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OVERVIEW

Who We Are

We are a leading provider of digital and intelligent C&I energy storage solutions. Leveraging our energy management algorithms and full-stack technology framework, we offer advanced energy storage solutions to our customers worldwide. According to Frost & Sullivan, in the nine months ended September 30, 2025 and among approximately 900 Chinese C&I lithium-battery energy storage system integrators, we ranked eighth in terms of the global shipment volume of C&I energy storage systems and third in terms of the shipment volume of C&I energy storage systems in the overseas markets.

We offer a wide range of energy storage solutions across C&I, utility and residential applications. As an early mover in C&I energy storage technologies, we have developed advanced technical capabilities and broadened our application scenarios from traditional peak-shaving to more multi-dimensional and integrated operations, supporting the continued enhancement of our position in the industry. Furthermore, since our inception, we have consistently pursued a global strategy with strong competitiveness and solid market performance, particularly in overseas regions with high market barriers, making us one of the first movers among the Chinese enterprises to break in the C&I energy storage market in Europe.

We have focused on technological innovation while deepening insights into customer needs since our inception, continuously strengthening our competitive strengths and earning broad recognition from customers around the world. As of the Latest Practicable Date, our business covered more than 50 countries and regions, and our energy storage solutions were deployed in over 600 operational energy storage stations across more than 40 industries. As of the same date, we held a total of 189 intellectual property rights and obtained more than 570 certifications globally, operated three major R&D centers in the Chinese Mainland, and maintained six regional offices as well as 20 service centers in the Chinese Mainland, Europe, Australia, Hong Kong and other regions.

The quality of our solutions and our technological leadership have earned us broad recognition from government authorities and industry stakeholders. In 2025, we were designated a National Key Specialized, Refined, Distinctive and Innovative Little Giant Enterprise (國家重點專精特新“小巨人”企業) by the Ministry of Industry and Information Technology. In 2023, we received the First Prize of the 2022 Shanghai Science and Technology Progress Award (2022年度上海市科技進步一等獎) by the Shanghai Municipal Government. Our technological advancements have been applauded industry-wide. Since 2024, we have been ranked as a Tier 1 Global Energy Storage Manufacturer by Bloomberg New Energy Finance. In addition, leveraging our core technologies in Digital-Intelligent Distributed Energy Systems (數智化分布式能源系統) and AI-driven energy storage solutions, we won a gold medal at the Geneva International Invention Exhibition in both 2024 and 2025.

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The following table highlights our remarkable achievements:

<p>No. 8 in terms of the global shipment volume of C&I energy storage systems⁽¹⁾</p>	<p>No. 3 in terms of the overseas shipment volume of C&I energy storage systems⁽¹⁾</p>	<p>570 certifications granted globally⁽²⁾</p>
<p>281.5% revenue PoP growth 9M2024–9M2025</p>	<p>Over 50 countries and regions covered⁽²⁾</p>	<p>Over 40% revenue from overseas in 2024 and 9M2025</p>
<p>National Key Specialized, Refined, Distinctive and Innovative Little Giant Enterprise (國家重點專精特新“小巨人”企業)</p>	<p>First Prize of the 2022 Shanghai Science and Technology Progress Awards (2022年度上海市科技進步一等獎)</p>	<p>Gold Medal of the Geneva International Invention Exhibition in 2024 and 2025</p>

Notes:

- (1) Among Chinese energy storage system integrators in the nine months ended September 30, 2025, according to Frost & Sullivan.
- (2) As of the Latest Practicable Date.

Market Opportunities

The global energy industry is undergoing profound decarbonization and digitalization driven by technological innovation, policy and evolving market demands. This convergence of diverse drivers is reshaping the industry landscape, imposing demands on the flexible dispatch of traditional power systems, supply-demand balancing and large-scale grid integration of renewable energy. Lithium-ion battery energy storage systems and digital energy solutions enhance grid stability and support C&I users in managing energy costs and improving supply autonomy, becoming the core driver of industry development.

The global lithium-ion battery energy storage market is expanding rapidly. In particular, C&I energy storage has been a particularly dynamic segment and a major engine of industry growth. The following table sets forth the shipment volumes and CAGR of lithium-ion battery energy storage systems in the global and Chinese Mainland markets by business segment for the periods indicated:

	2020	2024	CAGR of shipment volume from 2020 to 2024	2030E	CAGR of shipment volume from 2024 to 2030E
<i>(GWh, except for percentages)</i>					
Lithium-ion battery energy storage market					
<i>Global</i>	14.2	230.0	100.6%	804.5	23.2%
<i>Chinese Mainland</i>	5.4	118.5	116.4%	386.7	21.8%
C&I energy storage segment					
<i>Global</i>	0.6	15.0	123.6%	68.0	28.6%
<i>Chinese Mainland</i>	0.5	10.3	113.0%	45.2	28.0%

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Digital energy solutions leverage information technology, artificial intelligence, big data and the Internet of Things to enable efficient production, distribution, storage and consumption management of energy. The digital energy solution market is also experiencing a rapid growth, underscoring its substantial long-term growth potential. The following table sets forth the size and CAGR of the global digital energy solution market for the periods indicated:

	<u>2020</u>	<u>2024</u>	CAGR of revenue from 2020 to 2024	<u>2030E</u>	CAGR of revenue from 2024 to 2030E
<i>(RMB in billions, except for percentages)</i>					
Digital energy solution market					
<i>Global</i>	27.3	97.3	37.4%	301.9	20.8%

As the market matures, industry requirements for advanced capabilities continue to evolve. Energy storage is progressing towards coordinated applications across the generation, transmission, distribution, consumption and storage of energy, while digital energy solutions are advancing towards the integration of hardware, software and AI, platform-based ecosystems and energy-as-a-service business models. Leveraging our deep industry expertise and technological accumulation, we deliver energy storage solutions that integrate both hardware and software and offer full-scenario services to our customers across various application scenarios.

Our Solutions

With our full-stack R&D capabilities across both hardware and software, we provide customers with C&I, utility and residential energy storage solutions that combine (i) hardware; (ii) its corresponding software platforms; and (iii) our after-sales services. Each of our energy storage solutions features a core hardware that is managed, optimized and enhanced by our software.

Hardware — Energy Storage Systems

Our C&I hardware primarily includes all-in-one energy storage systems consisting of PCS, batteries, our EMS, BMS and other components. Our C&I hardware adopts a modular design to deliver high-performance energy storage solutions for C&I customers worldwide across a broad range of application scenarios. Our portfolio of C&I hardware spans power ratings from 30kW to 2.5MW and can be deployed quickly and scaled as needed, serving customers from small- and medium-sized C&I facilities, communities and farms to large-scale applications such as factories and data centers.

Our utility hardware products primarily include (i) all-in-one energy storage systems; (ii) battery cabinets; and (iii) integrated step-up inverters. With grid-forming capabilities, our utility hardware products enhance weak-grid support, enables power smoothing and facilitates cross-temporal energy dispatch. It is designed for stable operation and flexible resource regulation, supporting large-scale power plants and grid operators worldwide.

Our residential hardware primarily includes (i) hybrid all-in-one energy storage systems; (ii) hybrid inverters; and (iii) batteries. We offer a portfolio of residential hardware under 15kW to support diverse household energy needs ranging from consumption of self-generated green energy, household power backup to participation in electricity trading.

Software — Digital Energy Solutions

Complementing our hardware, we developed our proprietary digital energy solutions consisting of WHES OS, WHES VPP, ECOS and ECOS Hub to meet the demands of C&I, utility and residential energy storage applications.

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WHES OS is the software hub and control center of our C&I and utility energy storage solutions, enabling the unified connection, real-time monitoring and refined control of various underlying energy assets, such as our energy storage systems and photovoltaic systems. In addition, WHES OS supports flexible deployment in and rapid switching between diverse application scenarios via standard interfaces and strategy engine.

WHES VPP is a distributed energy aggregation and operation platform built upon WHES OS. It centers on the energy storage systems deployed by us and centrally managed through WHES OS, while further aggregating and coordinating decentralized energy assets, such as charging stations and air-conditioning loads. Through such aggregation, these energy resources form a unified and dispatchable virtualized energy unit.

ECOS allows our residential customers to monitor the operating status of their residential energy storage systems and flexibly manage the operating modes of their photovoltaic and energy storage systems based on their electricity-usage habits and prevailing electricity price environment, thereby improving clean energy utilization efficiency and reducing electricity costs.

ECOS Hub is designed to support the efficient implementation of residential photovoltaic and energy storage systems. It enables installers to complete rapid on-site device networking, system initialization and functional configuration, and allows for real-time operational status monitoring, historical data querying and viewing of alarm information by our after-sales service providers in fault analysis and diagnosis, thereby enhancing operational and maintenance efficiency while reducing on-site servicing costs.

The table below illustrates the interplay between our hardware and software:

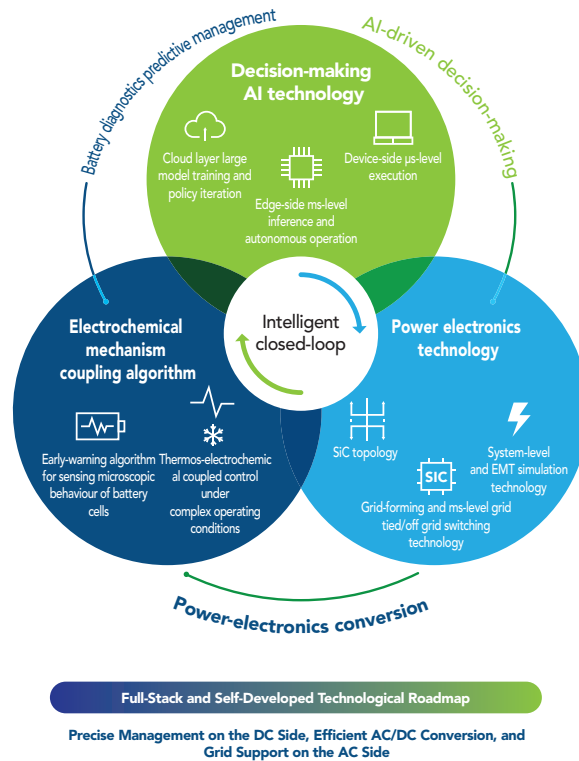
	C&I & Utility Energy Storage Solutions		Residential Energy Storage Solutions	
Functions	Strategy Optimization O&M Management Fault Prediction		Deployment Management Centralized Monitoring Remote Operation and Maintenance	
Software	WHES OS 	WHES VPP 	ECOS HUB 	ECOS 
	Collect and process Operating data	Generate and Execute optimal control strategy	Real-time operating status monitoring	Visualized presentation and AI-driven decision-making
Hardware				
	C&I Energy Storage Systems	Utility Energy Storage Systems	Residential Energy Storage Systems	

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In addition to our energy storage solutions, we provide comprehensive services covering energy storage asset security management, core operations and maintenance and value-added operational services. Leveraging our AI capabilities, we enable high-precision battery state forecasting, system safety alerts, charge-discharge optimization and multi-strategy market-based dispatch. These services that integrate equipment and services mark our evolution from a hardware supplier to a full-spectrum energy storage solution provider, offering our customers a secure, professional and continuously optimized energy operations ecosystem. We had submitted a trademark application for our new brand, “Weidun (維盾),” for our operation and maintenance services that cover our own and third-party renewable energy devices and systems.

Our Technologies

We are committed to delivering efficient and reliable energy storage solutions through integration of foundational physical technologies and advanced algorithms. With our proprietary, full-stack technological architecture, we have developed capabilities spanning electrochemical control, power-electronics conversion and AI-driven decision-making. These capabilities empower our energy storage solutions’ precise DC-side management, high-efficiency DC-AC energy conversion and robust AC-side grid support.



- Electrochemical mechanism coupling algorithm.** At the system-control level, we have developed the ability to closely monitor and regulate the internal state of battery cells. Using a high-precision state observer, our energy storage systems separate key internal reaction parameters in real time and use models based on cell aging to detect risks early. This allows our energy storage systems to keep each cell within safe electrochemical even during fast charging and discharging, marking a technological breakthrough from passive, post-event protection to active, pre-emptive immunity. To address non-linear degradation under complex operating conditions, we have also developed a thermo-electrochemical control model. By adjusting power output and thermal-management, this model helps effectively reduce irreversible internal losses inside the cells.

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- **Power electronics technology.** Building on our expertise in power electronics, we have developed a high-performance conversion system that bridges battery-side DC with AC. We use a silicon carbide (“SiC”) three-level topology, which significantly reduces switching losses, enhances round-trip efficiency and supports charge/discharge rates for high-frequency dispatch.

Our energy storage systems have active grid forming capabilities on the AC side and use virtual synchronous technology to provide virtual inertia and damping support, helping stabilize grid frequency. For scenarios requiring high reliability, we have designed a rapid 10ms grid-tied/off-grid switching mechanism that ensures uninterrupted power supply to critical loads. In addition, we have established a comprehensive, device-level simulation and verification framework, including hardware-in-the-loop and electromagnetic transient (“EMT”) simulation platforms, allowing us to verify grid-connection performance in accordance with major global standards such as VDE and AEMO.

- **Decision-making AI technology.** Our AI-driven digital energy storage system comprises cloud-based software, edge servers and energy storage systems, which ensures both the speed and intelligence of our energy storage solutions. The cloud software handles the overall dispatch and coordination, the edge servers perform localized computing and enable millisecond-level responses, and the energy storage systems execute the corresponding hardware operations and control logic with microsecond precision.

By linking underlying data, we support seamless over-the-air algorithm upgrades. Our EMS incorporates multimodal prediction algorithms that integrate load, photovoltaic and electricity-price data to automatically generate optimal charging and discharging paths. With high-computing-power edge gateways, our EMS supports fast frequency response and ensure compatibility with mainstream power-trading platforms. Its millisecond-level power-output adjustments also enable our customers to capture additional returns from ancillary service markets.

Our Global Expansion Strategy

We remain steadfast in executing our dual-engine globalization strategy, advancing in both domestic and international markets through region-specific, differentiated business deployments. Such approach has yielded notable progress across key target regions.

- **Market coverage.** With operations across five continents and over 50 countries and regions as of the Latest Practicable Date, for the nine months ended September 30, 2025, our overseas revenue accounted for over 40% of our total revenue. Our core markets include Europe, Australia and Southeast Asia. Having completed North American market certification, we are now positioned to advance towards full commercial deployment in the region.
- **Localized network.** As of the Latest Practicable Date, we had established six regional offices worldwide, nine service centers in the Chinese Mainland and 11 overseas service centers to enable rapid response and highly efficient service delivery, forming a robust global service network.
- **Global certification portfolio.** We had obtained more than 570 domestic and international certifications and test reports for our energy storage systems, covering authoritative market-access standards including IEC, CE, UL, VDE and CEI as of the Latest Practicable Date. This extensive certification portfolio not only ensures our compliance with diverse regulatory requirements across global markets, but also strengthens the worldwide recognition of our product quality and reinforces customer trust in our brand.

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Our Financial Performance and Sales Volume

Leveraging our industry recognition and business growth, we delivered strong financial performance during the Track Record Period. Our revenue increased steadily from RMB266.8 million in 2023 to RMB268.3 million in 2024, and increased significantly from RMB124.9 million in the nine months ended September 30, 2024 to RMB476.4 million in the nine months ended September 30, 2025. Our gross profit increased significantly from RMB22.0 million in 2023 to RMB48.5 million in 2024, and increased significantly from RMB18.5 million in the nine months ended September 30, 2024 to RMB90.8 million in the nine months ended September 30, 2025. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our gross profit margin was 8.3%, 18.1%, 14.8% and 19.1%, respectively.

The sales volume of our energy storage solutions increased throughout the Track Record Period, amounting to 159.6MWh, 192.2MWh, 70.8MWh and 456.5MWh, respectively, in 2023, 2024 and the nine months ended September 30, 2024 and 2025.

OUR COMPETITIVE STRENGTHS

A leader in the C&I energy storage solution market with large-scale delivery capabilities in complex application scenarios

We are one of the first movers in offering both hardware and software in the C&I energy storage sector and a leading player in this market. As of the Latest Practicable Date, we had developed a full-scenario solution portfolio covering the entire C&I energy storage landscape. According to Frost & Sullivan, in the nine months ended September 30, 2025 and among Chinese lithium-battery energy storage system integrators, we ranked eighth in terms of the global shipment volume of C&I energy storage systems and third in terms of the shipment volume of C&I energy storage systems in the overseas markets.

In the intensely competitive global energy storage market, we are strategically positioned in the technically demanding and fast-growing C&I energy storage segment. C&I users have demonstrated diverse operational needs, rely heavily on load-response performance, are sensitive to pricing and policy changes, pursue clear carbon-reduction and are influenced by regional factors such as climate conditions. In China, the C&I energy storage sector is transitioning from peak-shaving towards multi-dimensional, coordinated optimization. This transition introduces new requirements for active grid support through the integration of power source, grid, load and energy storage, as well as enhanced grid-forming and grid-following capabilities. In developed overseas markets, mature electricity-trading mechanisms support more complex, multi-device customer-side applications, including rapid frequency regulation, load response, grid-connected/off-grid control and microgrid operations. As of the Latest Practicable Date, we had deployed our energy storage solutions in over 600 energy storage stations worldwide, serving C&I customers across over 40 industries.

To meet diverse customer demands and increasingly complex scenario-based strategies, our open cloud-edge-device architecture enables rapid deployment of localized edge-AI agents for each energy storage station. These AI agents generate strategies tailored to specific customer requirements and coordinate differentiated assets, including photovoltaic systems, charging stations, diesel generators and production-process loads. By integrating real-time electricity pricing, grid-service requirements, weather forecasts and other multidimensional factors, our edge-AI agents autonomously optimize multi-value outcomes, from millisecond-level frequency regulation and minute-level demand response to hourly peak-valley arbitrage. Seizing the opportunity driven by advances in energy technologies and evolving market mechanisms, we are cultivating leadership across key segments of the emerging renewable energy system.

