14.4	2021
2	Supplier B[(2)]	Integrated circuits, power semiconductors	14,561	8.1	2021
3	Supplier C[(3)]	Integrated circuits, power semiconductors	10,572	5.9	2021
4	Supplier D[(4)]	Power semiconductors	8,503	4.7	2021
5	Supplier E[(5)]	Power semiconductors	8,329	4.6	2021
	Total		**67,759**	**37.7**	

For the year ended December 31, 2024

	Supplier	Major products provided to us	Purchase amount	Percentage of purchases	Commencement of business relationship
			(in RMB thousands)	%	
1	Supplier A[(1)]	Magnetic components	64,025	14.1	2021
2	Supplier B[(2)]	Integrated circuits, power semiconductors	31,806	7.0	2021
3	Supplier C[(3)]	Integrated circuits, power semiconductors	27,463	6.1	2021
4	Supplier F[(6)]	Capacitators	23,313	5.1	2021
5	Supplier G[(7)]	Integrated circuits, power semiconductors	15,631	3.4	2021
	Total		**162,238**	**35.7**	

For the nine months ended September 30, 2025

	Supplier	Major products provided to us	Purchase amount	Percentage of purchases	Commencement of business relationship
			(in RMB thousands)	%	
1	Supplier A[(1)]	Magnetic components	57,285	10.1	2021
2	Supplier E[(5)]	Power semiconductors	42,312	7.4	2021
3	Supplier C[(3)]	Integrated circuits, power semiconductors	32,363	5.7	2021
4	Supplier H[(8)]	Magnetic components	26,668	4.7	2021
5	Supplier I[(9)]	Sheet metal parts	19,721	3.5	2022
	Total		**178,349**	**31.4**	

Notes:

(1) A manufacturing company specializing in the production of communication system equipment, electronic products, and instruments, headquartered in Hangzhou.

(2) A wholesale trading company specializing in electronic components, network equipment, and computer software, headquartered in Shanghai.

(3) A wholesale company specializing in electronic components, photovoltaic equipment, and integrated circuits, headquartered in Hangzhou.

(4) A technology services company focused on software development, electronic product R&D and sales, and technology transfer services, headquartered in Shenzhen.

(5) A wholesale company specializing in the sales of electronic products, machinery, and raw materials, alongside providing related technology development services, headquartered in Shanghai.

(6) A manufacturing group specializing in the research, production, and sales of capacitors, electronic components, and specialized electronic materials, headquartered in Yiyang, Hunan. It is listed on the Shanghai Stock Exchange.

(7) A wholesale trading company specializing in the import/export and distribution of semiconductor components and related software/hardware R&D services, headquartered in Shenzhen.

(8) A manufacturing company specializing in the production and sales of power electronic components, general electronic devices, and photovoltaic equipment, headquartered in Haining, Zhejiang.

(9) A manufacturing company specializing in the production and sales of heat sinks, precision hardware components, and metal products, headquartered in Suzhou.

During the Track Record Period, to the best knowledge of our Directors, none of our Directors, their associates or any of our current Shareholders (who, to the knowledge of our Directors, own more than 5% of our share capital) had any interest in our five largest suppliers in any period during the Track Record Period that are required to be disclosed under the Listing Rules.

Warehousing and Logistics

We maintain a centralized warehousing system to support our manufacturing operations, pursuant to which we have implemented a comprehensive warehouse management framework, encompassing operational procedures, component handling standards, safety protocols, and other regulatory controls. We also closely align warehouse location planning with production needs to minimize transportation time and handling costs. Our primary warehouse, located in Hengyang, Hunan Province, spans approximately 5,000 square meters. It stores both raw materials and finished products, while outsourced warehousing is primarily used for finished goods. We periodically conduct inventory audits to ensure constant visibility on our inventory condition.

Our logistics operations are primarily outsourced to four contracted service providers as of September 30, 2025, with agreements covering pricing, insurance, and delivery timelines. Our domestic logistics providers are required to hold valid licenses, registration and permits, and requisite qualifications for their drivers. For international shipments, customers typically engage their own logistics service providers. We evaluate logistics performance using a weighted scoring system based on route pricing, delivery timeliness, damage rates, and after-sales service. Coordination between logistics and commercial teams ensures that transportation specifications and schedules are tailored to customer requirements, enabling timely and quality delivery of goods.

MANUFACTURING

We operate a dual-sourcing manufacturing strategy that combines in-house production with OEM manufacturing.

Production Plants

Our self-owned production plant currently occupies a leased property on a plot of leased land in Hengyang, Hunan Province. The Hengyang plant commenced production in February 2025 and possesses a designed annual production capacity of 1.0 million units of products across all our business lines. We also maintained a production plant in Hangzhou from 2021 to early 2025.

As of September 30, 2025, our Hengyang plant is equipped with surface mount technology ("**SMT**") lines, dual in-line package ("**DIP**") and testing assembly lines and new product introduction ("**NPI**") and testing lines. We also maintain production lines for ESS Power Conversion product assembly. The DIP and SMT lines represent industry-standard processes for mounting and assembling electronic components. DIP lines are used for through-hole component placement and are particularly suited for high-reliability power supply products. SMT lines enable high-speed, automated placement of surface-mounted components, supporting compact, high-density circuit designs. The inclusion of NPI lines allows for rapid prototyping and pilot production of new products, facilitating faster time-to-market and continuous innovation. Our configuration of the Hengyang plant reflects our high level of manufacturing sophistication, enabling flexible production scheduling, efficient product iteration, and scalable output across diverse product categories.

We currently use the flexible NPI production line for AI Computing Server Power Supply products given their early stage of development and small scale relative to the other two business lines. The following table sets forth the production capacity and utilization rate for our other business lines for the periods indicated:

	Year ended December 31,						Nine months ended September 30,		
	2023			2024			2025		
	Capacity[1]	Production volume	Utilization[2]	Capacity	Production volume	Utilization	Capacity	Production volume	Utilization
	(Thousand Unit)	*(Thousand Unit)*	*%*	*(Thousand Unit)*	*(Thousand Unit)*	*%*	*(Thousand Unit)*	*(Thousand Unit)*	*%*
Application-Specific Computing Server Power Supply	261.3	219.1	83.9	233.4	198.2	84.9	201.3	173.9	86.4
ESS Power Conversion	16.1	11.8	73.7	328.5	280.3	85.3	462.6	437.6	94.6

Notes:

(1) Production capacity is calculated assuming continuous operation (10 hours per day, 26 days per month), adjusted for planned downtime for maintenance, process adjustments, and upgrades. For new plants, production capacity in a given period is prorated according to actual operating days from the start of production. Our production capacity is subject to adjustment based on the orders we receive and our sales forecast. The manufacturing of higher power output products typically requires longer production time and more production steps. As such, the capacity would be reduced if we forecast more high power output products will be produced in a given period.

(2) Utilization rate is calculated as production volume divided by production capacity, multiplied by 100%.

Our manufacturing operations are supported by our self-owned critical production and testing equipment, including:

- ***SMT placement machines,*** which are used to accurately mount miniature electronic components such as resistors, capacitors and integrated circuits onto PCBs;

- ***Programmable DC power supplies,*** which are primarily used for in-process inspection and finished product testing to verify electrical performance and stability; and

- ***Aging cabinets,*** which are used to conduct reliability and endurance testing through continuous operation under specified conditions to ensure product quality and long-term performance.

OEM Manufacturing

We strategically utilize a selective OEM manufacturing model to complement our in-house production capacity and enhance operational flexibility. During the Track Record, we engaged one OEM service provider in Changzhou and another in Malaysia, which have been integrated into our overall production and supply system. The OEM service provider in Changzhou and Malaysia commenced business relationships with us in 2021 and 2025, respectively. Both of them are Independent Third Parties. These collaborative relationships allow us to dynamically adjust capacity in response to fluctuations in market demand, optimize capital expenditure, and ensure supply chain resilience. Through this integrated supply chain approach, we optimize production utilization and ensure our ability to reach peak capacity during periods of heightened market activity.

Our Changzhou OEM service supplier primarily supports our air-cooled application-specific and AI computing server power supply manufacturing through its one-stop production capabilities that meet multiple quality management standards, including ISO9001, ISO14001, ISO45001 and IATF16949. To ensure confidentiality and product integrity, we are responsible for formulating product design, specifications, production processes, equipment selection and quality control, while the OEM manufactures strictly according to our technical requirements leveraging its manufacturing execution system. We also retain control over core components and materials by supplying them to the OEM. In our cooperation, which is carried out pursuant to contracts with durations of two years, we issue purchase orders detailing project name, purchase quantity, and delivery date, then prepare and ship materials to the OEM. After verifying material completeness, the OEM begins production. Finished goods are stored until we provide shipping instructions. We typically pay the OEM using bank acceptance note with a maturity of three months.

Our OEM collaboration in Malaysia has substantially similar terms as those with our Changzhou OEM service supplier. Our OEM service supplier in Malaysia collaborates with us primarily to support the assembly of ESS Power Conversion products. As of the Latest Practicable Date, we were also seeking to enter into OEM cooperation in Vietnam to expand our overseas manufacturing capabilities, and the terms of the collaboration is also expected to have substantially similar terms as those with our Changzhou OEM service supplier. Our overseas collaboration enhances our ability to fulfill the demands of overseas customers and increases our agility and sales channel resilience.

Manufacturing Process

Our manufacturing process is designed to ensure high-throughput, precision, and quality across all product categories. Production planning is closely monitored through monthly performance assessments and daily tracking reports, with production plan fulfillment incorporated into departmental KPIs to ensure accountability and responsiveness.

Key manufacturing steps include the following:

- ***Material Pre Processing.*** Incoming components undergo standardized pre processing to ensure consistency and readiness for high throughput assembly. Operations include pin forming/trimming, insulation sleeve installation, ESD-safe handling, kitting, and barcoding for traceability. Materials are verified against specifications through incoming inspection and quality gates. These measures reduce variability, prevent early-stage defects, and establish a controlled baseline for downstream SMT and assembly processes.

- ***Automated SMT Process.*** Solder paste is deposited via precision stencil printing, followed by SPI to validate thickness and coverage. High-speed pick and place equipment mounts miniature packages with tight tolerances. Reflow soldering is executed under rigorously validated thermal profiles to ensure joint integrity. Post reflow, AOI provides 100% inspection of solder quality, polarity, and placement accuracy. Process parameters are monitored continuously, improving yields and maintaining stable throughput.

- ***Through Hole Insertion & Wave Soldering.*** DIP and other through hole components are inserted per controlled work instructions. A quantitative spray system applies no clean flux to targeted pad regions before wave soldering. The directional molten solder wave achieves robust barrel fill and uniform joint formation. Finished boards undergo visual inspection of solder fillets, lead protrusion, and wetting quality. This stage enhances mechanical reliability and reduces rework in subsequent assembly.

- ***Selective Conformal Coating.*** High precision selective coating equipment applies conformal coating to defined sensitive areas of the PCBA while protecting keep out zones (e.g., connectors, heat sinks). Coating thickness is uniform and controlled, then cured per specification. The resulting protective layer improves mechanical strength, electrical insulation, and resistance to moisture, salt fog, vibration, and chemical exposure, significantly enhancing field reliability for products operating in harsh environments.