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Multidisciplinary, full-stack digital energy solutions that integrate hardware and software

We possess unique multidisciplinary innovation capabilities that deeply integrate electrochemical mechanism coupling algorithm, power electronics technology and decision-making AI technology. This foundation enables us to build a proprietary, full-stack software-algorithm system, creating software-defined hardware. Through our industrial-grade trusted IoT architecture, large-scale models and AI-agent matrices, we achieve precise, programmable control of standardized PCS units and battery packs, transforming energy storage systems from traditional devices that passively execute tasks into intelligent, continuously optimizable and dynamically revenue-generating digital assets. By leveraging cloud-based big data and edge-computing algorithms, we achieve millisecond-level monitoring and lifecycle prediction at the battery-cell level, substantially reducing hardware failure risks. Machine-learning-driven load forecasting and renewable-generation prediction, combined with intelligent scheduling algorithms that optimize charge/discharge depth and thermal-management strategies, substantially extend the asset lifespan and enhance the system-wide cycle efficiency of our energy storage systems throughout their entire lifecycle.

Guided by our innovation philosophy of independent research and development and deep integration across industry-academia-research-application, we have collaborated with Fudan University, TÜV SÜD and other institutions to establish the Shanghai Comprehensive Energy System Artificial Intelligence Engineering Technology Research Center (上海綜合能源系統人工智能工程技術研究中心). This research center underpins our comprehensive in-house R&D system, enabling end-to-end capabilities across key technological domains, including high-efficiency power electronics, battery modeling and safety technologies, lightweight edge AI and cloud-based intelligent applications.

As of the Latest Practicable Date, we had been granted 86 patents globally, including 33 invention patents and 35 utility patents, covering integrated battery management, power electronic devices and control, EMS and power trading, data trustworthiness and information security, advanced manufacturing and full-lifecycle operation and maintenance services. Our robust intellectual property portfolio strengthens our technological leadership and competitiveness. Our R&D achievements have been widely recognized. In 2025, we were designated a National Key Specialized, Refined, Distinctive and Innovative Little Giant Enterprises by the Ministry of Industry and Information Technology. In 2023, we received the First Prize of the 2022 Shanghai Science and Technology Progress Award from the Shanghai Municipal Government. Leveraging our core technologies in Digital-Intelligent Distributed Energy Systems (數智化分布式能源系統) and AI-empowered energy storage solutions, we won a gold medal at the Geneva Invention Gold Awards in both 2024 and 2025. We have also been recognized as the Shanghai Comprehensive Energy System Artificial Intelligence Engineering Technology Research Center (上海市綜合能源系統人工智能工程技術研究中心) by the Shanghai Municipal Commission of Science and Technology in 2022, Jiangsu Provincial Enterprise Technology Center (江蘇省企業技術中心) by the Department of Industry and Information Technology of Jiangsu Province in 2025 and Jiangsu Provincial Postdoctoral Innovation Practice Base (2025年度江蘇省博士後創新實踐基地) by the Department of Human Resources and Social Security of Jiangsu Province in 2025.

Leveraging our technological capabilities, our solutions have earned the trust of global customers, distinguished by notable efficiency, stability and intelligence.

A globally leading energy storage brand with continuously enhanced market influence and customer trust worldwide

From the outset of our establishment, we have pursued a core strategic objective of building a leading international energy storage brand, systematically developing global operational capabilities across brand positioning, product architecture, channel deployment and customer service. As of the Latest Practicable Date, our business spanned over 50 countries and regions, with overseas revenue accounting for over 40% of our total revenue in the nine months ended September 30, 2025. To remain close to our markets and customers, as of the Latest Practicable Date, we have established six regional

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offices worldwide, nine service centers in the Chinese Mainland and 11 overseas service centers in addition to our delivery capabilities facilitated by local warehousing partners, enabling localization from sales consultation and project delivery to after-sales operation and maintenance. Our global service network ensures efficient, timely and reliable customer support, reinforcing our ability to respond swiftly to local needs and strengthen long-term customer trust.

Product reliability is the cornerstone of our global reputation. We closely align with evolving international industry standards, and we have obtained certifications from multiple authoritative bodies for our energy storage systems, including IEC, EU CE, UL, VDE and CEI, providing a solid foundation of compliance and credibility for our overseas expansion. We are one of the first Chinese enterprises to obtain the UL 9540A system-level certification for integrated industrial energy storage cabinets. Both being thermal runaway testing standards, the UL 9540A certification imposes stringent requirements on supply chain management and R&D capabilities, which is widely recognized in the global markets where we are extending our business footprint. In addition, our R&D laboratories have been accredited by globally recognized certification organizations including TÜV SÜD and Intertek, further reinforcing the technical rigor and reliability underpinning our portfolio of energy storage systems.

Through our reliable system performance and professional service capabilities, we have earned the long-term trust of customers worldwide. During the Track Record Period, our customer base expanded from 81 in 2023 to 195 in 2025, with a customer satisfaction reaching 95%. We have established strategic partnerships with multiple Fortune Global 500 companies and leading industry participants, including Contemporary Amperex Technology Co.Limited, TCL Photovoltaic Technology (Shenzhen) Co., Ltd. and BayWa r.e. Solar Trade Holding GmbH. These collaborations continue to enhance our global brand influence and strengthen customer loyalty.

An integrated hardware-software global service system that drives full-lifecycle value enhancement

Aligning with industry trends toward vertical integration and operational transformation, we harness our integrated full-stack capabilities spanning smart hardware and digital platforms, combined with our global service network. Such approach enables us to expand our business beyond sales of standalone energy storage systems into full-lifecycle solutions covering operational optimization, revenue enhancement and continuous support.

We have developed a full-stack technology system including proprietary smart terminals, edge EMS and cloud-based intelligent software platforms of WHES OS, WHES VPP, ECOS and ECOS Hub. This achieves deep integration across energy storage equipment, operational strategies and electricity markets. By connecting the equipment and operational management layers, the system supports intelligent oversight of critical operational dimensions of energy storage systems, including real-time monitoring, performance scheduling, health diagnostics and early-stage fault warnings. Leveraging our WHES OS, WHES VPP, ECOS and ECOS Hub, with electricity price forecasting, load prediction and AI-driven scheduling algorithms, we transform energy storage systems from passive, command-driven devices into dynamically optimized, continuously revenue-generating smart assets.

Our advanced software capabilities consistently underpin our customers' preference for our energy storage solutions. As of the Latest Practicable Date, our energy storage solutions had been deployed in over 600 energy storage stations globally. Our software also exhibited strong customer retention and scalability, with over 80% of domestic customers selecting software incorporating VPP and electricity price management features. In overseas markets, the AI features of our WHES OS have been increasingly deployed across major European energy markets, including Italy, Germany, the United Kingdom, Ireland, Belgium and Bulgaria, reflecting high adaptability to varied regulatory environments contributing to higher economic returns for end users.

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We have also built a unified global data infrastructure capable of processing hundreds of millions of high-frequency, cleaned data points each day. Leveraging this high-value dataset, we have developed a cloud-based pre-diagnostic system and a large-model agent matrix, enabling 24/7 centralized monitoring, intelligent health assessment and predictive maintenance globally.

As of the Latest Practicable Date, we have established localized product delivery and operation and maintenance service centers in mature energy markets such as Europe and Australia. This global service infrastructure enables us to provide comprehensive, end-to-end support covering installation and commissioning, performance optimization, operational management and long-term maintenance. Through these capabilities, we ensure round-the-clock stable operation for our customers and help maximize their long-term economic returns.

Digital flexible manufacturing and supply chain collaboration management underpinning a differentiated global competitive edge

By deeply integrating resources across the industrial value chain, we have established vertically integrated capabilities anchored in digital, flexible manufacturing and designed for high-efficiency global delivery. This integration enables us to maintain industry-leading performance in cost, quality and speed as we scale up.

Supported by multiple digital production lines for our C&I residential energy storage systems as well as our advanced flexible-manufacturing management systems, we have developed multi-category, small-batch, rapid-switch manufacturing capabilities. Our production lines can complete product changeovers within 30 minutes, enabling multi-category production while maintaining global standards of high consistency and reliability. Through the integration of MES, intelligent warehousing and end-to-end quality traceability, we deliver differentiated manufacturing capabilities and efficient global fulfillment across over 50 countries and regions, meeting diverse regulatory requirements, environmental conditions and customer needs.

We have also built a global supply chain system centered on direct sourcing of core components, tiered management of structural parts and closed-loop quality control for outsourced materials. This highly collaborative and transparent supply chain enables agile global resource allocation. Combined with our mature logistics management framework, our supply chain system forms a robust delivery backbone and reinforces our cost competitiveness, supporting rapid and sustainable business growth.

Our highly qualified international management and R&D teams working in concert to drive our recognition with multiple prestigious honors

We have assembled a high-caliber management team with international backgrounds. Dr. Sun Yaojie, our Chairman, is a leading scholar in China's power electronics control, energy storage and smart grid fields. As a professor and doctoral supervisor at Fudan University, he has served on expert panels under national ministries and contributed to major national research programs and standard-setting initiatives relating to energy storage and next-generation power systems. Our management team brings together multidisciplinary expertise across engineering, science, finance and corporate management, with diverse nationalities and international educational backgrounds. Many core management members have overseas experience or have worked at top-tier industry leaders, supporting diversified and professionally grounded decision-making. Since 2021, our middle and senior management has maintained a retention rate of over 95%, ensuring strategic continuity and consistent execution.

Our R&D team possesses expertise across key technology domains, including AI, power electronics, electrochemical modeling and safety engineering. Several of our core technical personnel graduated from leading institutions and bring over a decade of hands-on experience in hardware/software development for renewable energy equipment and in advanced power electronics research. This strong talent pool underpins our innovation capabilities and reinforces our leadership in system-level technology integration.

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Our team has also accumulated substantial experience in industry-standard formulation, technological innovation and practical industrial implementation. Several core technical experts have led or participated in the drafting of domestic and international industry standards. These contributions include three national standards, two international IEC electrochemical standards and nine group standards. These efforts support our continued advancement in energy storage system delivery and technical alignment with industry requirements.

OUR STRATEGIES

Focusing on digital intelligent energy storage while strengthening our R&D capabilities to maintain leadership in both technology and scale

We plan to strengthen our full-stack, in-house R&D capabilities by expanding investment across advanced hardware technologies, cloud platform architecture and AI computing infrastructure to establish an integrated technology system spanning underlying physical control, power-electronics conversion and AI-driven decision-making.

- ***Advanced hardware and core control systems.*** We plan to deploy cutting-edge hardware and control platforms to build a diversified product portfolio. In particular, we plan to:
 - Strengthen our in-house R&D in foundational technologies, including DSP core control, battery cell electrochemical analysis and thermal/cooling technologies, thereby reinforcing our product foundations; and
 - Consolidate our advantages in SiC-based PCS and active grid-forming technologies, while exploring R&D in robotics-based mobile energy storage, intelligent charging/swap stations and DC-coupled ultra-high-speed storage-charging systems, thereby defining proprietary DSP and time-sensitive networking chips and system applications, and iterate edge controllers and microgrid controllers to enable a progression from standalone energy-storage devices to a diversified, intelligent energy-hardware ecosystem.
- ***Cloud-edge-device intelligence and data/computing foundation.*** We intend to strengthen both our computing power and data foundations while comprehensively upgrading the intelligence across cloud, edge and device layers. In particular, we plan to:
 - Build a big-data and AI infrastructure, including integrated edge-AI appliances that unify software and hardware;
 - Optimize our WHES OS, WHES VPP, ECOS and ECOS Hub, with a focus on time-series databases, enterprise-grade big-data platforms and industry-specific open-source datasets; and
 - Enhance our computational support and data governance to improve the accuracy of time-series control, power-generation and load-forecasting models, thereby enabling autonomous decision-making for our energy storage systems and maximizing their value.
- ***R&D verification and global standard compliance.*** We plan to further refine our R&D verification framework to support compliance with global standards. In particular, we plan to:
 - Leverage our R&D centers in Wuxi, Shanghai and Xi'an to establish an integrated verification framework spanning from the device to the system level, which is designed to achieve precise control at the equipment level, informed by comprehensive grid-level impact assessment; and

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- o By recruiting interdisciplinary, senior R&D talent, we aim to sustain industry leadership in product-portfolio optimization and frontier technology exploration, accelerating the transformation of our energy storage systems from devices that passively execute tasks to assets that actively generate economic value.

Implementing our global expansion strategy to achieve dual-track market penetration both domestically and internationally

We will adhere to our dual-track global strategy for both domestic and international market development, continuously deepening our global market penetration and enhancing our service capabilities worldwide.

In terms of market expansion, we will continue to strengthen and consolidate our core advantages in Europe. Leveraging our established brand recognition, we intend to further increase regional penetration and expand our channels to solidify our strong position. In addition, we plan to enter the strategically significant North American market. As one of the first Chinese enterprises to have obtained the UL 9540A certification, which imposes stringent requirements on supply chain management and R&D capabilities, we are well-positioned to extend our business footprint in North America and capitalize on its high-profit potential by establishing local sales and service teams to secure a solid foothold.

Emerging markets, including Southeast Asia, the Middle East and Latin America, are key engines of our future growth. In response to rising demands for transition to renewable energy in these regions, we plan to develop tailored solutions for weak-grid and microgrid scenarios, enabling rapid market entry and the creation of new revenue growth drivers.

To support these objectives, we plan to follow a principle of going global while staying local. We plan to establish regional hubs in North America, the Middle East and Latin America, achieving localized sales, technical support and operational capabilities through local subsidiaries, joint ventures, and service centers. We also plan to progressively localize our supply chain and manufacturing establishing regional distribution centers in core markets to shorten logistics routes, mitigate shipping-cost volatility and support local delivery.

We plan to further enhance our existing service networks in China, Australia and Europe, and prioritize building service capabilities in Latin America, Africa and the Middle East. By implementing rigorous evaluation and certification mechanisms, we plan to expand our global service network by partnering with third-party service providers. We also plan to establish a three-tier spare-parts supply system, comprising central, regional and on-site spare-parts warehouses, to ensure rapid response capability. Leveraging our new service centers and spare-parts supply system, we plan to enhance our overseas operation and maintenance services by expediting our responses to customer requests and expanding our communication channels with overseas customers. Our service coverage will extend across all energy storage application scenarios, offering global customers premium, full-lifecycle energy-storage system services.

Expanding horizontally with existing technologies and products to create a second growth curve

To achieve business diversification and sustained growth, we plan to actively expand our software and service offerings, establish a multi-tiered revenue structure and reinforce our existing product and technological advantages.

We plan to develop energy management SaaS subscription services built upon our proprietary, WHES OS, WHES VPP, ECOS and ECOS Hub. We aim to further increase WHES OS penetration in high-value energy markets, particularly in Europe, evolving from traditional single-dimensional energy management to comprehensive energy asset management services. Powered by AI-driven forecasting and optimization algorithms, the systems on our platforms will conduct in-depth modeling of regional and

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industry-specific energy consumption patterns, autonomously generating adaptive localized operational strategies that capture market volatility returns and optimize the balance between energy savings and energy-trading gains. We are also developing an AI-powered intelligent assistant tailored for energy scenarios, providing pre-sales solution simulations and post-sales technical support via natural-language interaction. Meanwhile, ECOS will function as the central hub of our residential energy systems, using deep learning to understand household energy patterns and automatically optimize the scheduling of photovoltaic systems, heat pumps and charging stations. Enabled by data feedback loops, ECOS will empower households to achieve independent, economical, flexible and low-carbon energy usage. This data-driven, deeply integrated operational model is expected to generate sustainable customer value through transaction-based profit sharing, while enabling us to iteratively enhance our software based on evolving user behavior. Over time, we anticipate WHES OS and ECOS to lay the foundation of a high-barrier SaaS subscription and energy value-added service ecosystem.

We plan to cultivate a second growth curve through asset-operation and value-added services. Leveraging our proprietary WHES VPP, we target to aggregate distributed commercial, industrial and residential energy storage resources, enabling large-scale participation in demand response, ancillary services and power-trading markets. This will generate operational revenue through professional aggregation and optimization services. Through our independent service brand, "Weidun," we plan to provide comprehensive energy storage management services, covering system commissioning, inspection, maintenance, spare-parts management, battery recycling and performance optimization. Over time, we plan to broaden our service scope and depth to include wind, photovoltaic and other power-electronics equipment. We also plan to invest in and independently operate photovoltaic and energy storage projects in selected regions to secure low-cost green power. Supported by our forecasting and trading capabilities, we plan to offer competitive green-electricity packages or integrated energy services to industrial parks, enterprises and other customers. This advances our business model from one-time equipment sales towards energy-as-a-service, enhancing customer stickiness and overall project profitability.

Through these initiatives, we aim to accelerate our transformation from a hardware-centric equipment provider into a comprehensive energy storage solutions and operations-service provider.

Expanding production capacity and enhancing digital intelligence capabilities

To meet accelerating global demand for energy storage solutions, we plan to significantly expand our production capacity while advancing the digital and intelligent capabilities of our manufacturing operations. Domestically, we intend to upgrade our existing production capacity and build new production for the production of C&I, utility and residential energy storage systems across various scenarios. See "Future Plans and [REDACTED]." To support our globalization strategy, we also plan to establish overseas production facilities through joint investments, which are expected to enhance our international delivery capabilities and serve as key nodes for regional production.

We plan to comprehensively upgrade the digitalization and automation of our production lines to significantly enhance our production efficiency, quality assurance capabilities and cost competitiveness. We plan to implement a holistic digital and smart upgrade strategy powered by big data and AI. By breaking down data silos across supply chain, production, R&D and marketing, we aim to build a unified, efficient enterprise-level data-middle-platform. This initiative is expected to enable (i) precise demand forecasting and intelligent scheduling across our supply chain; (ii) smart production including equipment self-optimization and predictive maintenance; (iii) enhanced R&D efficiency through accelerated product iteration and simulation-driven innovation; and (iv) the creation of comprehensive customer profiles, enabling personalized services and targeted marketing outreach. By leveraging digital intelligence as a long-term growth engine, we aim to strengthen our competitive edge and drive sustainable, high-quality global expansion.

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OUR BUSINESS SEGMENTS AND MODELS

During the Track Record Period, we primarily derived our revenue from the sales of C&I, utility and residential energy storage solutions. The following table sets forth a breakdown of our revenue by offering type for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(RMB in thousands, except for percentages)</i>							
					<i>(unaudited)</i>			
					<i>(unaudited)</i>			
C&I energy storage solutions	88,843	33.3	221,638	82.6	107,670	86.2	330,456	69.4
Utility energy storage solutions.	158,411	59.4	14,572	5.4	—	—	94,091	19.7
Residential energy storage solutions.	19,525	7.3	29,368	11.0	16,532	13.2	48,048	10.1
Others ⁽¹⁾	<u>56</u>	<u>0.0</u>	<u>2,697</u>	<u>1.0</u>	<u>683</u>	<u>0.6</u>	<u>3,794</u>	<u>0.8</u>
Total	<u>266,835</u>	<u>100.0</u>	<u>268,275</u>	<u>100.0</u>	<u>124,885</u>	<u>100.0</u>	<u>476,389</u>	<u>100.0</u>

Note:

(1) Primarily included (i) service fees from energy storage stations to optimize our customers' energy costs under energy management contracts; and (ii) fees for our customization and development of energy storage systems.

We provide our customers with energy storage solutions designed for their diverse needs in C&I, utility and residential application scenarios. The energy storage solutions that we offer combine (i) hardware; (ii) its corresponding software platforms; and (iii) our after-sales services. Each of our energy storage solutions features a core hardware that is managed, optimized and enhanced by our software. These solutions typically come with a warranty period ranging from three to ten years. We have built a complete business closed loop featuring global market coverage, differentiated sales channels and milestone-based payment collection.

Our core value lies in our ability to accurately match the energy needs of different customers. Whether it is the energy conservation and efficiency improvement needs of C&I customers, the energy dispatching optimization needs of utility customers or the smart energy consumption needs of residential customers, we can provide adaptive integrated solutions. Our energy storage solutions have a global customer base with a cross-regional and multi-scenario market layout.




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OUR SOLUTIONS




C&I and Utility Energy Storage Solutions

Hardware — Energy Storage Systems

Our C&I hardware primarily includes all-in-one energy storage systems consisting of PCS, batteries, EMS, BMS and other components. The following table sets forth the configuration capacity, application scenarios and features of our key C&I hardware:




Model	Configuration capacity and application scenarios	Features
 PC-G1/PC-B	<ul style="list-style-type: none"> ● 100kW/233kWh ● Global C&I scenarios 	<ul style="list-style-type: none"> ● Advanced and efficient liquid cooling technology ● Certified for over 50 countries and regions worldwide ● Each cabinet is pre-assembled and ready for export ● Under standard installation conditions, a single cabinet can achieve grid connection within one hour
 PC-G2	<ul style="list-style-type: none"> ● 62.5-250kW/500kWh ● Overseas C&I scenarios ● 2-, 4- and 8-hour energy storage scenarios 	<ul style="list-style-type: none"> ● Supports rapid capacity expansion and allows for flexible deployment across diverse site conditions with a depth of just 1.5 meters ● Designed for a service life of 20 years, exhibiting an average annual degradation of less than 2% ● Wall-mounted liquid cooling technology that enables fast maintenance and includes an automatic fluid replenishment function ● Engineered with noise reduction in mind and operates at only 65dB under full load, making it well-suited for community energy storage applications ● Certified for Germany and multiple other countries worldwide
 PC-mini	<ul style="list-style-type: none"> ● 29.9-50kW/57-100kWh ● Overseas mid- and small-scale C&I scenarios ● Photovoltaic and energy storage hybrid scenarios, off-grid scenarios and microgrid scenarios 	<ul style="list-style-type: none"> ● Integrated hybrid photovoltaic and energy storage system ● Ultra-high energy density of 100kWh capacity within only 0.86m² ● Grid-to-off-grid switching time under 10ms that ensures uninterrupted power supply ● Compatible with multiple energy inputs including photovoltaic and diesel generators, supporting up to 2x photovoltaic oversizing and 4-channel MPPT input to deliver reliable power supply in challenging environments, guaranteeing uninterrupted operation

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Model	Configuration capacity and application scenarios	Features
 PC-C	<ul style="list-style-type: none"> ● 125kW/261kWh ● Domestic C&I scenarios 	<ul style="list-style-type: none"> ● High area energy density exceeding 200kWh per square meter, making it suitable for various space-constrained application scenarios ● Supports parallel operation of up to 16 units, widely adaptable to diverse customer needs ● Integrated EMS, BMS and smart power distribution for reduced costs and enhanced efficiency ● Capable of operating at 1.1 times overload capacity ● Wide operating temperature range from -30°C to 55°C, designed to withstand extreme environments
 PC-D	<ul style="list-style-type: none"> ● 418kW/836kWh ● Domestic C&I scenarios ● 10kV/20kV large-scale industrial and energy-intensive scenarios 	<ul style="list-style-type: none"> ● Features an ultra-compact 1.4m-deep enclosure, designed for flexible deployment in space-constrained industrial environments ● Supports flexible cluster reduction and on-demand capacity expansion, readily adapting to the evolving application needs of customers at different stages of development ● Achieves full-power operation at 50°C without derating, effectively addressing application challenges related to heat accumulation in factory settings
 PC-E	<ul style="list-style-type: none"> ● 125kW/522kWh ● Domestic C&I scenarios ● 4-hour energy storage scenarios 	<ul style="list-style-type: none"> ● Modular architecture with flexible design enables rapid deployment ● System efficiency of up to 91% ● Offers flexible installation while delivering high performance and easy maintenance ● Four-level active and passive fire protection ensures equipment safety

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Our utility hardware primarily includes (i) all-in-one energy storage systems; (ii) battery cabinets; and (iii) integrated step-up inverters. The following table sets forth the configuration capacity, application scenarios and features of our key utility hardware:

Model	Configuration capacity and application scenarios	Features
 PA-3.0	<ul style="list-style-type: none"> ● 744-1,488kW/1,490-2,980kWh ● Global large-scale C&I scenarios ● Global utility scenarios 	<ul style="list-style-type: none"> ● String-type PCS architecture which isolates single-point failures and eliminates performance bottlenecks ● Support flexible cluster reduction and are compatible with both 2-hour and 4-hour configurations, allowing adaptation to a wide range of complex environments and application needs ● Integrated AC/DC design that streamlines installation ● Factory pre-commissioning that minimizes the potential for wiring errors during field installation ● Automatic fluid replenishment system that cuts maintenance time by 50%
 SC Series	<ul style="list-style-type: none"> ● 1.5MW-6.25MW ● Domestic utility scenarios 	<ul style="list-style-type: none"> ● Integrated design that combines energy storage converter, step-up transformer, high- and low-voltage distribution cabinets and EMS into a single, compact unit ● The PCS employs a three-level topology along with an air-water cooling solution, achieving a maximum conversion efficiency of 99% ● Designed for reliable operation across a wide temperature range and supports multiple communication protocols ● Enables grid-forming application
 ESS Series	<ul style="list-style-type: none"> ● 3MWh-5MWh ● Domestic utility scenarios 	<ul style="list-style-type: none"> ● Integrates the battery, BMS, fire protection and liquid cooling into a single, compact unit ● Compatible with 1,500kW and 2,500kW energy storage converters and supports both 2-hour and 4-hour system configurations ● Integrated variable-frequency liquid cooling system that ensures a system-level cell temperature difference of less than 3°C ● Equipped with a multi-tiered (four-stage) fire protection system

Our utility energy storage solutions are typically customized for large-scale, energy-intensive projects, which, according to Frost & Sullivan, is common in the energy storage system industry. During the Track Record Period, the number of orders we secured for our utility energy storage solutions was relatively limited.

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Software — Digital Energy Solutions

WHES OS

WHES OS was developed to meet the demands of C&I and utility energy storage applications. WHES OS serves as the software hub and control center of our energy storage solutions. As an integrated platform that enables the unified connection, real-time monitoring and refined control of various underlying energy assets, such as photovoltaic systems, energy storage systems, charging facilities, loads and auxiliary energy equipment, via an edge EMS, WHES OS is built on a cloud-edge-device collaborative architecture. In addition, WHES OS supports flexible deployment in and rapid switching between diverse application scenarios via standard interfaces and strategy engine.

WHES OS continuously acquires and processes operational data from various types of energy equipment and their interaction with the grid. Based on load characteristics, energy-mix structures and operational constraints, WHES OS dynamically generates and executes optimal control strategies for energy storage systems, contributing to the optimization of remote operation and maintenance management and fault prediction, significantly enhancing the safety, reliability and operational efficiency of our energy storage systems. At the application and dispatching level, WHES OS supports complex operations in different application scenarios, such as demand control, virtual capacity expansion, peak-valley arbitrage, grid-connected/off-grid switching, power-quality management and fully off-grid photovoltaic-storage-diesel hybrid operation. Through strategy decoupling and modular configuration, the same energy storage system can flexibly adapt to various operation modes depending on customer needs and regulatory environments. Meanwhile, WHES OS is built with a highly open and compatible system architecture, capable of interfacing with utility dispatch/control gateways, overseas EMS and VPPs, achieving cross-platform coordinated power dispatching while expanding the application boundaries and business models of our energy storage systems.

As of the Latest Practicable Date, we had deployed four data centers globally for WHES OS, empowering it to manage over 600 energy storage stations with an aggregate installed capacity of 953.47MWh. Among these energy storage stations, over 400 were located in China, for which WHES OS had facilitated over 160GWh of charge/discharge cycles and contributed to a carbon emission reduction of 24,500 tons, generating economic benefits exceeding RMB90.0 million for our customers.

The following illustration shows the entry portal of WHES OS:



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Cell-level status sensing, real-time collection of comprehensive cell data, combined with 3D rendering digital twins for rapid anomaly localization



Core metrics such as revenue and charge/discharge capacity

Fundamental information such as project capacity, commissioning date, and SOH



Function list: Includes reports, power curves, temperature field monitoring, revenue performance, PCS and battery monitoring, etc.

Real-time charging/ discharging power of equipment

Leveraging the high-real-time control architecture of WHES OS, we have established key functions, such as demand control and virtual capacity expansion, for our C&I customers. Through its edge-side EMS, WHES OS conducts high-frequency data acquisition and analysis of load conditions and system operations, completing monitoring, decision-making and execution within milliseconds, thereby enabling rapid response and precise regulation of instantaneous power fluctuations.

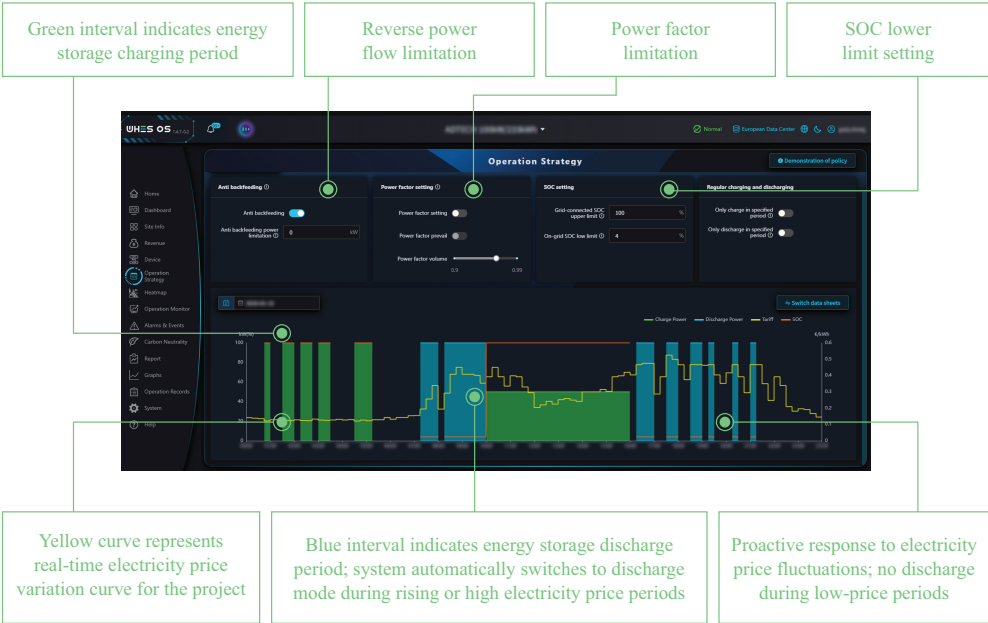
The following diagram illustrates a typical maximum demand control scenario. During the operation of our energy storage system, when both the current load and tariff of use are at low levels, the system schedules its charging based on the difference between the maximum demand control target and the real-time load, and follows this value as the dynamic charging power. At the same time, in response to fluctuations in the on-site load, the combined total power after energy storage charging is optimized to approach the upper limit of demand control. This maximizes system utilization while adhering to the constraints of demand control. WHES OS dynamically adjusts the charging and discharging power of our energy storage system in real time, continuously monitoring the total load and the operational conditions of the system. This dynamic regulation ensures that our energy storage system avoids triggering excessive demand, or even reduces the its peak while successfully completing the targeted charging and discharging targets.

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In view of the dynamic pricing and spot-market mechanisms commonly adopted in overseas energy markets, WHES OS features smart strategy optimization capabilities designed for multi-market environments. It continuously ingests price signals, including day-ahead, intraday and real-time electricity prices, and, together with load forecasting, energy storage system status and operational constraints, dynamically formulates the optimal charging and discharging schedules through its strategy engine and algorithmic models.

The following illustration depicts WHES OS’s automatical optimization of the charge and discharge strategy of our energy storage system based on dynamic electricity price signals, thereby enhancing the economic efficiency of energy storage stations by charging during periods of low predicted electricity prices and discharging during periods of high predicted prices:



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WHES VPP

Our WHES VPP is a distributed energy aggregation and operation platform built upon WHES OS. It centers on the energy storage systems deployed by us and centrally managed through WHES OS, while further aggregating and coordinating decentralized energy assets, such as photovoltaic systems, charging stations and air-conditioning loads. Through such aggregation, these energy resources form a unified and dispatchable virtualized energy unit.

Leveraging the real-time control capabilities of WHES OS and its edge-side EMS, WHES VPP enables centralized access, to decentralized energy storage resources, real-time monitoring of operational status and the issuance of dispatch commands. Currently, our WHES VPP primarily aggregates customer-side energy storage resources for grid peak-shaving and demand-response services. As the energy markets continue to open up, we plan to further explore market-driven business models.

As of the Latest Practicable Date, we had submitted our application for a VPP license in Zhejiang. Concurrently, we were actively pursuing VPP-related qualifications in other key regions, including Jiangsu, Shanghai and Guangdong, and were progressing with system integration and validation with local VPP management platforms.

Furthermore, as of the Latest Practicable Date, we had entered into agreements for energy resource aggregation with our customers in Shanghai, Jiangsu and Zhejiang, establishing an aggregable energy capacity of approximately 24MWh for our WHES VPP. Upon obtaining the necessary VPP licenses, we plan to launch our VPP operations to realize the value of our energy storage assets. The following illustration shows the entry portal of WHES VPP:


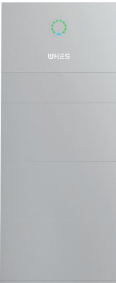



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Residential Energy Storage Solution

Hardware — Energy Storage Systems

Our residential hardware primarily includes (i) hybrid all-in-one energy storage systems; (ii) hybrid inverters; and (iii) batteries. The following table sets forth the configuration capacity, application scenarios and features of our key residential hardware:

Model	Configuration capacity and application scenarios	Features
 <p>PP-T1 Three-Phase All-in-One Residential Energy Storage System</p>	<ul style="list-style-type: none"> ● 5-13kW/9.98-29.9kWh ● Global residential scenarios 	<ul style="list-style-type: none"> ● Highly coordinated modular design that enhances procurement and installation efficiency for distributors and installers ● Supports multi-unit parallel and DC-side capacity expansion, accommodating high-capacity requirements ● Capable of 110% three-phase unbalanced output, achieves off-grid switching in less than 10ms and features intelligent heating ● Integrated aerosol fire suppression module that enhances safety performance
 <p>PP-S2 Single-Phase All-in-One Residential Energy Storage System</p>	<ul style="list-style-type: none"> ● 3.6-10kW/4.99-19.9kWh ● Global residential scenarios 	<ul style="list-style-type: none"> ● Built-in AFCI and an energy meter that significantly reduce installation time ● Supports a higher DC oversizing ratio with charge/discharge currents approaching 1C, enabling rapid cycling ● Additional 8kW and 10kW power models available to better serve household backup applications
 <p>Hybrid Inverter Three-Phase Energy Storage Inverter</p>	<ul style="list-style-type: none"> ● 5-13kW ● Global residential scenarios 	<ul style="list-style-type: none"> ● Can be flexibly combined with battery units to form a split-type energy storage system ● Delivers up to 110% three-phase unbalanced output, significantly increasing the consumption rate of self-generated energy ● Supports both high-current and bifacial photovoltaic modules ● Ultra-wide MPPT voltage range that unlocks the potential of solar energy generation, boosting overall system efficiency

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Model	Configuration capacity and application scenarios	Features
	<ul style="list-style-type: none"> ● 4.99-29.9kWh ● Global residential scenarios 	<ul style="list-style-type: none"> ● Compatible with our hybrid inverters and other mainstream inverters, offering strong interoperability ● Integrated plug-and-play terminals enable wireless installation to shorten construction cycles and reducing installation costs. ● Adaptive heating module that ensures year-round operation, supporting a wider temperature range down to -20°C ● Supports DC-side parallel connection with capacity expandable up to 149.76kWh, meeting the needs of small commercial and industrial applications
<p>Battery Box High-Voltage Battery Pack</p>		

Software — Digital Energy Solutions

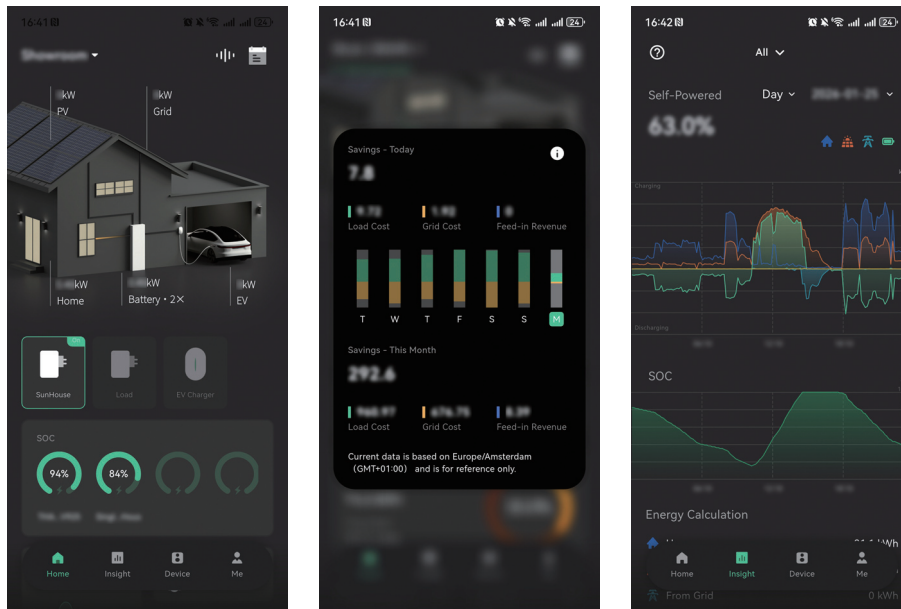
ECOS Mobile Application

ECOS is our smart energy management mobile application developed in-house for residential customers, primarily serving households equipped with rooftop photovoltaic and home energy storage systems. Through ECOS, our residential customers can monitor the operating status of their residential energy storage systems and flexibly manage the operating modes of their photovoltaic and energy storage energy utilization efficiency and reducing electricity costs.