- ***System Level Integration & Assembly.*** Structural reinforcement is applied at critical components and connectors (e.g., dispensing adhesives) to improve stability and vibration resistance. Internal modules, thermal management structures, Mylar insulation, and the enclosure are assembled in sequence. Electrical connections are completed, torque on fasteners is controlled, and in process checks verify assembly integrity. The result is fully integrated electromechanical systems prepared for end of line testing and packaging.

- ***Comprehensive Testing & Final Inspection.*** Finished units undergo full functional testing to validate electrical performance, communications interfaces, and software operation against design specifications. Safety compliance testing includes insulation withstand (HiPot) and ground continuity. Visual inspection confirms cosmetic quality and labeling, followed by packaging readiness checks. Only products meeting functional, safety, and appearance criteria are serialized, packed, and released for shipment, ensuring consistent outbound quality.

Most of our manufacturing processes are thoroughly automated, significantly enhancing product consistency and reducing defect rates. Our technical workforce comprises experienced professionals with over 20 years of average industry expertise as of September 30, 2025, and our equipment portfolio is sourced from top-tier manufacturers. These advantages, combined with low labor costs and fast production cycles, form the foundation of our manufacturing competitiveness.

Inventory Management

Our inventories mainly include raw materials, work-in-progress, and finished goods. To support efficient production and operations, our inventory management process includes both routine cycle verifications and full-scale inventories. For certain materials, we perform daily or weekly verifications to maintain up-to-date inventory records, while minimizing disruptions to ongoing operations. In addition, we conduct semi-annual or annual full inventories to ensure overall consistency between our warehouse records and physical stock.

Logistics

Our products are generally stored in our own warehouses within our production plant prior to delivery. For the transportation of finished goods from our production plant and warehouses to customer-specified locations, we primarily rely on third-party logistics service providers. Our agreements usually set out terms including pricing, insurance, delivery timelines, and other service

requirements. Before each shipment, we confirm the transportation requirements and pricing with our logistics service providers. Our logistics service providers are required to obtain all necessary permits. For overseas deliveries, our customers often leverage their own logistics service providers.

We monitor and evaluate the performance of our logistics service providers based on multiple criteria, including pricing, delivery timeliness, product damage rates, and after-sales service. Our logistics function closely interacts with the sales team to arrange transportation with varying timelines and vehicle specifications according to customer requirements, ensuring that products are delivered on time and in good condition.

Quality Control

We believe that product quality is the cornerstone of our business operations and sustainable growth. We are committed to delivering products that meet the highest industry standards and exceed customer expectations. Our comprehensive quality control and quality assurance systems are both implemented by our dedicated quality control department and also integrated by our other departments into every stage of our production process, ensuring consistent and reliable production and delivery of high-quality products:

- **Design and Pre-Production Stage:** Prior to manufacturing, all products undergo rigorous performance validation, including black-box and white-box testing, EMC assessments, and reliability evaluations. These tests are designed to ensure that product designs meet applicable regulatory and customer requirements. Where applicable, environmental compliance testing is also conducted on finished units to meet customer-specific sustainability standards.

- **Incoming Material Inspection:** At the material intake stage, we implement strict conformity checks based on our material inspection protocols in compliance with industry standards. All incoming components and raw materials are tested and verified for compliance with technical specifications before being released into production. This process is governed by our *Incoming Material Inspection Standard*.

- **In-Process Quality Control:** During manufacturing, we conduct multi-level inspections to ensure process integrity and product conformity. These include first-article inspections, routine in-line inspections, and reliability sampling. Each step is documented and managed under our *In-Process Inspection Standard*, which ensures that any deviations are identified and addressed promptly.

- **Final Product Testing and Shipment Verification:** Finished products are subject to comprehensive reliability testing and final quality checks before shipment. This includes functional validation, stress testing, and conformance verification against customer specifications. The process is governed by our *Final Shipment Inspection Standard*, which ensures that only qualified products are released to customers. In addition, we conduct environmental compliance testing on finished equipment in accordance with customer requirements.

- **Post-Sales Quality Feedback and Root Cause Analysis:** Customer-reported quality issues are centrally managed by our Quality Director, who oversees root cause analysis to determine whether the issue originated from production or product design. This feedback loop informs continuous improvement across both manufacturing and R&D functions.

We have obtained comprehensive system certifications, including ISO9001, ISO14001, ISO45001 and QC08000, as we are committed to systematically managing the various aspects of our operations, including quality, environmental impact and occupational health. We also proactively seek certification of product quality standards both in Chinese mainland and abroad, including CCC/CQC/UL/TUV/CE, and quality acceptance standards such as IPC-A-600K/GB2828.1/IPC-JEDEC-J-STD-033C. We remain vigilant towards ongoing compliance with such standards and certifications. As such, we conduct regular internal audits and management reviews of our quality control systems to promptly identify and address potential issues, ensuring continuous improvement and refinement of our quality control systems.

WARRANTY AND AFTER SALES SERVICES

We generally provide a warranty for our products that extends around two years, which we believe is in line with prevailing industry practice. During the warranty period, we provide comprehensive support including product quality assurance, installation and troubleshooting assistance, and operational training. For machine failures caused by product quality issues, we guarantee a 2-hour response after receiving fault information, a preliminary cause analysis within 24 hours, and a detailed report within 5 working days. In 2023 and 2024 and the nine months ended September 30, 2025, we recorded warranty expenses of RMB0.1 million, RMB0.4 million and RMB1.1 million, respectively.

In terms of after-sales support, quality-related feedback from customers is consolidated and reported to the head of quality management. The feedback is then systematically analyzed to determine whether the issue originates from the production process or from product design and

development. This structured approach enables us to identify the root cause of quality issues efficiently and implement corrective measures, thereby enhancing product reliability and customer satisfaction.

We accept returns of our products for defects. We believe our return policy is consistent with the relevant PRC laws and regulations governing product quality and consumer rights and interests. We have not received any requests for returns during the Track Record Period and up to the Latest Practicable Date which individually or in aggregate had a material adverse effect on our business and financial condition. In addition, during the Track Record Period, we had not experienced any material product recall, liability claims or customer complaints that adversely impacted our reputation, business operations or financial condition.

INTELLECTUAL PROPERTIES

Our research and development efforts have produced 57 patents, including eight invention patents, 31 utility model patents, 14 software copyrights, four registered trademarks and one domain name as of the Latest Practicable Date. See "*Appendix IV — Statutory and General Information — Further Information about the Business — Intellectual Property*". These intellectual properties cover our production processes as well as the design of our products. To encourage continuous innovation, we have implemented a rigorous reward mechanism for the creators of intellectual properties.

We rely on a combination of intellectual property protections laws and contractual arrangements, including confidentiality provisions, to establish and protect our proprietary technologies, know-how and other intellectual property rights. Our intellectual property rights working group is primarily responsible for protecting our intellectual properties. We proactively manage and expand our intellectual property portfolio by establishing a systematic management framework and use confidentiality and non-compete agreements to protect our intellectual properties and trade secrets.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material infringement of our intellectual property rights. Neither our Group nor any of our intellectual properties was the subject of, or to the best of the Directors' knowledge, is expected to be subject to, any disputes or litigation in relation to the infringement of any intellectual property rights during the Track Record Period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to creating a sustainable and positive impact through our engagement with customers, suppliers, and local communities. Management prioritizes ESG matters and practices and continues to develop procedures and drive improvement to support our corporate mission and create long-term stakeholder value. We maintain certified environmental and occupational health and safety management systems, which govern our on-site environmental and occupational health practices.

Governance

We acknowledge our environmental and social responsibilities and are committed to complying with all ESG reporting requirements upon **[REDACTED]**. We believe ESG matters require Board-level oversight. Our Board retains ultimate responsibility for monitoring and managing material ESG issues, assisted by functional departments responsible for (i) determining our ESG development direction and objectives; (ii) reviewing and approving our ESG management systems; and (iii) reviewing our ESG reports and significant matters.

Guided by applicable national regulations, we will establish a comprehensive, well-structured, clearly defined, and efficiently operated ESG management mechanism after **[REDACTED]**. This includes a commitment to determining our ESG development direction and objectives, reviewing our ESG reports and major ESG matters, coordinating relevant internal and external work, researching laws, regulations, policies, and material issues related to our ESG issues, identifying and managing ESG-related risks and opportunities with significant impact on our business, guiding the daily implementation of ESG work and the preparation of ESG reports, understanding stakeholder demands, opinions, and suggestions, analyzing material issues, and executing the collection, preparation, and disclosure of information for ESG reporting. Current ESG priorities include ecological improvement, pollution prevention and control, resource conservation, and ecological protection.

Our ESG Policy defines the roles and authority for ESG management. Our ESG Committee consists of three directors. Led by Mr. Yin, our chief executive officer, chairman of the Board and general manager, it implements the policy, sets goals, and drives execution. Appointed by the Board, the ESG Committee oversees our ESG program and is accountable to the Board. The ESG Committee is mainly tasked with the following key responsibilities:

- ***ESG Strategy Development & Oversight:*** Develops and reviews our ESG responsibilities, vision, objectives, strategies, frameworks, principles, and policies and strengthens materiality assessments and reporting processes to ensure the sustained execution and implementation of ESG policies approved by the Board;

- ***Stakeholder Engagement Management:*** Oversees communication channels and methods between us and our stakeholders and ensures relevant policies are in place to effectively foster relationships with stakeholders and protect our reputation;

- ***Policy Review & Risk Management:*** It reviews key ESG trends and associated risks and opportunities and assesses whether our ESG-related structures and business models are adequate and effective. Where necessary, it adopts and updates our ESG policies to ensure they remain current and comply with applicable laws, regulations, regulatory requirements, and international standards. Additionally, it oversees our ESG performance, determining whether it aligns with investor and regulatory expectations and requirements;

- ***ESG Integration into Business:*** It promotes the integration of ESG principles into our business decision-making processes;

- ***ESG Initiative & Community Investment Oversight:*** It oversees our expenditure on ESG initiatives, including the overall budget and execution of charitable and community investment contributions;

- ***Operational Impact Assessment:*** It oversees assessments of the environmental and social impacts of our operations and provides recommendations to the Board;

- ***Periodic ESG Performance Review:*** It periodically reviews the achievement of our ESG and reports to the Board;

- ***ESG Report Review & Approval:*** It reviews our annual ESG report, recommends the report to the Board for approval, and proposes specific actions or decisions for board consideration to maintain the integrity of the ESG reporting;

- ***Compliance with Reporting Standards:*** It ensures our annual ESG report is prepared in accordance with the ESG reporting requirements under the Hong Kong Listing Rules;

- ***Board-Defined Ad Hoc Duties:*** It examines other matters as defined by the Board.

We will establish specific ESG targets and a regular review process for key performance indicators.