ECOS enables real-time acquisition and visualization of key operational data, including household photovoltaic energy generation, the charging and discharging status of the energy storage systems, household electricity load and grid electricity prices. These functions allow our residential customers to gain a comprehensive understanding of the production, storage and consumption of household energy. ECOS also supports convenient switching between multiple operating modes to accommodate different household needs across daily electricity usage, back-up power assurance and economic optimization scenarios.

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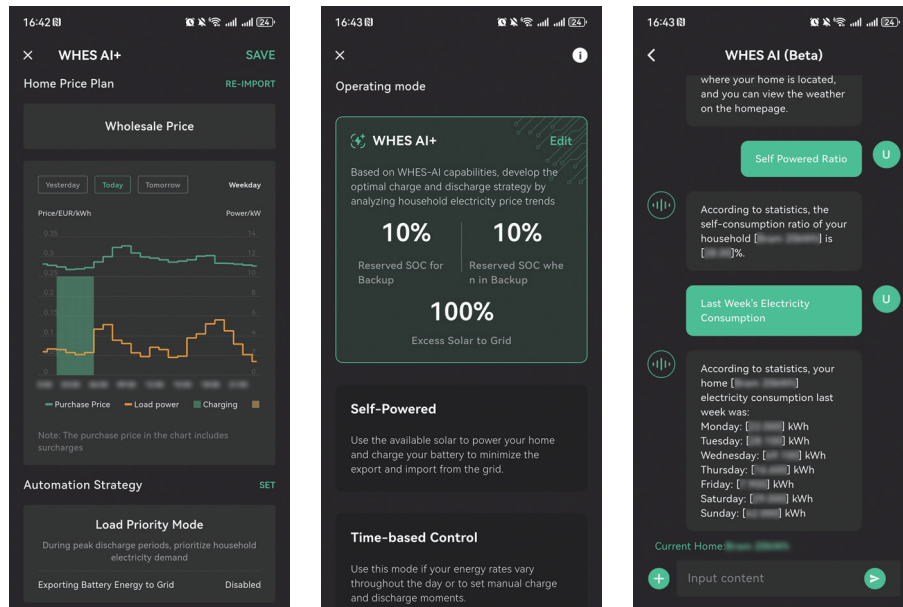
From left to right, the following illustrations show (i) the overall household energy flow diagram; (ii) the monthly electricity cost savings from the photovoltaic and energy storage systems; and (iii) the household's electricity consumption data and the historical data curves of the photovoltaic and energy storage system:



ECOS further integrates AI-driven energy optimization strategies and AI-powered conversational interaction. By taking into account the local electricity pricing mechanism, household load characteristics and the operating status of our residential energy storage systems, ECOS can automatically generate and execute optimized charging and discharging strategies. Such functions (i) enable improved energy self-sufficiency and reduced overall electricity costs; (ii) ensure safety and comfort in household electricity consumption; and (iii) quantify and present to our residential customers the cost savings achieved through photovoltaic-storage systems and energy optimization strategies. In addition, ECOS provides AI-powered conversational interaction, allowing our residential customers to query the operating status and electricity-usage conditions of their residential energy storage systems through natural language. In the event of system abnormalities or alerts, the AI assistant can provide preliminary cause analysis and operational guidance based on equipment operating data and historical patterns, thereby improving our residential customers' ability to troubleshoot independently and enhancing the overall user experience.

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The following illustrations show the AI-driven energy optimization strategy and AI assistant interfaces of ECOS:



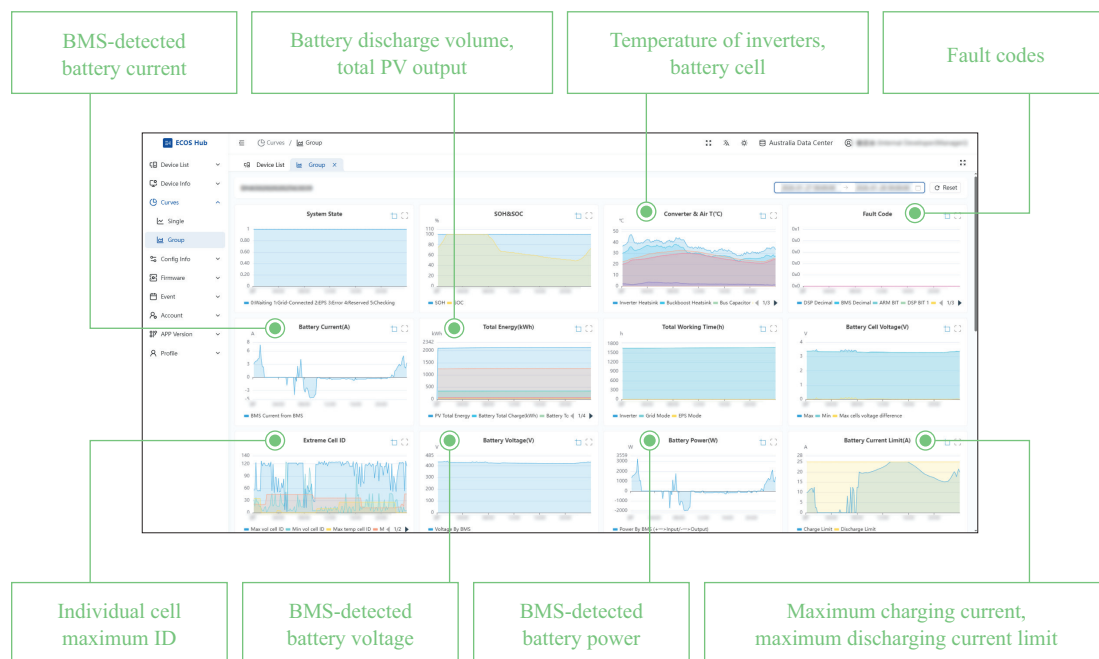
ECOS Hub Mobile and PC Applications

ECOS Hub is a professional management application developed in-house for residential energy storage system installers, distributors and after-sales service providers. It is designed to support the efficient implementation of residential photovoltaic and energy storage systems. ECOS Hub enables installers to complete rapid on-site device networking, system initialization and functional configuration. After system commissioning is completed, installers can seamlessly transfer the access to residential energy storage systems and the associated permissions to our residential customers' ECOS accounts, ensuring a smooth handover and improving delivery efficiency and consistency. ECOS Hub serves as a centralized management platform for the residential energy storage systems that we deploy. It enables real-time operational status monitoring, historical data querying and viewing of alarm information. These functions assist our after-sales service providers in fault analysis and diagnosis, thereby enhancing operational and maintenance efficiency while reducing on-site servicing costs.

ECOS Hub incorporates a multi-role, multi-tier account and permissions management framework, enabling fine-grained configuration of device access and data rights according to the responsibilities of installers, distributors and after-sales service providers, ensuring the data security and compliance requirements of large-scale operations. In addition, we plan to progressively introduce community and service support features for installers on the ECOS Hub platform, aiming to enhance collaboration and interaction among installers and strengthen our long-term partnerships with them.

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The following illustration shows the operational data monitoring interface of ECOS Hub for our residential energy storage system, presenting key parameters such as the error code, status, battery temperature, battery voltage, photovoltaic power generation output, DC bus voltage and cumulative battery charge/discharge cycles:



Both ECOS and ECOS Hub are software platforms designed for our residential energy storage systems, but they serve different users. ECOS is a mobile application that serves our residential customers with daily monitoring, operation mode management and smart energy optimization strategies. ECOS Hub, on the other hand, is available on both mobile phones and PC and supports installers, distributors and after-sales service providers with configuration management and centralized monitoring during the installation, operation and maintenance of our residential energy storage systems.

Sales Volume and Average Selling Price of Our Energy Storage Solutions

The following table sets forth our sales volume and average selling price (“ASP”) of our solutions during the Track Record Period:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP	Sales Volume	ASP
	(Sales Volume in kWh, ASP in RMB/Wh)							
C&I energy storage solutions	52,792	1.7	161,003	1.4	63,888	1.7	320,888	1.0
Utility energy storage solutions	100,000	1.6	18,632	0.8	—	—	109,860	0.9
Residential energy storage solutions	<u>6,762</u>	2.9	<u>12,553</u>	2.3	<u>6,913</u>	2.4	<u>25,780</u>	1.9
Overall/Total	<u>159,554</u>	1.7	<u>192,188</u>	1.4	<u>70,801</u>	1.7	<u>456,528</u>	1.0

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The sales volume of our energy storage solutions increased during the Track Record Period as a result of (i) our continuous business expansion efforts; and (ii) mounting demand for our solutions, especially in the overseas market.

The ASP of our energy storage solutions decreased from 2023 to 2024, primarily due to a reduction in battery procurement costs, which had driven down overall production costs and therefore the pricing industry-wide. The ASP of our energy storage solutions decreased between the nine months ended September 30, 2024 and 2025, primarily due to similar reasons. In particular, we did not record revenue from utility energy storage solutions in the nine months ended September 30, 2024, therefore no sales volume and ASP were recorded.

Representative Cases

As of the Latest Practicable Date, we had successfully deployed our energy storage solutions in over 600 energy storage stations globally, demonstrating our technical expertise, innovative solutions and commitment to sustainability. Below are our selected notable projects.

The Netherlands C&I Energy Storage Project (the "Netherlands Project")

The Netherlands Project represents a milestone in the overseas deployment of our C&I energy storage solutions. It has a configured capacity of 600kW/1,398kWh, delivered through six parallel-connected integrated C&I energy storage system units that are centrally orchestrated by our WHES OS for unified energy dispatch and operational management. Through seamless linkage with the local energy market and grid, the Netherlands Project enables our customer's coordinated participation in the day-ahead spot energy market, the imbalance market and frequency regulation services, significantly enhancing the overall utilization efficiency and revenue-generating capability of our C&I energy storage systems.

Since its commissioning in July 2025 and up to the Latest Practicable Date, the Netherlands Project had been operating stably and without fault for 199 consecutive days, demonstrating the reliability and adaptability of both the hardware and software of our C&I energy storage solutions in the complex regulatory and market environment in Europe. In the first month of deployment, the Netherlands Project generated approximately EUR7,800 for our customer, underscoring the economic potential of our C&I energy storage systems in overseas energy markets, particularly when operating in tandem with VPP platforms.

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Xiangbei Wind-Solar Hybrid Energy Storage Project (the “Xiangbei Project”)

The Xiangbei Project stands as a landmark project of our utility energy storage solutions. We customized and deployed a 50MW/100MWh energy storage system, which, coupled with our proprietary WHES OS, can seamlessly align with grid dispatch requirements, providing the support for efficient coordination between the hybrid power station and the grid.

Our solution primarily focuses on achieving optimal synergy between energy sources and grid infrastructure. Leveraging the advanced energy dispatching capabilities of our WHES OS, we perform real-time optimization and scheduling of the power station’s wind, solar and stored energy. Such precise control directly enhances grid regulation and operational stability by shaping renewable energy output to match grid demand, thereby effectively mitigating the industry-wide challenge of unstable and intermittent renewable energy generation.

In practice, our WHES OS demonstrates sophisticated smart management by successfully delivering power smoothing and planned output tracking for wind, solar and stored energy, reducing curtailment while supporting the grid’s peak-shaving and frequency-regulation needs. Consequently, it substantially strengthens the regional grid’s capacity to absorb renewable energy and overall resilience.

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Germany Residential Energy Storage Project (the “Germany Project”)

The Germany Project is a representative project of our residential energy storage solutions that involves the deployment of a 10kW/10kWh three-phase all-in-one energy storage system for our residential customer. This residential energy storage system was designed to work in tandem with our residential customer’s rooftop solar panels. By storing and dispatching solar energy, our residential energy storage solution significantly increases the proportion of solar power consumed directly on-site, reducing the household’s reliance on electricity from the grid and leading to a substantial decrease in our residential customer’s overall energy costs.

Our residential energy storage solution primarily focuses on maximizing our residential customer’s consumption of the power generated by his solar panels, enhanced by our ECOS’s smart scheduling that responds to the local dynamic electricity pricing. Our solution also utilizes the AI-driven energy optimization strategy featured in ECOS to automatically create and execute optimal battery charge and discharge strategies based on real-time data, including solar power generation, household consumption and fluctuating local electricity prices. Such feature goes beyond the consumption of solar power generated to deliver ongoing cost optimization for our residential customer through fully automated operation.

Since its commissioning, the Germany Project has been operating free of fault. It has successfully reduced the household electricity costs by approximately 56% for our residential customer, and notably, the AI-driven energy optimization strategy featured in ECOS contributed to approximately 24% of these cost reduction. In addition, our residential energy storage solution provides the extra benefit of a backup power function, ensuring a safe and reliable electricity supply for our residential customer’s home during grid outages or disturbances.

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RESEARCH AND DEVELOPMENT

Since our inception, we have been committed to the advancement of technologies, the improvement of system performance and the development of new solutions to address the needs of our customers and the end users through continuous investments in R&D. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our R&D expenses amounted to RMB46.3 million, RMB47.4 million, RMB32.7 million and RMB38.3 million, respectively. Based on our continuous commitment to R&D, as of Latest Practicable Date, we had been granted 86 registered patents and had registered 50 software copyrights, 14 domain names and 53 trademarks both in the PRC and overseas. In addition, we had obtained more than 570 certifications for our energy storage systems globally, covering authoritative market-access standards such as IEC, CE, UL, VDE and CEI.

We identify the commonalities across various application scenarios and develop modularized hardware, thereby reducing our R&D costs, extending product lifecycles and mitigating technological risks. As a result, our energy storage solutions boast strong system interoperability and the ability to quickly respond to customer demands in complex application scenarios, rapidly establishing functional and technological barriers amid the surging global demand for energy storage systems.

As of the Latest Practicable Date, we had established three R&D centers in Wuxi, Xi'an and Shanghai. Our Wuxi R&D center primarily focuses on the development of C&I and residential energy storage systems, battery systems, IoT modules, EMS, low-to-medium-power inverters and software, our Xi'an R&D center primarily focuses on the development of containerized energy storage systems, grid-forming technologies and high-power inverters, and our Shanghai R&D center primarily focuses on AI applications, such as in power trading and edge computing.

Our R&D Team

As of September 30, 2025, our R&D team comprised 116 professionals and experts with expertise in electrical engineering, electronics, automation control, computer science and mechanical engineering. The core members of our R&D team had over a decade of experience on average in the energy storage system industry, enabling us to understand and capture the demands of our customers and/or the end users more accurately. They have also participated in the drafting of (i) three national standards such as the General Technical Conditions for Electrochemical Energy Storage Systems in Power Systems (《電力系統電化學儲能系統通用技術條件》); (ii) two international IEC electrochemical standards, including Electric Energy Storage Systems Part 2-3: Unit Parameters and Testing Methods Performance

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Assessment Test During Site Operation, and Electrical Energy Storage Systems Part 3-200: Planning and Performance Assessment of Electrical Energy Storage Systems Design Principles of Electrochemical-based Electric Energy Storage Systems; and (iii) nine group standards, including the Technical Specification for Battery Energy Storage System Integration: User-Side Energy Storage (《電池儲能系統集成技術規範：用戶側儲能》).

Our R&D Process

We employ an integrated product development model to guide our product design and development, ensuring cross-functional collaboration and concurrent engineering from concept to commercialization. The following flow chart sets forth the major steps in our R&D process.



- **Market Research and Feasibility.** The initial stage of our R&D process is driven by our sales and marketing department, which conducts comprehensive market analysis, including gathering insights into customer requirements, benchmarking competitor products and analyzing prevailing market pricing to identify viable product opportunities.
- **Project Initiation and Planning.** Following a positive feasibility assessment, we initiate an R&D project for a new product. In this stage, all of our departments collaborate to define the design and development direction, create a detailed development budget and formulate a comprehensive product development plan with clear timelines and deliverables.
- **Prototype Development and Validation.** Our R&D department then engineers functional prototypes that embody the design specifications from the previous phase. These prototypes undergo rigorous functional verification, quality testing and a critical evaluation from three key perspectives, namely ease of fabrication, manufacturability and long-term serviceability.
- **Pilot Production and Process Validation.** In this stage, our production department conducts a trial manufacturing run. The primary objectives are to validate and refine the manufacturing processes, assess our production capabilities and confirm the robustness of our quality control protocols, which are crucial for continuous process optimization and achieving consistent, high-quality output.
- **Commercial Launch and Mass Production.** Upon successful validation of the trial manufacturing run, the new product is approved for commercial launch. We then transition to full-scale mass production, ensuring a reliable and scalable supply of the new product to the market.

During product development and fine-tuning, our R&D team optimizes our products based on regular market feedback from our marketing team on market trends, customer feedback issues identified during installation as well as after-sales services to drive product iterations. Before we launch a new product, our R&D team provides initial training to our marketing team and uploads the recorded training materials to our system for internal learning.

Collaborative R&D

In addition to in-house R&D, we have established strong partnerships with renown universities, undertaking various projects to explore and develop innovative technologies. During the Track Record Period, to access cutting-edge technical expertise and frontier research, share R&D resources, reduce our capital expenditure, accelerate our innovation cycle and time-to-market as well as enhance our intellectual property portfolio, we entered into joint technology development agreements with Fudan

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University, focusing on the optimization of plug-and-play dynamic control for renewable energy equipment and modular energy storage unit integration. The salient terms of our joint technology development agreements are set forth below:

- **Duration.** The duration of our joint technology development agreements typically ranges from one and a half years to two years.
- **Scope.** We typically outline the technical scope, deliverable format, target specifications and R&D plan in our joint technology development agreements.
- **Funding.** We typically cover all costs associated with R&D activities, project fees and research stipends with payments in installments.
- **Risk Allocation.** Our joint technology development agreements generally provide that we bear the risk of R&D failure due to technical difficulties that cannot be overcome with existing capabilities and conditions.
- **Ownership of Intellectual Property Rights.** Our joint technology development agreements typically stipulate that any intellectual property and technical outcomes arising from the joint technology development are jointly held by the universities and us.

Our Key Technologies

Our R&D investment has laid a solid foundation for the technologies powering our solutions, and we are committed to continuously advancing them to solidify our competitive edge. The following table sets forth our key technologies:

<u>Field</u>	<u>Technology</u>	<u>Features</u>
Electrochemical mechanism coupling algorithm	High-Precision Battery State Estimation Algorithm	<ul style="list-style-type: none"> ● Uses smart, cloud-connected software to accurately monitor battery health and remaining charge in real-time ● Predicts lifespan, warns of problems early and helps optimize performance throughout the battery's entire life
	Multi-level BMS Integration and Communication Management Technology	<ul style="list-style-type: none"> ● A robust and scalable control system for managing battery clusters ● Efficiently coordinates all the individual battery units and seamlessly syncs data between the local system and the cloud for reliable operation
	Multi-level State Awareness and Active Early Warning Technology	<ul style="list-style-type: none"> ● A multi-layered safety net ● Monitors batteries at every level (i.e. cell, module and cluster) using various sensors to provide early and accurate warnings of potential fire risks
	Precision Thermal Field Management	<ul style="list-style-type: none"> ● A smart cooling system that automatically adjusts the coolant flow and temperature for battery packs in real-time, keeping every cell at its ideal operating temperature

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Field	Technology	Features
Power electronics technology	Distributed Multi-Node Thermal Control Algorithm	<ul style="list-style-type: none"> ● Uses AI to predict heating and independently control the cooling for each individual group of battery cells, ensuring precise temperature management
	Low-Temperature Thermal Stress Mitigation & Suppression Technology	<ul style="list-style-type: none"> ● Smart technology that protects batteries in extreme cold ● Automatically warms up batteries before charging in low temperatures and uses efficient heating methods to prevent long-term damage and maintain performance
	Liquid Cooling Status Prediction Technology	<ul style="list-style-type: none"> ● Monitors the cooling system to predict potential failures and intelligently manages coolant flow to maximize cooling efficiency and minimize energy use
	Full Topology Power Range Development Capability	<ul style="list-style-type: none"> ● The ability to design flexible power systems that can be configured in multiple ways using efficient, modular components ● Suitable for a wide range of power needs
	Efficient Thermal Management & Device Parallel Connection	<ul style="list-style-type: none"> ● Keeps high-power systems cool and running efficiently ● Uses advanced technology to ensure multiple power components work together evenly and reliably, preventing overheating
	Scenario-driven PCS Hardware Design and Coordinated Control Technology	<ul style="list-style-type: none"> ● Adapts for hardware across various operating scenarios ● Supports 1C high-frequency dispatching with 10-millisecond-level grid-connected switching and virtual synchronous support capabilities, ensuring weak-grid stability and compatibility with global standards
	High-Density Magnetic Integration Design	<ul style="list-style-type: none"> ● Combines multiple magnetic components into a single, compact unit ● Makes power converters smaller, lighter and more efficient by reducing energy losses
	SiC-based High-Efficiency and High-Power-Density Conversion Technology	<ul style="list-style-type: none"> ● Employs advanced SiC semiconductors to create power converters that are extremely efficient, compact and generate less heat even at high power levels

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Field	Technology	Features
	Smart DC Arc Fault Protection	<ul style="list-style-type: none"> ● A smart safety system that can learn and reliably detect dangerous electrical arcs in high-voltage DC lines, allowing it to shut down power before a fire can start
	Heterogeneous Energy Device Access and System Cluster Control Technology	<ul style="list-style-type: none"> ● Allows different types of energy sources and storage units to be easily connected and controlled together as a single, stable system, even on uneven electrical grids
	System Safety, High-Reliability Improving & High-Speed Protection	<ul style="list-style-type: none"> ● Built-in self-checking and ultra-fast protection systems that continuously monitor the equipment and can instantly isolate electrical faults to ensure safe and stable operation
Decision-making AI technology	User-side Multi-energy Coordination and Complex Scenario Control Technology	<ul style="list-style-type: none"> ● A smart central hub for energy systems ● Analyzes solar, grid, battery and usage data in real-time to make optimal decisions for cost and efficiency, using safe and verifiable AI strategies
	High Availability Hot Standby and Network Fault-Tolerant Architecture Technology	<ul style="list-style-type: none"> ● Ensures continued system operation in the event of critical component failures
	High-Speed EMS Communication Technology	<ul style="list-style-type: none"> ● Enables fast, reliable and cost-effective communication within the EMS, ensuring quick responses for critical operations like connecting to or disconnecting from the power grid
	System Anomaly Remote Monitoring and Full Life Cycle Asset Management Technology	<ul style="list-style-type: none"> ● Combines arc fault protection, multi-level monitoring and ultra-fast circuit breakers to remotely detect and isolate system faults in milliseconds, protecting the asset throughout its lifespan

PRODUCTION

Production Process

We typically schedule our production plans on a weekly basis according to our sales forecast on a rolling basis. For production involving raw materials with long lead times or high procurement difficulty, such as batteries, we typically formulate procurement and production plans at least one quarter in advance.

Our production team has an in-house process department that connects R&D and production. Dedicated personnel from the process department work closely with our R&D team to enhance communication. Typically, our production team holds weekly meetings with our R&D team on new product development, and both teams collaborate during the pilot production and mass production phases to resolve difficulties and bottlenecks.

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For our C&I, utility and residential energy storage systems, we have in place different production processes as follows:

C&I Energy Storage System Production Process

The following flowchart sets forth the typical production process of our C&I energy storage systems:



- ***Pre-processing.*** We fabricate secondary wiring harnesses, power cables and network cables and assemble select components, which on average takes approximately 120 minutes.
- ***Installation of Components.*** We verify all components scheduled for installation, which primarily include indicator lights, push buttons, molded case circuit breakers, PCS, EMS, uninterruptible power supply, liquid cooling units, battery packs and high-voltage boxes, to ensure their correctness, and then install these components into their designated locations, which on average takes approximately 240 minutes.
- ***Cable Connection.*** We wire all electrical components inside the enclosure in accordance with the schematic and wiring diagrams, which on average takes approximately 240 minutes.
- ***Fluid Filling.*** Prior to fluid filling, we perform an airtightness test. Upon passing, we employ a vacuum injection method to ensure both the filling volume and dynamic hydraulic pressure meet design specifications, which on average takes approximately 75 minutes.
- ***Full-process Testing.*** We conduct a series of tests including, but not limited to, insulation resistance, dielectric strength, ground continuity, communication verification, protection function validation, fault triggering and alarm checks, battery capacity and performance testing as well as whole-unit system control logic verification, which on average takes approximately 480 minutes.
- ***Final Inspection and Packaging.*** We verify all product technical documentation, inspection records and accessories before completing the final product packaging, which on average takes approximately 65 minutes.
- ***Warehousing.*** We record and report the warehousing information within our ERP system and affix corresponding identification labels to the products.

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Residential Energy Storage System Production Process

The following flowchart sets forth the typical production process of our residential energy storage systems:



- ***Pre-processing.*** We prepare in advance the terminal sub-assemblies and components requiring extended curing time, forming the smallest modular units for subsequent operations, which on average takes approximately 31 minutes.
- ***Assembly.*** We assemble the PCBA, wire harnesses and sheet-metal parts in accordance with prescribed procedures and technical requirements, which on average takes approximately 48 minutes.
- ***Pre-aging Testing.*** We conduct functional inspections on appearance, electrical safety and electrical performance prior to the aging tests, including input and output stability, load capacity, voltage and current accuracy, harmonic distortion, efficiency and other relevant metrics, while writing initial parameters into the system, which on average takes approximately 25 minutes.
- ***Aging Test.*** We simulate full-load operation of the complete unit under extreme conditions to ensure product reliability and stability, which on average takes approximately 360 minutes.
- ***Post-aging Testing.*** After the aging test is completed, we verify that all functions remain normal by repeating the inspections performed before aging and simultaneously configure the factory settings, which on average takes approximately 20 minutes.
- ***Final Inspection and Packaging.*** We conduct a final inspection of product appearance and verify the placement of accessories to ensure that there are no scratches, dents or other surface defects. We then place the required accessories accordingly and package the product to prevent potential damage during transportation, which on average takes approximately 540 minutes.
- ***Warehousing.*** We verify that the product meets all warehousing criteria, transfer the packaged product to our warehouse, create the relevant warehousing records in our ERP system and affix corresponding identification labels to the product, which on average takes approximately 14 minutes.

Utility Energy Storage System Production Process

We adopt an outsourced production model for our utility energy storage systems. See “— Production — Outsourced Production.”

Our Production Facilities

As of September 30, 2025, we operated two production facilities in Wuxi.

Name	Location	Gross Floor Area	Main Function
		<i>(sq.m.)</i>	
Facility No.1	Wuxi	3,700	Production of residential energy storage systems ⁽¹⁾
Facility No.2	Wuxi	12,000	Production of C&I energy storage systems ⁽²⁾

Notes:

- (1) Facility No.1 was used for the production of residential energy storage systems, which was transferred to Facility No.2 after October 2025.
- (2) As of the Latest Practicable Date, Facility No.2 was in normal operation and Facility No.1 was no longer in use due to considerations including centralized production management and warehousing cost optimization. The premises of Facility No.1 are currently used as offices.

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The assets and equipment that we utilized in our production primarily included (i) electrical performance testing and simulation analysis equipment for comprehensive power, grid, battery, safety and electromagnetic compatibility testing; (ii) precision assembly and torque fastening equipment to meet the high-accuracy assembly requirements for energy storage systems, battery modules and electronic control products; (iii) specialized tooling, molds, and fixtures for structural forming, assembly processes, testing and calibration; (iv) automated production lines and core assembly equipment for batteries, electronic controls and complete energy storage units; (v) environmental and reliability verification equipment for high/low temperature, waterproofing, air-tightness, salt spray and electrostatic discharge testing; (vi) power supply, distribution and general auxiliary equipment such as transformers and diesel generator sets; and (vii) production digitization and industrial control systems, including industrial computers, barcode scanners, servers and electronic information display boards.

The following table sets forth the designed production capacities, actual production and utilization rates of our production facilities by type of energy storage system during the Track Record Period:

	Year ended December 31,						Nine months ended September 30,					
	2023			2024			2024			2025		
	Designed production capacity ⁽¹⁾ (MWh)	Actual production (MWh)	Utilization rate ⁽²⁾ (%)	Designed production capacity ⁽¹⁾ (MWh)	Actual production (MWh)	Utilization rate ⁽²⁾ (%)	Designed production capacity ⁽¹⁾ (MWh)	Actual production (MWh)	Utilization rate ⁽²⁾ (%)	Designed production capacity ⁽¹⁾ (MWh)	Actual production (MWh)	Utilization rate ⁽²⁾ (%)
C&I energy storage systems	100.0	81.9	81.9	292.4	240.7	82.3	219.3	193.6	88.3	552.7	428.4	77.5
Residential energy storage systems	48.0	12.5	26.1	48.0	14.0	29.1	36.0	8.9	24.7	72.0	51.1	70.9

Notes:

- (1) Our designed production capacity in a given period is calculated by multiplying the number of production lines or equipment in our production facilities by the daily production capacity of each production line and then by the number of days in that period.
- (2) Utilization rate is calculated by dividing our actual production in a given period by the designed production capacity in the same period and multiplied by 100.0%.

The utilization rate of our C&I energy storage system production decreased from 88.3% in the nine months ended September 30, 2024 to 77.5% in the nine months ended September 30, 2025, primarily because we installed new production lines in 2025 in anticipation of growing demand for our solutions. The utilization rate of our residential energy storage system production increased from 24.7% in the nine months ended September 30, 2024 to 70.9% in the nine months ended September 30, 2025, primarily because our production ramped up in line with surging demand for our solutions.

Outsourced Production

We may from time to time commission third-party manufacturers to support (i) the production of our utility energy storage systems due to space limitations in our production facilities; and (ii) the assembly of a small portion of our C&I energy storage systems to alleviate the high delivery pressure that arises from production capacity constraints and to ensure that delivery timelines are met during periods of high order volume. According to Frost & Sullivan, our engagement of third-party manufacturers for outsourced production is a common industry practice. Our third-party manufacturers are scaled manufacturers of power equipment that possess energy storage product integration capabilities. In 2023, 2024 and the nine months ended September 30, 2025, we engaged two, one and two third-party manufacturers, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not establish our own production facility for utility energy storage systems, primarily because (i) the number of orders that we received for utility energy storage solutions during the Track Record Period was relatively low, and some of the components that we produced for our C&I and residential energy storage systems were also compatible with our utility energy storage systems; (ii)

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utility energy storage solutions was not our primary strategic focus; and (iii) while utility energy storage solutions are often highly customized, their integration is relatively simple and could be outsourced to third-party manufacturers.

When selecting third-party manufacturers, we primarily consider their (i) production capacity, production line flexibility, delivery time and ability to allocate capacity; (ii) production costs; (iii) quality system certifications, production standards and quality control systems; (iv) credentials and financial health; and (v) technical alignment and process compatibility with us. We typically enter into outsourced production agreements with them. To ensure product quality, we typically (i) provide third-party manufacturers with complete operational standards, including standard operating procedures, standard response procedures, product manufacturing documents and inspection specifications; (ii) train the production personnel of third-party manufacturers; and (iii) conduct specialized quality inspections on the energy storage system units produced by third-party manufacturers.

We typically enter into outsourced production agreements with third-party manufacturers, the salient terms of which are set forth below.

- **Duration.** We typically do not specify a term in our outsourced production agreements.
- **Product Specification.** We typically specify the product name, specification, unit price, quantity, total contract value and other detailed items in our outsourced production agreements.
- **Production Materials.** We typically supply core materials for production to our third-party manufacturers, which are delivered directly to their designated production facilities.
- **Production.** We typically stipulate the technical quality requirements, inspection items and inspection criteria in our outsourced production agreements. Throughout the production process, our third-party manufacturers shall strictly adhere to our technical documentation and operational guidelines.
- **Packaging and Shipment.** We typically specify the packaging standards and means of transportation in our outsourced manufacturing agreements, and the third-party manufacturers typically bear the costs associated with packaging and shipment.
- **Inspection and Acceptance.** We are typically responsible for inspection upon product delivery at our designated location. Should any non-conforming products be identified during our inspection, we shall inform our third-party manufacturers in writing within three days upon product delivery.
- **Delivery and Transfer of Risk.** Our third-party manufacturers are typically responsible for delivering the products that we commission them to produce within a specified period after receiving our deposits. Ownership and risk of loss for the products transfer to us upon delivery by our third-party manufacturers to us.
- **Payment.** We typically pay our third-party manufacturers via bank transfer or bank acceptance bills a deposit and the rest of the contract value in three installments within certain days after (i) product delivery; (ii) completion of system commissioning and grid connection; and (iii) expiration of warranty.
- **Warranty.** Our third-party manufacturers typically provide a warranty of 18 months after product delivery or 12 months after product deployment, whichever commences earlier.

During the Track Record Period and up to the Latest Practicable Date, we did not (i) experience any breach of outsourced production agreements; or (ii) have any material disputes with our third-party manufacturers relating to product quality that had a material and adverse impact on our business operations, financial performance and prospects.

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Expansion Plan

During the Track Record Period, the actual production of our production facility continuously increased with our sales. To align our production output with customer demand, capture the benefits from the economies of scale and maintain our competitive advantage in the market, we believe that it is necessary to construct additional production facilities as part of our business expansion plan.

We intend to construct a new production facility in Zhejiang with a gross floor area of approximately 7,000 sq.m. for the manufacturing of our C&I energy storage systems. In addition, we plan to upgrade our existing production facilities and equipment. See "Future Plans and [REDACTED]."

QUALITY CONTROL

Product quality is a cornerstone of our competitiveness. Accordingly, we have established a quality control system that complies with relevant national and international standards, covering, among others, the ISO9001:2015 standard for quality management. Our quality control system primarily comprises our product quality control system and our supplier quality control system.

Our product quality control system encompasses the establishment and implementation of defined procedures for managing non-conforming production outputs and clear quality objectives, along with comprehensive end-to-end quality control, which covers pre-production planning, production monitoring, such as semi-finished product inspection and real-time oversight via our manufacturing execution system, quality issue remediation and specialized inspections. To ensure that our products comply with applicable laws, regulations and quality standards, we have a dedicated product certification team that gathers relevant product and material standards and monitors national and regional regulatory requirements, enabling us to integrate compliance early in our product design and procurement stages as well as obtain professional product certifications. Furthermore, we verify and control product and material conformity and consistency throughout our procurement and production processes, leveraging our wide range of inspection equipment.