Environment Matters

We are a responsible enterprise committed to environmental stewardship and sustainable development as part of our corporate social responsibility. Our comprehensive environmental management policies are designed to mitigate operational risks and reduce our environmental footprint, while also pursuing related strategic opportunities. We maintain strict compliance with all applicable national laws and regulations including the *Environmental Protection Law*, the *Environmental Impact Assessment Law*, and the *Administration of Construction Project Environmental Protection*, as well as relevant environmental management standards. Guided by a commitment to green, low-carbon development, we have implemented a clear three-tier management structure involving senior leadership, operational entity heads, and onsite safety and environmental departments. This structure defines specific accountability for pollution control. To further strengthen our environmental governance, we incorporate ESG management performance into the annual evaluations of relevant personnel, reinforcing accountability and ensuring continuous improvement in our environmental responsibilities.

Risks Related to the Environment and Climate

We recognize the potential financial and reputational risks posed by environmental factors, including evolving regulations and standards. For instance, the carbon neutrality objective established in 2020 by the Chinese authorities, which targets a peak in CO_2 emissions before 2030 and full neutrality before 2060, could increase our operational costs. This may result from higher expenses for green energy procurement or from necessary investments in cleaner equipment and technology. Beyond delivering high-performance products to our customers, we are committed to minimizing the environmental impact of our products across their entire lifecycle, with a focus on climate change. We strive to reduce the carbon footprint of our products and advance genuine green manufacturing. This principle guides our efforts to lower emissions and improve efficiency throughout the product lifecycle, from design and manufacturing to end use. Sustainability criteria are embedded in how we evaluate product designs and select raw material suppliers, ensuring our operations reflect our commitment.

We acknowledge the material risks that climate-related issues present to our operations. These risks fall into two primary categories: physical risk and transitional risk. Physical risks stem from the direct impacts of climate change, such as increasingly severe and frequent extreme weather events such as storms, typhoons, and flooding. These could lead to higher operational and maintenance costs, increased insurance premiums, and potential threats to employee health and safety. Transitional risks arise from the societal and regulatory shifts in response to climate change. These include evolving consumer preferences and more stringent ESG disclosure requirements. Such changes may result in additional operating expenses, including costs related to enhanced monitoring of pollutant emissions and resource consumption.

To address these potential risks, we have implemented the following measures:

- ***Solar Panel Installation.*** We installed solar panels at the production base to offset grid energy consumption and reduce energy usage costs;

- ***Equipment Thermal Insulation.*** We added "wave soldering equipment insulation films" to each wave soldering machine, thereby reducing heat dissipation from the equipment, lowering workshop air conditioning costs, and optimizing the employee work environment.

The implementation of such measures has delivered the following advantages:

- ***Cost Savings:*** Reduced heat dissipation from wave soldering equipment decreases workshop air conditioning usage, saving daily electricity costs.

- ***Environmental Optimization:*** Enhanced heat dissipation measures effectively reduce solder fumes and odors, improving the employee work environment and lowering the risk of occupational diseases.

Beyond the measures outlined above, we are not currently aware of any other material environment or climate-related risks or damages that could adversely affect our business, strategy, or financial performance as of the Latest Practicable Date.

Opportunities Related to the Environment and Climate

As we manufacture high-efficiency power supply products and power conversion products, we view the rising global focus on environmental and climate issues as a growth opportunity. Building on our use of wide-bandgap semiconductors (GaN/SiC) and advanced circuit topologies, our portfolio achieves industry-leading efficiencies, reducing energy loss and cooling loads while supporting customers' decarbonization goals. We are expanding solutions for HVDC-ready data centers, microgrids, and intelligent energy storage that enable bidirectional power flow, dynamic energy dispatch, and resilient integration with renewable generation. These capabilities position us to capture demand from greener computing, distributed storage, and integrated PV-storage-charging applications as sustainability standards tighten across our end markets.

Metrics and Targets on Environmental Impacts

To effectively assess and manage our environmental impact, we closely monitor key metrics across our production facilities. The waste generated showed an increasing trend during the Track Record Period, due to the establishment of our Shanghai R&D Center in 2024 and the

commencement of production at the Hengyang plant in 2025. We commenced engaging a third-party specialist in 2025 to assess and quantify the amount of non-hazardous waste generated. As such, the number of non-hazardous waste generated for 2023 and 2024 is not available. Since our production activities do not involve the use of water, no wastewater is generated during production.

The following table sets forth the breakdown of our waste generated during the Track Record Period:

		Year ended December 31,		Nine Months ended September 30,
Metric	**Unit**	**2023**	**2024**	**2025**
Total hazardous waste generated	tons (t)*	0.1	0.1	0.1
Total non-hazardous waste generated	tons (t)	N/A	N/A	163.0
Non-hazardous waste intensity	tons (t)/revenue in millions (RMB)	N/A	N/A	0.2
Exhaust gas emissions	tons (t)	0.2	0.2	0.2

Note: all tons used in this section are metric tons

The resource consumption showed an increasing trend during the Track Record Period, due to the commencement of operation of the Shanghai R&D Center in 2024 and the commencement of production at the Hengyang plant in 2025. The following table sets forth our resource consumption data during the Track Record Period:

		Year ended December 31,		Nine Months ended September 30,
Metric	**Unit**	**2023**	**2024**	**2025**
Total electricity consumption	million kWh	1.7	3.6	5.8
Total domestic water consumption	thousand tons (t)	2.0	5.0	9.5
Packing material used	tons (t)	101.7	209.1	371.4

The greenhouse gas emission showed an increasing trend during the Track Record Period due to the establishment of the Shanghai R&D Center in 2024 and the commencement of production at the Hengyang plant in 2025. The metrics we have identified include GHG emission scope 1 and GHG emission scope 2.