Our supplier quality control system involves strict onboarding and audit processes, which incorporate qualification reviews, sample testing and on-site supplier assessments. We also implement performance evaluation and tiered management based on metrics such as procured material qualification rates and on-time delivery performance. In addition, our supplier quality control system ensures quality issue resolution and continuous improvement by requiring our suppliers to provide and implement corrective and preventive actions, the effectiveness of which we track. All these are governed by agreed standards outlined in our procurement agreements, including acceptance criteria and liability terms.

During the Track Record Period and up to the Latest Practicable Date, no administrative fines, product recall orders or other penalties were imposed on us by relevant competent authorities due to material product quality issues, and we have not experienced any significant product returns or material complaints from our customers. In addition, as of the Latest Practicable Date, our Directors were not aware of any pending product recalls, investigations or legal actions by relevant competent authorities or consumer groups against us that could potentially lead to a recall.

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INFORMATION TECHNOLOGY

We believe that automation, digitalization and AI integration are critical to sustaining our competitive advantage and achieving our strategic goals. To boost our operational efficiency and support our scalable growth, we have integrated the following information technology systems in our procurement, production, financial accounting and human resources management.

- ***Manufacturing Execution System (MES).*** A cornerstone of our smart manufacturing strategy, our proprietary MES is tailored to meet the complex production demands of energy storage systems. It delivers granular control and visibility through: (i) ERP integration and production synchronization; (ii) real-time production management; (iii) dynamic process routing for modular configuration and on-the-fly adjustments to manufacturing workflows; (iv) IoT and predictive maintenance to minimize downtime; and (v) integrated quality and traceability that uses serial numbers to swiftly pinpoint the root cause of any issue.
- ***Enterprise Resource Planning (ERP) System.*** Our ERP system serves as the central hub of our business operation, integrating data relating to our finance, supply chain and production planning into a unified platform. Our ERP system enables optimized resource allocation, cost reduction and streamlined key business processes.
- ***Master Data Management System.*** Our proprietary master data management system is a platform that unifies data across the entire product lifecycle. By integrating data from our ERP system, MES, field services and other platforms, our master data management system creates a trusted, centralized data hub, which enables a one-stop query for any product serial number.
- ***Monitoring and Alert System.*** Our monitoring and alert system is the central nervous system for our operational stability, interfacing with critical platforms such as our EMS and residential energy storage system platform. It filters, prioritizes and routes alerts through suppression and escalation protocols, which ensures that our operational teams receive only actionable, high-priority notifications, enabling rapid response to anomalies and safeguarding business continuity.
- ***Office Automation System.*** Our office administration system digitalizes and streamlines our internal administrative processes. By automating workflows, such as expense reimbursements and approvals, and enabling mobile access, it significantly accelerates cross-departmental collaboration and eliminates paper-based inefficiencies.
- ***Human Resources System.*** Our human resources system serves as a comprehensive digital backbone for managing our employees' organization, attendance payroll, performance, recruitment, training and departure. It empowers our daily operations through data integration with our MES, ERP and CRM systems and automation of workflows, such as permission management, requests for leave and calculation of performance-based bonuses and strengthens our compliance and risk control.
- ***Customer Relationship Management (CRM) System.*** Our CRM system serves as the central platform for managing customer engagement and sales operations. It streamlines marketing by consolidating leads from multiple channels and analyzing conversion metrics while standardizing the entire sales pipeline from prospecting to deal closure.
- ***Supplier Relationship Management System.*** Our supplier relationship management system optimizes our supply chain by systematically managing the entire procurement lifecycle, covering supplier selection, procurement agreement negotiation and supplier performance evaluation. Such system ensures the reliable, high-quality and cost-effective flow of components and raw materials.

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CUSTOMERS

We have a broad and growing global customer base, which covered 28 provinces, autonomous regions and municipalities in China and over 50 countries and regions as of the Latest Practicable Date. Our customers primarily included (i) energy storage solution investment enterprises; (ii) energy construction and installation enterprises; (iii) C&I and residential property owners; and (iv) distributors. Our revenue from the five largest customers in each period during the Track Record Period was RMB201.0 million, RMB83.8 million and RMB173.0 million, accounting for 75.3%, 31.2% and 36.3% of our total revenue, respectively. Our revenue from the single largest customer in each period during the Track Record Period was RMB158.6 million, RMB25.5 million and RMB88.2 million, accounting for 59.4%, 9.5% and 18.5% of our total revenue, respectively. We derived RMB158.6 million, or 59.4%, of our total revenue in 2023 from our single largest customer mainly because we provided energy storage solutions for such customer's large-scale utility project. See "Risk Factors — Risks Relating to Our Business and Industry — A substantial amount of our revenue may be attributable to a limited number of customers." We generally do not grant credit terms to our customers. Instead, we define a clear payment schedule in our sales agreements, pursuant to which our customers are obliged to make payments.

The following tables set forth the details of our five largest customers in each period during the Track Record Period:

For the year ended December 31, 2023

<u>Customer</u>	<u>Revenue contribution</u> <i>(RMB'000)</i>	<u>Percentage of total revenue</u> <i>(%)</i>	<u>Background and principal business</u>	<u>Major solutions sold</u>	<u>Year of commencement of business relationship</u>	<u>Payment method</u>
Customer A	158,588	59.4	A China-based company primarily engaged in the wholesale and retail of wind power and renewable energy equipment components, steel and cement, as well as import, export and consulting services	Utility energy storage solutions	2022	Bank transfer and acceptance bills
Customer B	16,643	6.2	A Europe-based company primarily engaged in energy storage systems, power electronics and industrial automation solutions	Residential and C&I energy storage solutions	2022	Bank transfer
Customer C	9,155	3.4	A China-based company primarily engaged in operating a village-level collective economic management platform	C&I energy storage solutions	2023	Bank transfer and acceptance bills
Customer D	9,066	3.4	A China-based public company listed on the Shanghai Stock Exchange, primarily engaged in providing power equipment and digital factory solutions	C&I energy storage solutions	2023	Bank transfer and acceptance bills
Customer E	7,586	2.8	A China-based company primarily engaged in photovoltaic EPC services, energy storage technology services and charging-pile operations	C&I energy storage solutions	2023	Bank transfer and acceptance bills
Total	201,039	75.3				

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For the year ended December 31, 2024

Customer	Revenue contribution (RMB'000)	Percentage of total revenue (%)	Background and principal business	Major solutions sold	Year of commencement of business relationship	Payment method
Customer F	25,510	9.5	A Europe-based company primarily engaged in energy storage system integration, charging equipment customization, power grid engineering consulting and green-energy project development	Residential and C&I energy storage solutions	2024	Bank transfer
Customer C	20,050	7.5	A China-based company primarily engaged in operating a village-level collective economic management platform	C&I energy storage solutions	2023	Bank transfer and acceptance bills
Customer G	14,573	5.4	A China-based company primarily engaged in engineering contracting and renewable energy construction services	Utility energy storage solutions	2023	Bank transfer and acceptance bills
Customer H	11,893	4.4	A China-based company primarily engaged in integrated energy services, comprehensive energy utilization and zero-carbon solutions	C&I energy storage solutions	2023	Bank transfer and acceptance bills
Customer B	11,795	4.4	A Europe-based company primarily engaged in energy storage systems, power electronics and industrial automation solutions	C&I and residential energy storage solutions	2022	Bank transfer
Total	83,821	31.2				

For the nine months ended September 30, 2025

Customer	Revenue contribution (RMB'000)	Percentage of total revenue (%)	Background and principal business	Major solutions sold	Year of commencement of business relationship	Payment method
Customer I	88,204	18.5	A China-based company primarily engaged in energy and infrastructure engineering services	Utility and C&I energy storage solutions	2023	Bank transfer and acceptance bills
Customer G	30,024	6.3	A China-based company primarily engaged in engineering contracting and renewable energy construction services	Utility energy storage solutions	2023	Bank transfer and acceptance bills
Customer J	18,997	4.0	A Europe-based company primarily engaged in hydropower and renewable energy engineering services	Residential and C&I energy storage solutions	2025	Bank transfer
Customer K	18,715	3.9	A China-based public company listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, primarily engaged in the R&D, manufacturing and full-chain solutions of power and energy storage batteries	C&I energy storage solutions	2024	Bank transfer and acceptance bills
Customer L	17,081	3.6	A Europe-based public company listed on Warsaw Stock Exchange, primarily engaged in liquid and gas fuel trading, fuel-station operations, asphalt production and photovoltaic energy services	C&I and residential energy storage solutions	2023	Bank transfer
Total	173,020	36.3				

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To our best knowledge, all of our five largest customers in each period during the Track Record Period were independent third parties. As of the Latest Practicable Date, save for two Directors who each owned less than 0.1% of the publicly traded shares of Company A's parent company, to our best knowledge, none of our Directors, their associates or any of our Shareholders (who or which, to the best knowledge of our Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each period during the Track Record Period.

SALES, MARKETING AND CUSTOMER SERVICE

Our Sales and Distribution Network

We serve our geographically diverse customer base through both our national and international sales and distribution networks. As of the Latest Practicable Date, we had established market presence in both the Chinese Mainland and more than 50 overseas countries and regions, including Europe, Australia, Southeast Asia and the Middle East. The following table sets forth a breakdown of our revenue by geographic region during the Track Record Period:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(RMB in thousands, except for percentages)</i>							
					<i>(Unaudited)</i>		<i>(Unaudited)</i>	
Chinese Mainland	228,251	85.5	132,590	49.4	63,987	51.2	263,629	55.3
Europe	32,308	12.1	114,082	42.5	47,664	38.2	168,284	35.4
Others ⁽¹⁾	6,276	2.4	21,603	8.1	13,234	10.6	44,476	9.3
Total	<u>266,835</u>	<u>100.0</u>	<u>268,275</u>	<u>100.0</u>	<u>124,885</u>	<u>100.0</u>	<u>476,389</u>	<u>100.0</u>

Note:

(1) Mainly included Asia-Pacific (Australia and Southeast Asia) and the Middle East.

During the Track Record Period, we adopted a direct sales model in the domestic market and both direct sales and distribution models in overseas markets.

Direct Sales

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, the revenue that we generated from our direct sales customers amounted to RMB253.4 million, RMB237.7 million, RMB116.2 million and RMB434.0 million, accounting for 95.0%, 88.6%, 93.0% and 91.1% of our total revenue, respectively.

We typically enter into sales agreements with our direct sales customers, the salient terms of which are set forth below:

- **Products.** We typically specify the model, technical specifications, quantity and lump sum price that covers the price of our products, software, transportation, installation and commissioning in our sales agreements.

BUSINESS

- **Payment.** We typically define a clear payment schedule in installments in our sales agreements, pursuant to which our customers are obliged to make payments upon the execution of the sales agreements, within certain days prior to our shipment and within certain days after acceptance, respectively. In addition, we reserve the right to adjust the lump sum price if our customers fail to make the payment upon the execution of the sales agreements.
- **Delivery, Installation and Acceptance.** We are typically responsible for commissioning our products. Our customers shall provide site access and utilities. The acceptance process is triggered by our customers notifying us that their products are ready for power-on. We then perform the power-on procedures and formally notify our customers to conduct the final acceptance. Our customers have a strict three-day window to conduct final acceptance after our notification. If our customers fail to act within seven days after our delivery, our products will be automatically deemed accepted.
- **Warranty.** We typically provide our customers a three- to ten-year warranty that commences from the date of delivery on-site. Our warranty is contingent on our products being operated within their designed parameters and approved application scenarios.
- **Risk Mitigation.** We typically charge our customers a late fee of a certain percentage per day to any overdue amounts and retain the legal ownership of the products we sell until all payments, including any late fees, have been settled in full. If the final payment remains outstanding for more than three months post-acceptance, we are expressly entitled to remotely deactivate our products and/or dismantle and retrieve it. All associated costs and reasonable depreciation will be deducted from any refund.
- **Liability Cap.** Typically our aggregate liability for any claims is capped at a certain percentage of the total value of our sales agreements.

Distributors

As of the Latest Practicable Date, we had established a robust distribution network across 21 countries and regions overseas. We have established strategic partnerships with our distributors to (i) accelerate our global expansion and enhance our market adaptability while reducing market entry barriers and costs by leveraging our distributors' local networks, distribution channels, regulatory knowledge and deeper insights into the local markets; (ii) mitigate the risks arising from reliance on a single market and ensure more stable overseas revenue; and (iii) improve cash flow and liquidity management as our distributors are required to make full payment or prepayment for the products they purchase from us, which, according to Frost & Sullivan, was consistent with market practice.

We have a buyer-seller relationship with our distributors and treat them as our customers. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, the revenue that we generated from our distributors amounted to RMB13.4 million, RMB30.6 million, RMB8.7 million and RMB42.4 million, accounting for 5.0%, 11.4%, 7.0% and 8.9% of our total revenue, respectively.

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The following table sets forth the movement in the number of our distributors during the Track Record Period.

	As of/for the year ended December 31,		As of/for the nine months ended September 30,
	2023	2024	2025
	Number of distributors at the beginning of the period	1	9
Number of new distributors	9	10	5
Number of distributors we ceased cooperation with	1	8	1
Number of distributors at the end of the period	9	11	15

In 2023, 2024 and the nine months ended September 30, 2025, we ceased cooperation with one, eight and one of our distributors, primarily because their distribution performance in their designated areas did not meet our expectations.

When selecting distributors, we primarily evaluate their historical performance, financial health, organizational and management capabilities, regional market development and channel presence as well as energy storage system product line. Our overseas sales department is in charge of supervising and managing our distributors. Typically, we do not impose restrictions on our distributors engaging sub-distributors. We do not impose minimum inventory requirements on our distributors. We generally encourage them to place orders with us based on their actual demand rather than maintaining stockpiles. We typically collaborate with them to analyze market demand and formulate sales plans, which in turn informs our production and inventory preparation.

We allow our distributors to engage sub-distributors within their designated distribution territories to assist in the marketing and sales of our energy storage systems to end users and to organize promotional events. We typically do not conduct direct background checks on sub-distributor. Instead, our distributors are responsible for the screening, oversight and management of their sub-distributors. Non-compliance by any of our distributors or sub-distributors with the relevant agreements or our policies may adversely affect the overall sales of our products and solutions and our ability to implement development strategies, potentially harming our brand reputation and market credibility. If we are unable to build or maintain well-developed, well-managed distribution networks, our results of operations, financial condition, business and prospects may be adversely affected. See “Risk Factors — Risks Relating to Our Business and Industry — We may fail to effectively manage our distributors, which could lead to their operational failures or a deterioration in our relationship with them, resulting in an adverse impact on our business, reputation, financial condition and future prospects.” To the best knowledge of our Directors, during the Track Record Period, all of our distributors are Independent Third Parties.

In order to safeguard the integrity of our distribution network and ensure a healthy market environment, we have established a series of measures aimed at preventing channel stuffing and cannibalization among our distributors. These measures primarily include:

- **Designated Distribution Areas.** We require our distributors to sell only those products for which they hold distribution rights within their respective designated distribution areas, thereby avoiding direct competition among distributors maintaining orderly market operations.

BUSINESS

- **Guiding Pricing Policies.** We set up guiding prices for our products in order to prevent aggressive price competition which could undermine both distributor relationships and overall market stability.
- **Sales Monitoring through Data Collection.** To enhance oversight of product distribution and better understand local market dynamics, we have implemented measures to monitor product sales. Specifically, our products are typically connected to our system during the initialization process, allowing us to collect end user installation data.

We typically enter into framework distribution agreements with our distributors, the salient terms of which are as follows:

- **Duration.** The term of our framework distribution agreements is typically one year.
- **Designated Distribution Territory.** We typically grant our distributors the right to distribute specified products within a designated territory and stipulate the exclusivity of such right. Our distributors are prohibited from selling or promoting our products outside the designated territory without our prior written consent.
- **Sales Target.** We typically specify our distributors' sales targets in our framework distribution agreements. In the event that a distributor fails to meet its quarterly sales target for two consecutive quarters, we are typically entitled to, at our sole discretion, terminate such distributor's distribution rights.
- **Distribution Obligations.** Our distributors shall use their best efforts to promote and sell our products, maintain adequate sales staff and conduct business in a manner that promotes our reputation.
- **Price and Payment Terms.** We typically specify the purchase price of our products in each purchase order. Provided that our distributors have obtained credit insurance, we typically collect an advance payment from them and the remaining payment within 30 days after our receipt of the advance payment.
- **Transfer of Title.** The title of our products is typically passed to our distributors upon the latter of product delivery or our receipt of full payment.
- **Rolling Forecast.** Our distributors are typically required to provide a six-month long-term and a three-month short-term sales forecast to us and update such forecasts on a monthly basis.
- **Intellectual Property Rights.** We retain ownership of all our intellectual property. Our distributors receive a limited license to use promotional materials and trademarks solely for distribution purposes.
- **Product Returns.** We typically do not accept returns unless our products are defective, which, according to Frost & Sullivan, was consistent with market practice.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, we did not (i) experience any breach of distribution agreements; (ii) have any material disputes with distributors; or (iii) encounter any material return or exchange of products from our distributors that had a material and adverse impact on our business operations, financial performance and prospects.

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Pricing

The pricing of our solutions is governed by a standardized methodology. We first formulate a benchmark price by applying a target gross profit margin to our latest production cost, which is reviewed and adjusted at least once a quarter by our key personnel in the R&D, supply chain, production and finance departments. This benchmark price serves as the foundation for all price quotes. For our direct sales customers, our sales team typically gives price quotes by adjusting the benchmark price based on certain commercial factors, such as our direct sales customer's payment terms and the shipping distance. For our distributors, we provide a suggested retail price based on the benchmark price, and our distributors are allowed to adapt the suggested retail price at their discretion to effectively compete within their local markets.

Sales and Marketing

As of September 30, 2025, our sales and marketing team consisted of 86 employees, who are responsible for coordinating our sales and marketing activities.

To boost our brand visibility and customer recognition, we employ a multi-channel marketing approach, encompassing (i) online channels, such as our official website and social media accounts on different platforms; and (ii) offline channels, such as industry expos and exhibitions. These initiatives not only enhance our market awareness but also drive lead generation and sales conversions. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our selling and marketing expenses amounted to RMB37.8 million, RMB67.1 million, RMB47.2 million and RMB47.2 million, representing 14.2%, 25.0%, 37.8% and 9.9% of our revenue, respectively.

Our sales and marketing team receives systematic training twice a year. Led by professionals from various departments, these programs enhance the team's technical and industry knowledge.

In addition, we have established a comprehensive incentive and performance management system to motivate our sales and marketing personnel and align their performance with our business objectives. Our incentive mechanisms typically include fixed remuneration, performance-based bonuses, and in certain cases, share-based payments as well as sales-based commissions tied to individual or team performance. Key performance indicators generally include contract acquisition, revenue contribution, collection performance, customer satisfaction and compliance with internal policies. We believe that these incentive programs foster a performance-oriented culture and help attract, retain and motivate capable sales and marketing professionals.

Customer Service

Our commitment to delivering integrated, timely and high-quality customer services underpins our value proposition, which not only strengthens our customer satisfaction but also enhances our brand reputation and market recognition.

As of the Latest Practicable Date, we had six regional offices worldwide, nine service centers in the Chinese Mainland and 11 overseas service centers, forming a robust global service network. This global service network enables us to provide comprehensive, end-to-end support covering installation and commissioning, performance optimization, operational management and long-term maintenance. Through these capabilities, we ensure round-the-clock stable operation for our customers and help maximize their long-term economic returns.

We offer our customers three to ten years of product warranty. Our product warranty typically covers defects in materials, workmanship and conformity to specified design and performance standards. In the event of a warranted defect, we reserve the right to repair or replace the defective products at our discretion.

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Typically, we do not allow our customers to return or exchange our products unless for quality defects. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material product return or receive any complaints from our customers regarding product quality issues.

SUPPLIERS

Our suppliers primarily include vendors of batteries and accessories, transformers, power modules and sheet metal components. During the Track Record Period, substantially all of our suppliers were based in China. Our purchases from our five largest suppliers in each period during the Track Record Period were RMB117.1 million, RMB166.1 million and RMB231.0 million, representing 41.5%, 41.1% and 50.1% of our total purchases, respectively. Our purchases from our largest supplier in each period during the Track Record Period were RMB33.1 million, RMB85.1 million and RMB157.6 million, representing 11.7%, 21.0% and 34.2% of our total purchases, respectively. See "Risk Factors — Risks Relating to Our Business and Industry — We are exposed to concentration risk of reliance on our major suppliers."

The following tables set forth the details of our five largest suppliers in each period during the Track Record Period:

For the year ended December 31, 2023

Supplier	Purchase amount <i>(RMB'000)</i>	Percentage of total purchase <i>(%)</i>	Background and principal business	Major products/ services purchased	Year of commencement of business relationship	Credit terms <i>(days)</i>	Payment method
Supplier A	33,094	11.7	A China-based company primarily engaged in the R&D, manufacturing and system integration of power and energy storage batteries	Batteries and parts	2022	N/A	Bank transfer and acceptance bills
Supplier B	28,653	10.2	A China-based company primarily engaged in bulk-commodity supply chain operations across steel, chemicals, agricultural products and electromechanical goods	Batteries and parts	2023	90	Bank transfer and acceptance bills
Supplier C	22,912	8.1	A China-based public company listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, primarily engaged in the R&D, manufacturing and full-chain solutions of power and energy storage batteries	Batteries and parts	2022	N/A	Bank transfer and acceptance bills
Supplier D	19,184	6.8	A China-based public company listed on Shanghai Stock Exchange, primarily engaged in providing power equipment solutions and digital factory technologies	Processing services	2023	N/A	Bank transfer and acceptance bills
Supplier E	13,237	4.7	A China-based public company listed on the Shanghai Stock Exchange, primarily engaged in supply chain management and health technology services	Batteries and parts	2023	90	Bank transfer and acceptance bills
Total	117,079	41.5					

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For the year ended December 31, 2024

Supplier	Purchase amount <i>(RMB'000)</i>	Percentage of total purchase <i>(%)</i>	Background and principal business	Major products/ services purchased	Year of commencement of business relationship	Credit terms	Payment method
Supplier C	85,069	21.0	A China-based public company listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, primarily engaged in the R&D, manufacturing and full-chain solutions of power and energy storage batteries	Batteries and parts	2022	N/A	Bank transfer and acceptance bills
Supplier F	30,813	7.6	A China-based company primarily engaged in energy storage system integration and equipment manufacturing	Batteries and parts	2024	90	Bank transfer and acceptance bills
Supplier G	19,236	4.8	A China-based company primarily engaged in the R&D and manufacturing of modular energy storage systems and power-electronics equipment	Power module	2022	30	Bank transfer and acceptance bills
Supplier B	16,641	4.1	A China-based company primarily engaged in bulk commodity supply chain operations across steel, chemicals, agricultural products and electromechanical goods	Batteries and parts	2023	90	Bank transfer and acceptance bills
Supplier H	14,340	3.5	A China-based company primarily engaged in power engineering and renewable energy integrated services	Construction and grid connection services	2024	N/A	Bank transfer and acceptance bills
Total	<u>166,099</u>	<u>41.1</u>					

For the nine months ended September 30, 2025

Supplier	Purchase amount <i>(RMB'000)</i>	Percentage of total purchase <i>(%)</i>	Background and principal business	Major products/ services purchased	Year of commencement of business relationship	Credit terms	Payment method
Supplier C	157,605	34.2	A China-based public company listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, primarily engaged in the R&D, manufacturing and full-chain solutions of power and energy storage batteries	Batteries and parts	2022	N/A	Bank transfer and acceptance bills
Supplier I	21,884	4.7	A China-based company primarily engaged in the R&D and manufacturing of power, energy storage and specialty batteries	Batteries and parts	2023	60	Bank transfer and acceptance bills
Supplier G	19,657	4.3	A China-based company primarily engaged in the R&D and manufacturing of modular energy storage systems and power electronics equipment	Power module	2022	60	Bank transfer and acceptance bills
Supplier J	18,864	4.1	A China-based company primarily engaged in the R&D and manufacturing of blade and energy storage batteries	Batteries and parts	2023	N/A	Bank transfer and acceptance bills
Supplier K	13,009	2.8	A China-based company primarily engaged in the manufacturing of power transmission equipment and renewable energy equipment	Sheet metal fabrications	2023	90	Bank transfer and acceptance bills
Total	<u>231,019</u>	<u>50.1</u>					

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Our Directors confirm that we had not experienced any material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or material delay in delivery of our orders from our suppliers during the Track Record Period. To our best knowledge, all of our five largest customers in each period during the Track Record Period were independent third parties. As of the Latest Practicable Date, save for two Directors who each owned less than 0.01% of Supplier C's publicly traded shares, as retail investors, to our best knowledge, none of our Directors, their associates or any of our Shareholders (who or which, to the best knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers.

Procurement

Our procurement department is responsible for purchasing batteries and accessories, transformers, power modules and sheet metal components from our suppliers. Prior to engaging a new supplier, we typically conduct due diligence, on-site inspections, qualification reviews and sample testing based on our procurement requirements, followed by small-batch reliability verification. Upon successful completion of these steps, our quality control, R&D, production and supply chain departments jointly conduct an onboarding review. Suppliers that pass the onboarding review are added to our approved supplier list. When procurement needs arise, we prioritize sourcing from this list, followed by matching specifications and comparing quotations. We have also established a dedicated quality control department that routinely monitors the quality and performance of incoming materials from our suppliers. Should any fluctuations or anomalies be detected, our procurement, supply chain and quality control departments will collaboratively require the supplier to conduct root cause analysis and implement corrective and preventive measures. Unsatisfactory corrective actions by such supplier may lead to suspension or termination of our cooperation with them.

As of the Latest Practicable Date, we had alternative suppliers for all key materials and components that we used in our production. We believe that we have sufficient alternative suppliers for our business that can provide us with substitutes of comparable quality and prices.

We typically enter into framework purchase agreements with our suppliers, the salient terms of which are as follows:

- **Duration.** The duration of our framework procurement agreements is typically one year.
- **Product Specification.** We typically specify the product specification, unit price, quantity and other detailed items in each purchase order that we issue to our suppliers.
- **Quality and Assurance.** All products must strictly conform to our approved specifications, drawings, samples as well as all relevant international and industry standards. Our suppliers typically provide a warranty that the products they sell are new, non-refurbished and free from design, material and workmanship defects.
- **Inspection and Acceptance.** Typically, we shall inspect the products delivered by our suppliers within five days upon receipt for obvious defects, and to raise claims for latent defects within twelve months upon our acceptance. Our suppliers shall respond to any written quality claims within three business days, and bear full liability for any losses or safety incidents caused by their products' defects.
- **Delivery and Transfer of Risk.** Our suppliers are typically responsible for arranging delivery of products to our designated location under delivered duty paid shipping term. The title and risk of loss pass to us upon our receipt and acceptance.
- **Payment and Credit Term.** We typically state the purchase price, which includes all costs such as transportation, packaging, insurance and taxes, in each purchase order we issue to our suppliers. We typically settle our payments within 60 days from the date of our receipt of valid VAT invoices from our suppliers.

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- **Confidentiality.** We and our suppliers owe each other a duty of confidentiality. Our confidentiality obligation typically survives our procurement agreements for five years. A certain amount of penalty of the total agreement value is stipulated for unauthorized disclosure of confidential information.

To hedge against the risks of price fluctuations in components, equipment and raw materials, we (i) strategically maintain several months of safety stock including core electronic components and battery cells; (ii) maintain ongoing communication with suppliers and conduct cooperative negotiations based on market conditions; and (iii) enter into framework procurement agreements that do not specify procurement prices with our suppliers. However, we may not be able to fully mitigate the impact of raw material price fluctuations despite the mitigating measures we have adopted. See “Risk Factors — Risks Relating to Our Business And Industry — Price fluctuations and inadequate or interrupted supply for our raw materials and components could adversely affect our business operations, financial condition and future prospects.” During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant shortage of raw materials or any breach of our purchase agreements by our suppliers which resulted in the delay or suspension of our production.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, to the best knowledge of our Directors, Supplier D, one of our five largest suppliers in 2023, was also one of our five largest customers in 2023, being Customer D (“**Customer-Supplier A**”). We primarily sold C&I energy storage solutions to, and in turn purchased processing services from, Customer-Supplier A. We outsourced the production of utility energy storage systems to, Customer-Supplier A, primarily because (i) it is a renowned manufacturer of power equipment; and (ii) its digital manufacturing capabilities and experience in large-scale delivery complemented our capacity gaps and supported timely fulfillment. Concurrently, we supplied Customer-Supplier A with our C&I energy storage solutions, primarily because it established a presence in the energy storage system market, and our mature, ready-to-deploy solutions, stable supply chain and rapid delivery capabilities met its order needs and reduced its needs for further R&D and production investment. In 2023, 2024 and the nine months ended September 30, 2025, our revenue derived from Customer-Supplier A amounted to RMB9.1 million, RMB0.1 million and RMB0.3 million, accounting for 3.4%, 0.03% and 0.1% of our total revenue, respectively. In 2023, 2024 and the nine months ended September 30, 2025, our purchase from Customer-Supplier A amounted to RMB19.2 million, RMB1.5 million and RMB0.7 million, accounting for 6.8%, 0.4% and 0.1% of our total purchase, respectively.

During the Track Record Period, to the best knowledge of our Directors, Supplier C, one of our five largest suppliers in each period during the Track Record Period, was also one of our five largest customers in the nine months ended September 30, 2025, being Customer K (“**Customer-Supplier B**”). We primarily sold C&I energy storage solutions to, and in turn purchased batteries and parts from, Customer-Supplier B. We procured battery modules from Customer-Supplier B to secure a stable supply of battery cells, mitigate supply chain risks and provide high-quality core components for our energy storage solutions, thereby enhancing our delivery capabilities and product competitiveness. Concurrently, we supplied Customer-Supplier B with our C&I energy storage solutions, primarily because Customer-Supplier B established a presence in the energy storage system market, and integrated our C&I energy storage solutions into the product offerings they offered to their customers. In 2023, 2024 and the nine months ended September 30, 2025, our revenue derived from Customer-Supplier B amounted to nil, RMB2.2 million and RMB18.7 million, accounting for nil, 0.8% and 3.9% of our total revenue, respectively. In 2023, 2024 and the nine months ended September 30, 2025, our purchase from Customer-Supplier B amounted to RMB22.9 million, RMB85.1 million and RMB157.6 million, accounting for 8.1%, 21.0% and 34.2% of our total purchase, respectively.

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During the Track Record Period, to the best knowledge of our Directors, Customer B, one of our five largest customers in 2023 and 2024, was also our supplier (“**Customer-Supplier C**”). We primarily sold C&I and residential energy storage solutions to, and in turn purchased enclosures for energy storage systems from, Customer-Supplier C. We supplied Customer-Supplier C with C&I and residential energy storage solutions, primarily because our established expertise and reliable delivery capabilities in energy storage system integration, solution design, manufacturing and overseas market adaptation met its business needs and supported its expansion in energy storage solutions. Concurrently, we procured enclosures for energy storage systems from Customer-Supplier C in 2023, primarily because (i) we explored the potential for jointly developing overseas production lines and leveraging its distribution channels and overseas resources to expand into the European market; and (ii) we placed a trial order to assess its sheet-metal manufacturing proficiency and feasibility for broader cooperation. In 2023, 2024 and the nine months ended September 30, 2025, our revenue derived from Customer-Supplier C amounted to RMB16.6 million, RMB11.8 million and RMB0.2 million, accounting for 6.2%, 4.4% and 0.03% of our total revenue, respectively. In 2023, 2024 and the nine months ended September 30, 2025, our purchase from Customer-Supplier C amounted to approximately RMB0.01 million, nil and nil, accounting for 0.002%, nil and nil of our total purchase, respectively.

During the Track Record Period, to the best knowledge of our Directors, Customer I, one of our five largest customers in the nine months ended September 30, 2025, was also our supplier (“**Customer-Supplier D**,” and together with Customer-Supplier A, Customer-Supplier B and Customer-Supplier C, the “**Customer-Suppliers**”). We primarily sold utility energy storage solutions to, and in turn purchased specialized services, including grid compliance testing, interconnection inspections, technical services and related test reports, from, Customer-Supplier D. We supplied utility energy storage solutions to Customer-Supplier D, primarily because our proven experience and reliable products in utility energy storage system integration, solution design, equipment manufacturing and delivery enabled us to meet its stringent requirements for system performance, grid connection standards, delivery timelines and quality stability in their utility energy storage projects. Concurrently, we procured specialized services from Customer-Supplier D, primarily because its technical expertise in power engineering, grid access experience and recognized qualifications helped ensure that energy storage stations using our energy storage solutions passed grid acceptance procedures on schedule. In 2023, 2024 and the nine months ended September 30, 2025, our revenue derived from Customer-Supplier D amounted to nil, nil and RMB88.2 million, accounting for nil, nil and 18.5% of our total revenue, respectively. In 2023, 2024 and the nine months ended September 30, 2025, our purchase from Customer-Supplier D amounted to RMB0.3 million, RMB0.4 million and nil, accounting for 0.1%, 0.1% and nil of our total purchase, respectively.

Our sales and purchases with the Customer-Suppliers were not inter-conditional with each other. All of our sales to and purchases from the Customer-Suppliers were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis. The general terms with the Customer-Suppliers were comparable to those with other suppliers and customers. According to Frost & Sullivan, arrangements where counterparties act as both customers and suppliers are common in the industry. Save as disclosed above, to the best of our knowledge, none of our five largest customers in each year or period during the Track Record Period was a supplier of us or vice versa.

INVENTORY, WAREHOUSING AND LOGISTICS MANAGEMENT

Our successful business operation is reinforced by our inventory, warehousing and logistics management systems.

BUSINESS

Inventory Management

Our inventories include raw materials, work-in-progress and finished goods. As of December 31, 2023 and 2024 and September 30, 2025, our inventories amounted to RMB191.1 million, RMB257.8 million and RMB319.4 million, respectively. See “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Inventories.”

To align our inventory levels with actual demand while avoiding shortages or excess stock, we have implemented the Warehouse Operation Management Procedures (《倉庫作業管理程序》), pursuant to which we (i) store our inventory in designated locations at our warehouses based on their nature with clear labeling and segregation; (ii) utilize our ERP system to track inventory status in real time; (iii) conduct monthly, semi-annual and annual inventory counting to ensure ongoing inventory accuracy and sufficiency; and (iv) regularly identify scrap and obsolete inventory, which involves disposal aging analysis, management review and disposal with proper oversight to prevent loss and ensure accurate financial reporting.

Warehousing Management

We maintain our stock in the designated areas at our production facilities in Wuxi and we also engage third-party warehousing service providers in overseas markets. To ensure the systematic control and warehousing security of our production facility throughout our production lifecycle, we have implemented the following internal control measures:

- **Inspection.** All the materials that we procure (i) undergo documented verification against supporting documents, such as delivery notes and purchase orders; (ii) are held in a designated quarantine area; and (iii) are subject to our formal incoming quality control process before we accept or reject their delivery.
- **Storage and Preservation.** The storage environment of and access to our materials and inventory is strictly controlled with specific measures for sensitive items. For instance, hazardous materials are segregated from other materials.
- **First-In, First-Out System.** We use physical labels and color-coded tags to enforce a disciplined first-in first-out system and organize our materials and inventory, aiming to prevent obsolescence and ensure proper stock rotation.

Logistics Management

We engage third-party logistics service providers to deliver the products that pass our quality inspection to our customers, and we adopt various delivery terms, such as free on board, delivered at terminal, delivered at place and ex works.

We generally enter into framework logistics agreements with our third-party logistics service providers, the salient terms of which include:

- **Duration.** The duration of our framework logistics agreements is typically three years.
- **Service Scope.** We typically specify the products to be transported, means of transportation and other detailed items in each purchase order.
- **Transportation Plan.** For each purchase order, our logistic service providers shall submit to use a detailed transportation plan for our written approval at least two business days prior to commencement.
- **Risk Allocation.** Our logistics service providers typically bear the risk of loss or damage to our products during transportation.