The following table sets forth our GHG emissions during the Track Record Period:

		Year ended December 31,		Nine Months ended September 30,
Metric	**Unit**	**2023**	**2024**	**2025**
Total GHG emissions (Scope 1 and 2)	tCO2e	1,053	2,226	3,614
Direct GHG emission (Scope 1)	tCO2e	2	1	55
Indirect GHG emission (Scope 2)	tCO2e	1,051	2,225	3,559
GHG emission density	tCO2e/revenue in millions (RMB)	4.0	4.0	4.8

During the Track Record Period, we have not incurred any penalties for non-compliance with environmental regulations. We are committed to responsible stewardship of resources and the environment. As of the Latest Practicable Date, each of our production facilities hold valid pollution discharge permits issued by local authorities in compliance with applicable laws. Our PRC Legal Advisor confirmed that there were no penalties, fines or administrative sanctions imposed on us in relation to pollution discharge during the Track Record Period.

These metrics and measurements are in line with the norm of our industry, and our metrics as shown in the table above are in the average range. However, we strive to further reduce such emissions and discharges. By 2030, we plan to:

- Decrease our GHG gas emission per unit by 8%;
- Increase our electricity consumption from renewable resources by 8% from 223,300 MWh in 2023; and
- Decrease our water consumption per unit by 8%.

In alignment with our commitment to environmental stewardship, we have progressively implemented green and low-carbon office practices in our daily operations, tailored to the circumstances of our production facilities and administrative management. These initiatives include strengthening energy consumption management in offices, promoting the rational use of office paper, standardizing the management of official vehicles and business travel, and raising employee awareness of energy conservation and environmental protection through internal advocacy. This effort represents one of our key measures in advancing green office practices, and it is designed to reduce resource consumption and strengthen our contributions to ecological and environmental protection.

Measures on Managing Environmental Risks

Our environmental risk management strategy is proactive, embedding sustainable and low-carbon principles into every stage of facility planning and construction. This systematic integration enables the continuous improvement of our environmental management capabilities and ensures compliance with leading standards. Through proactive monitoring verification and systematic risk prevention, we implement a series of measures in our operations to mitigate environmental risks. We not only ensure operational activities comply with regulatory requirements but are also committed to continuous improvement through regular reviews:

- ***Proactively Verify Compliance Effectiveness:*** We conduct comprehensive third-party environmental monitoring at least once annually to proactively verify and ensure all emissions consistently meet standards.

- ***Systematic Risk Review and Prevention:*** We establish and annually review an environmental factors checklist to systematically identify, evaluate, and prioritize potential environmental risks, enabling dynamic adjustment and reinforcement of our daily preventive maintenance and control measures.

In addition, we have implemented a series of measures in our daily operations through the following two approaches to mitigate environmental risks and fulfill our targets.

- ***Internal Approach.*** We identify, evaluate, classify, and control on-site environmental factors according to environmental management requirements. Through establishing systems, optimizing processes, and conducting training, we oversee and manage the identified environmental factors.

- ***External Approach:*** We conduct environmental impact assessments and fully evaluate the implementation of environmental evaluations, emergency response plans, and acceptance assessments. Annually, we engage a third-party organization to perform on-site testing of waste water, waste gas, and solid waste to ensure the continuous effectiveness of our controls.

Specifically, we have implemented the following measures:

- ***Solar power utilization:*** We utilize solar energy for recycled power supply.

- ***Resource reduction:*** Water, electricity, and energy consumption are reduced through equipment upgrades, with implementation details described above.

- ***Wastewater discharge:*** Internal protocols govern management. Wastewater, such as cleaning agents and alcohol used after steel mesh washing, is collected, labeled, and stored in hazardous waste storage before regular third-party disposal. Annual third-party testing of waste water, waste gas, and solid waste ensures effective control.

- ***Exhaust filtration system:*** Exhaust emissions undergo primary filtration via baghouse filters at production sites, with final discharge points treated through secondary activated carbon adsorption.

- ***Solid waste disposal:*** Our dedicated supplier regularly handles hazardous waste. We maintain a designated hazardous waste storage area with zoned labeling and enforce the Solid Waste Management System, retaining transfer manifests for each disposal.

- ***Hazardous Chemicals:*** We conduct local environmental and safety assessments for all chemicals used. These are stored in dedicated explosion-proof warehouses within explosion-proof cabinets, clearly labeled with MSDS and safety precautions. Our Hazardous Chemical Management System provides staff training.

- ***Supplier Management:*** For social responsibility and environmental management, we conduct preliminary supplier evaluations using the Supplier Audit Template, which includes on-site audits covering CSR, HSF, and environmental management modules. Additionally, suppliers are required to sign CSR commitment letters and environmental disclosure statements upon onboarding.

To ensure these measures are effectively implemented, we conduct annual environmental and safety training sessions for employees on environmental identification forms and hazard source identification forms to enhance awareness. New employees undergo regular Level 3 safety education training conducted by safety officers upon joining. This equips our personnel with the necessary knowledge and tools to manage potential incidents.

Our manufacturing activities comply with all relevant environmental laws and regulations in the PRC. Regular inspections are conducted by local environmental protection authorities. According to our PRC Legal Advisor, throughout the Track Record Period, we have not incurred any material penalties for non-compliance with environmental regulations, nor have we experienced any major environmental incidents or material complaints that adversely affected our business, financial condition, or operational results.

For 2023, 2024 and the nine months ended September 30, 2025, our total costs for compliance with environmental and safety regulations were approximately RMB 0.1 million, RMB0.1 million and RMB0.3 million, respectively. We anticipate these costs will increase in proportion to our business growth.

Social Matters

We are committed to maintaining a fair and supportive work environment. To fully integrate corporate social responsibility (CSR) requirements into our supply chain management, we have established a comprehensive control system covering supplier onboarding, contractual obligations, and internal safeguards:

- ***Onboarding Assessment:*** During the new supplier introduction phase, we conduct specialized investigations and evaluations of their CSR management systems and implementation via the Supplier Audit Form.

- ***Contractual Obligations:*** All qualified suppliers are required to sign the CSR Agreement, which contractually specifies their commitments and responsibilities regarding labor rights, business ethics, environmental protection, and other areas.

- ***Internal Safeguards:*** By developing and implementing internal systems such as the *CSR Contingency Plan and Preventive Measures* and the *Corporate Social Responsibility Code of Conduct*, we clarify management responsibilities, standardize internal practices, and provide guidance for addressing potential risks. This ensures the effective execution and continuous improvement of CSR management.

We maintain transparent, legally compliant policies covering compensation, termination, and anti-discrimination. All employees receive induction training on their rights and responsibilities within the Group upon joining. Hiring is based on merit, which ensures fair, transparent compensation. We encourage employees to report discrimination, with a commitment to prompt investigation and confidential handling. Our community engagement includes regular employee participation in community service activities, such as blood donations, donation to schools.

Although our products are non-toxic and non-flammable, we prioritize occupational health and safety, adhering to PRC laws and regulations. Our ISO45001 certification confirms our alignment with international health and safety standards. We have implemented comprehensive internal controls, including regular safety inspections and established safety production systems. For further details, refer to "*Risk Management and Internal Control*". During the Track Record Period, all at-risk employees underwent required medical examinations, with zero work-related fatalities. As of September 30, 2025, we employed six full-time safety personnel. Our third-party-certified health and safety management system includes complete policies for accident prevention, recording, and handling, meeting ISO45001 standards. We conduct regular internal and external safety reviews, maintaining incident rates below the industry average. All new employees complete pre-job and environmental safety training and assessments. Regular scheduled training enhances self-protection skills, achieving a near-100% qualification rate. We distribute safety manuals and post instructional bulletins throughout our facilities. As a result of these efforts, we did not experience any material accidents during the Track Record Period.

DATA SECURITY AND PRIVACY

In recent years, data security and privacy have emerged as critical governance priorities for companies worldwide. In particular, the PRC legislative and government authorities regularly introduce new cybersecurity, data security and privacy laws and regulations. Consequently, our practices regarding the collection, process and transfer of various types of data may come under increased administrative scrutiny. See "*Risk Factors — Risk Relating to Our Business Operations — Interruption in or failure of IT, control and communication systems that we manage or that are managed by third parties could materially and adversely affect us*".

Due to our business needs, we collect and store business data, management data and transaction data generated during or in connection with our business operations, including data related to our business and transactions with our customers, suppliers and other relevant parties. We generally do not collect or process customers' personal information since our customers are companies rather than individuals.

In view of our operations, we prioritize data security and privacy protection, strictly adhering to the *Network Security Law*, *Personal Information Protection Law*, and *Data Security Law* standards and undergo annual supervision and audits by third-party institutions. Our legal and information technology departments are responsible for developing and implementing our policies and procedures relating to cybersecurity and data security.

Attributable to our sustained efforts, we have established a comprehensive data compliance system that consists of organizational structure and internal policies. Specifically, we have set up data security operational platforms covering multiple areas of our business operations, maintaining robust mechanisms to promptly report and address any identified information security risks. Our platforms and procedures ensure that we have a comprehensive set of protocols covering the prevention of data breaches, immediate action and response in case of data incidents and post-incident assessment and analysis. In recognition of our data security protection efforts, our data security policies have been certified under ISO27001, and we have obtained Tier 3 cybersecurity classification under the TISAX framework. Concrete measures include:

- conducting annual trial runs of data breach incidents to test our data protection mechanism and providing various data security trainings to our employees to ensure that our employees are well aware of our data security policies and their responsibilities in terms of data protection.

- safeguarding data through installing antivirus and firewall systems on all devices, adopting confidential file application and approval procedures, logging and audit trails for file operations and system access, as well as using offsite supercomputing centers with geographically separated backup and real-time disaster recovery capabilities.

- classifying customer data into four sensitivity levels and having corresponding access, storage, transmission and destruction protocols. Access to confidential customer information requires internal approval and registration. Employees are regularly trained to recognize and mitigate potential data leakage risks.

INFORMATION TECHNOLOGY

Our information technology systems are essential to our business operations. We have developed or employ various information technology systems, including enterprise resource planning systems and product lifecycle management systems, to streamline our operations. Our information technology department is responsible for developing and maintaining information technology systems to support our business operations and growth.

Our key information technology systems are set forth below:

- Our Customer Relationship Management system manages customers' information and sales processes. It helps to track potential customers and sales opportunities in order to enhance efficiency, reduce human errors and increase customer satisfaction.

- Our Enterprise Resource Planning system provides a unified platform that enables cross-departmental collaboration and enhances overall operational efficiency. It delivers real-time business data to help management in decision-making.

- Our Supplier Relationship Management system optimizes supply chain processes by predicting demand, managing inventories, reducing costs and enhancing the flexibility of the supply chain. It helps to ensure timely supply of raw materials and products.

- Our Quality Management system monitors and controls product quality to ensure compliance with our and industry standards. By conducting quality inspection and analysis, it detects and resolves quality issues early on and minimizes product defects.

COMPETITION

Global high-performance computing server power supply industry is relatively concentrated. As of December 31, 2024, there were approximately 20 high-performance computing server power supply manufacturers worldwide, the top five of which accounted for approximately 84.9%, among which we ranked fourth, with a market share of approximately 8.9%.

The Chinese high-performance computing server power supply industry is relatively concentrated. As of December 31, 2024, there were approximately 10 high-performance computing server power supply manufacturers in Chinese mainland, the top five of which accounted for approximately 77.8%, among which we ranked first, with a market share of approximately 18.9%.

In the meantime, the global ESS power conversion systems industry is relatively fragmented. In terms of revenue derived from ESS power conversion systems in 2024, we accounted for approximately 0.4% of the global market size of ESS power conversion systems.

See "*Industry Overview*" for details relating to the competitive landscapes.

SEASONALITY

Our sales of ESS Power Supply products usually peak in the third quarter, driven by customer inventory buildup ahead of the holiday season and year-end shopping events. Our other products and services are not subject to material seasonality.

See "*Risk Factors — Our sales may be influenced by seasonality*" for risks associated with the seasonality of our sales.

PROPERTIES

As of the Latest Practicable Date, we operated our business through leased properties in 18 locations in the PRC. We primarily use our leased properties as our production plant and office premises.

As of September 30, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include any valuation report in this document. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

As of the Latest Practicable Date, we leased properties in 18 locations with a gross floor area of approximately 31,361.45 square meters in the PRC, mainly as our production plant, warehouses and office premises.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date we had not obtained proper lease registration for 18 leased properties. As advised by our PRC Legal Advisor, the non-registration of the property lease will not affect the validity of the lease contract and the legal use of the leased property, but relevant local housing authorities may require us to complete the registration within the prescribed period and we may be subject to penalties of RMB1,000 to RMB10,000 as a result of the non-registration for each of the property. The maximum penalty we may receive due to such non-compliance is RMB180,000 and as advised by our PRC Legal Adviser, the likelihood of such penalty is not expected to have a material adverse impact on our and our PRC subsidiaries' business operations.

EMPLOYEES

As of September 30, 2025, we had 837 full-time employees, all of whom were located in the PRC. The following table sets forth a breakdown of our full-time employees by function as of September 30, 2025.

Function	As of September 30, 2025	
	Number	%
Production and Quality Management	529	63.2
Research and Development	247	29.5
Administrative	42	5.1
Sales and marketing	19	2.3
Total	**837**	**100%**

We provide our employees with certain benefits including social insurance coverage, housing provident fund contributions, health check-ups, meal allowances, as well as wedding, childbirth and immediate family bereavement payments. We enter into individual employment agreements with our employees to cover matters such as wages, employee benefits, confidentiality and grounds for termination. Our employees' compensation is determined by job positions, technical skills, performance and market benchmarks. We also conduct annual reviews to adjust compensation levels based on market trends and company performance.

In addition to direct employment, during the Track Record Period, we entered into labor dispatch agreements with Independent Third Party employment agents whereby the employment agents dispatched suitable staff to fulfill our job requirements on mutually agreed terms, including the number of staff to be dispatched, period of the dispatch and wages and benefits of the dispatched staff. Relevant costs of social insurance and housing funds are borne by such employment agents. Staff dispatched to us by the employment agent are engaged only in temporary, auxiliary or substitutable positions. We believe that the labor dispatch arrangements enabled us to maintain a sufficient and flexible level of labor force to meet our operation requirements.

INSURANCE

We maintain insurance policies to manage liability. For example, we have purchased insurance policies covering our vehicles. We review our insurance policies from time to time to assess the adequacy and breadth of coverage. We believe that our existing insurance coverage is adequate for our business operations and is in line with industry standards in which we operate.

Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "*Risk Factors — We may not have adequate insurance to cover losses and liabilities arising from various operational risks and hazards*". for further details.

LICENSES, PERMITS AND APPROVALS

We are required to obtain or maintain various licenses, permits and approvals in order to operate our business. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we have obtained all material licenses, permits and approvals necessary to operate our business in the PRC, and these licenses, permits, and approvals remain valid and in full force. Such material licenses, permits and approvals include Registration of Customs Declaration Entity, China Compulsory Certification ("**CCC**") Certificate, and Registration for Pollutant Discharge from Stationary Sources issued by competent authorities and held by relevant entities in our Group. We continually monitor our compliance with these requirements in order to ensure that we have all such approvals, licenses and permits as are necessary to operate our business.

We had not experienced any material difficulties in renewing material licenses, permits or approvals during the Track Record Period and do not expect there to be any material difficulties in renewing them upon their expiry.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no material litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, we have not been involved in material breaches or violations of laws or regulations, or any material non-compliance incidents which are expected to have a material and adverse effect on our business, financial condition or results of operations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our future operating performance may be affected by risks relating to our business. Some of these risks are specific to us while others relate to economic conditions and are general to the industry in which we operate. See "*Risk Factors*" for a discussion of these risks.

Our Board and senior management are responsible for establishing and maintaining adequate risk management and internal control systems. Risk management is the process designed to identify potential events that may affect us and to keep risks within our risk appetite. Internal control is the process designed to provide reasonable assurance regarding the achievement of objectives related to the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws and regulations.

Our Audit Committee is responsible for reviewing the regulations and primary objectives related to risk management, submitting comprehensive risk management reports to the Board as needed, reviewing risk management strategies and solutions for significant risks, and addressing other matters related to comprehensive risk management as authorized by the Board. Our internal audit department is tasked with overseeing the implementation of our risk management policies and systems. Other departments and business units are coordinated and supervised by the internal audit department in their risk management efforts.

We have engaged an internal control consultant to review our overall internal control procedures, including financial reporting, operations, compliance, and risk management. The internal control consultant recommended remedial measures for identified deficiencies. After our rectification, the internal control consultant performed follow-up procedures in December 2025, and no further material internal control deficiencies are identified in the follow-up review.