BUSINESS

- **Payment and Credit Term.** Typically, we settle our payments for logistics services on a monthly basis. Our logistics service providers submit their bills by a specified date each month, which we shall review, approve and pay within an agreed period of time.
- **Delay.** For delays caused by our logistics service providers, a certain amount of penalty is typically payable by them in addition to compensation for our actual losses.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruptions or damage in relation to product delivery.

DATA PRIVACY AND PROTECTION

In our ordinary course of business, we primarily collect and store equipment operation and maintenance-related data, such as IP addresses and operational data. We also from time to time collect and store certain personal information from our users, such as their usernames and email addresses, for product registration and service provision. All data from the Chinese Mainland, Europe, North America and Australia is stored in data centers or on public clouds located in the Chinese Mainland, Europe, North America and Australia, respectively, while data from other countries or regions is stored on public clouds in Hong Kong. Under our cloud service agreements, our cloud service providers are responsible for adopting security measures to ensure the security and legal compliance of their cloud services.

The Measures for Cybersecurity Review stipulates that an operator of critical information infrastructure purchasing network products and services, and network platform operators carrying out data processing activities, which affects or may affect national security, shall be subject to cybersecurity review. In addition, network platform operators possessing personal information of more than one million users seeking to go public in a foreign country must apply for cybersecurity review. As of the Latest Practicable Date, we had not been identified as an operator of critical information infrastructure by the competent authority. A proposed listing in Hong Kong is not deemed as listing in a foreign country based on the real-name telephone consultation with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心) on January 19, 2026. Given the above, as advised by our legal advisor as to PRC data compliance law, we are not required to apply for cybersecurity review in connection with the [REDACTED] under the Measures for Cybersecurity Review.

To protect data privacy and security in compliance with relevant laws and regulations in the jurisdictions where we operate, we have implemented the following measures:

- **Data Protection Organization.** Our Information Security Department is designated to perform data security and personal information protection functions.
- **Limited Retention Period.** We retain our users' personal information only for the shortest time necessary to achieve the processing purpose, as required by law, after which it is deleted or anonymized.
- **Restricted Sharing with Third Parties.** We do not provide our users' personal information to third parties unless we have obtained our users' informed consent or otherwise required by relevant laws and regulations.
- **Comprehensive Protection System.** We implement a range of managerial and technical measures, including internal policies, data classification, encryption, access controls, staff training and emergency response plans.
- **Data Protection Assessments.** We perform personal information protection impact assessments for certain processing activities, retaining records for at least three years.

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During the Track Record Period and up to the Latest Practicable Date, we did not experience any data leakage, tampering, loss or unauthorized access to our data that would have a material adverse impact on our business operations, financial performance or the [REDACTED], and we did not receive any complaints from any individuals or entities, nor have we been subject to any investigations, official inquiries or penalties by any regulatory authorities in connection with data privacy breaches or non-compliance with applicable data protection laws and regulations.

INTELLECTUAL PROPERTY

Our intellectual property rights are vital to our success and competitiveness. We rely on a combination of patent, trademark, copyright and other intellectual property laws, confidentiality agreements and confidentiality clauses of other agreements with our employees, suppliers, customers and others to protect our intellectual property.

As of Latest Practicable Date, we had 86 registered patents in the PRC and overseas, among which 33 were invention patents and 35 were utility model patents. In addition, we had 50 registered software copyrights, 14 registered domain names and 53 registered trademarks in the PRC and overseas. See "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights" for further details of our material intellectual property rights. Our patent portfolio demonstrates comprehensive coverage across key technology fields, including (i) battery and system safety and diagnostics; (ii) power electronics and standardized electrical interfaces; (iii) communications, energy management, data utilization and AI-driven technologies; (iv) smart manufacturing, MES, and tooling/fixtures; and (v) integrated one-stop services spanning pre-sales analysis, system integration, installation testing and evaluation.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes, litigation or legal proceedings for any violation of intellectual property rights of any person, which would have a material adverse effect on our business. However, despite our best efforts, we cannot be certain that third parties will not infringe or misappropriate our intellectual property rights or that we will not be sued for intellectual property infringement. See "Risk Factors — Risks Relating to Our Business And Industry — Our business depends on our ability to protect our intellectual property rights, and we may be exposed to intellectual property infringement and other claims by third parties, which, if successful, could cause us to pay significant damages and incur other costs."

Management of Intellectual Property Rights

We have established and implemented a comprehensive intellectual property management system to strengthen the protection of our intellectual property rights and safeguard our intellectual achievements. To protect our intellectual property rights, we have assigned this responsibility to our research institute for comprehensive patent management, which includes (i) patent application, evaluation and maintenance; (ii) commercialization and portfolio management of patent assets; (iii) establishing and implementing record-keeping procedures related to patent applications; and (iv) conducting patent infringement monitoring and enforcement, including initiating legal actions when necessary.

Unless otherwise agreed, our employees are typically required to assign their inventions, trade secrets and R&D achievements created during their employment or using company resources as our assets. We also focus on timely patent filings, trademark applications and copyright registrations while maintaining strict measures to monitor and prevent infringement. To secure our intellectual properties throughout their lifecycle, we employ robust technical safeguards, such as data encryption, tiered access controls and internal monitoring systems, that protect sensitive information in storage and transmission. To incentivize our employees for inventions, we provide corresponding monetary rewards to the primary inventor upon the application and successful grant of a patent.

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Internal Control Measures relating to Intellectual Property Rights

Besides our intellectual property management system, we have also implemented measures, such as our Intellectual Property Management Policies (《專利管理制度》), to strengthen the management and control over our intellectual property rights and monitor potential risks of infringement. These measures include:

- **Centralized governance and oversight.** Our research institute is designated as the executive body for intellectual property management, responsible for macro-control and coordination related to intellectual property.
- **Integrated innovation and intellectual property management.** Intellectual property management is embedded throughout our R&D, production and operational processes. All innovation projects must undergo patent searches prior to approval to avoid duplication and inform strategic decisions regarding in-house development, collaboration or technology acquisition.
- **Proactive intellectual property assessment.** We conduct ongoing intellectual property tracking and analysis during our R&D process to guide project direction and mitigate infringement risks. Upon project completion, we conduct a comprehensive assessment to decide on the appropriate protection forms (e.g., patent, trade secret). Our decisions regarding the application, filing or registration of international intellectual property are typically made through a formal evaluation process involving multiple departments, with consideration given to cost, timing and strategic value.
- **Deliberate patent protection strategy.** We typically prohibit public disclosure of our patentable innovations until after we have filed patent applications to preserve novelty and classify innovations that are not suited for patent protection as trade secrets.
- **External expertise and training.** We may from time to time engage external professionals to assist with complex intellectual property related matters and provide intellectual property related training.

COMPETITION

The lithium-ion battery energy storage industry that we operate in is highly competitive. According to Frost & Sullivan, there were approximately 1,500 market participants in the lithium-ion battery energy storage market in the Chinese Mainland as of December 31, 2024. We also compete with international energy storage solution providers on a global scale. Within the lithium-ion battery energy storage industry, the C&I lithium-ion battery energy storage system market, which primarily caters to the energy storage needs of factories, industrial parks, commercial buildings and public facilities, is particularly fragmented and competitive with approximately 800 market participants as of December 31, 2024, according to Frost & Sullivan.

The lithium-ion battery energy storage industry is characterized by high entry barriers in technological expertise, operational data accumulation, brand recognition, implementation expertise and regulatory compliance. Nonetheless, driven by factors such as enterprises' demand for energy efficiency enhancement and visualized management, technological advancement in AI, carbon reduction being incorporated into national strategies and enterprise performance assessments as well as the reformation of the global energy market, both the market size and penetration rate of lithium-ion battery energy storage industry are expected to grow rapidly. According to Frost & Sullivan, the global market size of the lithium-ion battery energy storage system industry in terms of shipment volume reached 230.0GWh in 2024, growing at a CAGR of 100.6% between 2020 and 2024. Driven by continuous transformation of the energy structure, it is expected to reach 804.5GWh by 2030, representing a CAGR of 23.2% between 2024 and 2030. See "Industry Overview."

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We believe that we are well prepared to excel in industry competition. According to Frost & Sullivan, in the nine months ended September 30, 2025 and among Chinese lithium-battery energy storage system integrators, we ranked eighth in terms of the global shipment volume of C&I energy storage systems and third in terms of the shipment volume of C&I energy storage systems in the overseas markets. However, there is no guarantee that we will prevail among our competitors. Failure to compete effectively against them could adversely affect our market share, growth and profitability. See “Risk Factors — Risks Relating to Our Business and Industry — We operate in an intensely competitive market and may not compete effectively against existing and new competitors.”

EMPLOYEES

We believe that the expertise, professional development and collective experience of our employees are fundamental to our success and sustainable growth. Our human resources department oversees an integrated approach to talent management, including recruitment and ongoing training. We source talent through multiple channels, such as internal referral, lateral hiring as well as recruitment agencies and platforms. To support our employees’ continuous development, we offer targeted training programs, including comprehensive onboarding for new hires and ongoing technical training for production and R&D staff.

As of September 30, 2025, we had 414 full-time employees, among which 410 were based in the Chinese Mainland and four were based overseas. The following table sets forth the number of our employees by function as of September 30, 2025.

Function	Number of Employees	%
R&D	116	28.0
Production	91	22.0
Sales and marketing	86	20.8
Administrative and management	56	13.6
Operation and maintenance	37	8.9
Supply chain	28	6.8
Total	414	100.0

We have maintained a cooperative relationship with our employees, which is expected to remain amicable in the future. As of the Latest Practicable Date, we had not established a labor union. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes which may have a material and adverse effect on our business, financial condition or results of operations.

We are required by relevant PRC laws and regulations to make contributions for mandatory social insurance and housing provident funds for our employees. See “Risk Factors — Risks Relating to Our Business and Industry — Failure to make adequate social insurance and housing provident fund contributions as required by the PRC laws and regulations may subject us to penalties.”

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PROPERTIES

Land Use Right and Owned Property

As of the Latest Practicable Date, we did not have any land use right or own any real property.

Leased Properties

As of the Latest Practicable Date, we leased 48 properties in the PRC, with an aggregate GFA of approximately 28,500 sq.m. These properties that we leased were primarily used as dormitories and offices, among which two (the "**Leased Properties**") with an aggregate GFA of approximately 22,200 sq.m. were used for R&D and production purposes during the Track Record Period and had title defects. As of the Latest Practicable Date, we had not registered or filed all our lease agreements with the relevant government authority in the PRC, primarily due to (i) the lessors' failure to provide documents evidencing their ownership of or right to lease the relevant properties; or (ii) the lessors' unwillingness to cooperate with the registration and filing process. As advised by our PRC Legal Advisor, failure to register an executed lease agreement will not affect its legality, validity or enforceability. However, according to the PRC laws and regulations, we might be ordered by the relevant government authorities to register such lease agreements within a prescribed period, and we might be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease agreement if we fail to comply. Furthermore, although the Leased Properties had title defects, as advised by our PRC Legal Advisor, the risk of a material adverse impact on our operations as a result of our inability to continue using the Leased Properties during the lease term due to their title defects is low. As such, our Directors are of the view that the title defects of the Leased Properties does not have a material adverse impact on our business operations or production.

We believe the foregoing property defects will not adversely and materially affect our business and results of operations given that (i) we will be able to identify alternatives in a timely manner; (ii) as of the Latest Practicable Date, we have not received any material administrative penalty nor had we experienced any material dispute on such properties; and (iii) in the unlikely event that we have to pay a fine or relocate the properties, the maximum amount of penalty and the potential impact of relocation for these properties are not material to us. See "Risk Factors — Risks Relating to Our Business and Industry — We face the risk related to our leased properties."

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

We fully recognize the importance of environmental, social and governance ("**ESG**") and are committed to integrating ESG into our business operations. We strive to create sustainable value for all stakeholders, including employees, customers, suppliers, and partners, and actively fulfill our social responsibilities.

ESG Governance

We have established a clearly defined ESG governance structure to advance our ESG initiatives and enhance the quality of our ESG disclosures. The Board of Directors exercises decision-making and oversight responsibilities for ESG matters, deliberating on our strategic ESG objectives, management policies, annual ESG reports and other material issues, and regularly evaluating the implementation of ESG policies and progress toward stated goals. To support the Board in carrying out ESG-related duties, we have set up an ESG Working Group. The ESG Working Group is tasked with formulating and reviewing our ESG framework, strategies, policies and procedures; coordinating the end-to-end management of ESG risk assessments, cross-departmental execution oversight, report preparation and performance-target tracking. Through regular communication and goal-review mechanisms with the Board, the ESG Working Group ensures effective implementation of ESG policies and drives forward sustainability projects such as green initiatives and community programmes, continuously improving ESG governance effectiveness.

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We value the expectations and concerns of all stakeholders and will continue to refine our ESG management structure and elevate our ESG management standards. Internally, we conduct ESG-related training for employees and hold regular cross-departmental ESG promotion meetings to enhance execution efficiency.

ESG Material Issues and Risk Management

We regard ESG material issues assessment and risk management as central to our sustainability framework. In line with the Environmental, Social and Governance Reporting Code issued by the Hong Kong Stock Exchange and taking into account industry trends and operational realities, we systematically identify ESG topics and potential risks that are material to our business and of concern to our stakeholders and have instituted a dynamic management mechanism. Guided by the HKEX ESG Reporting Code, we benchmark industry disclosure practices and conduct an in-depth review of our own operations to pinpoint the ESG topics closely tied to our ESG performance. By actively listening to stakeholders' expectations and concerns, we score each topic on two dimensions, namely the impact on business success and importance to stakeholders, to establish a clear priority order.

Based on this assessment, we have determined that, among the material ESG topics identified, development and training and opportunities in clean tech are of the highest priority.

As of the Latest Practicable Date, we had not experienced any material ESG-related risk events, nor had we been subject to any penalties for violations of ESG-related laws or regulations concerning labor rights, environmental protection, or business ethics. Furthermore, no ESG-related risks (including climate-related risks) had any actual or expected material impact on our business, strategy, or financial performance.

Environment

Environmental Management

We strictly adhere to the *Environmental Protection Law of the People's Republic of China* (《中華人民共和國環境保護法》) and relevant environmental standards in our operations, having obtained ISO 14001 Environmental Management System certification. We have established a four-tier environmental governance system covering strategic decision-making, centralized management, business departments and frontline operations. From goal setting and daily coordination to functional execution and onsite operations, we systematically advance our environmental management efforts. By formulating and strictly implementing the *Environmental Protection Management System* (《環保管理制度》), we systematically promote pollution reduction and waste management across all key areas.

Emission Management

We strictly comply with all applicable laws and regulations, and have formulated the *Environmental Protection Management System* (《環保管理制度》) to rigorously control emissions from our production and operations. We also ensure the effective operation and management of environmental protection facilities to minimize our environmental impact.

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- Air Emissions and Wastewater Management:* Our production process is assembly-based and qualifies as a government-exempt unit from environmental impact assessment requirements. Our factory operations involve a small amount of waste gas generated by transportation equipment. Domestic wastewater (where applicable) is discharged into designated drainage points in compliance with regulatory requirements.

Indicators	Unit	2023	2024	Nine months ended September 30, 2025
NOx	Kg	148.24	195.47	205.69
SOx	Kg	0.09	0.12	0.05
PM	Kg	11.78	14.77	16.04

- Waste Management:* We have established and implemented the *Waste Management Procedure* (《廢棄物管理辦法》), creating an integrated operational and environmental cleanup responsibility system for onsite waste handling, supported by dedicated supervision mechanisms and regular inspections, to ensure full-process control of waste from generation to disposal. No hazardous waste is generated during production processes at our factories. For other waste streams, classification is based on residual value and subject to differentiated treatment.

Indicators	Unit	2023	2024	Nine months ended September 30, 2025
Non-Hazardous Waste	Tonnes	7.14	6.78	8.75
Non-Hazardous Waste Intensity	Tonnes/revenue in 10 thousands RMB	0.0003	0.0002	0.0002

We place high importance on the management and control of noise generated during our production processes. We have formulated and implemented the *Noise Control Management Procedure* (《噪聲控制管理辦法》) to systematically manage noise from warehouse handling and production activities, with the objective of minimizing the impact of operational noise on both employees and the surrounding community.

Energy and Resource Management

We have established the *Energy Management System* (《能源管理制度》). A dedicated energy management leadership team is formed to oversee top-level strategy and decision-making, while the Energy Management Department is responsible for planning, coordination, and supervision. Operational departments, including Production, Technology and Procurement, are tasked with implementing specific energy conservation measures, developing energy-saving technologies and selecting high-efficiency equipment.

To drive the effective implementation and continuous advancement of all green operational initiatives, we have directly linked energy performance to management compensation by establishing clear energy consumption assessment targets. Achievement of performance goals is rewarded, while failure to meet these targets results in corresponding adjustments to compensation.

BUSINESS

We have established quantitative targets on energy and resource efficiency, as detailed below:

- *Energy Efficiency Target:* We are committed to improvement in energy efficiency continuously. Using 2025 as the baseline, we aim to achieve a 10% reduction in comprehensive energy intensity and a 15% increase in energy use efficiency by 2030.
- *Water Usage Efficiency Target:* We are committed to improving water usage efficiency continuously. Using 2025 as the baseline, we aim to achieve a 15% reduction in water intensity consumption and increase the recycling rate of process water to over 80% by 2030.

Indicators⁽¹⁾	Unit	2023	2024	Nine months ended September 30, 2025
Direct energy Consumption	Tonnes of Standard Coal Equivalent (tce)	6.84	8.78	8.96
Indirect energy Consumption	Tonnes of Standard Coal Equivalent (tce)	93.57	167.28	206.48
Total Energy Consumption	Tonnes of Standard Coal Equivalent (tce)	100.40	176.05	215.44
Water Consumption	m ³	3,427.00	5,369.00	4,548.00 ⁽²⁾
Packaging Material Usage	Tonnes	92	128	328

Notes:

- (1) As production capacity and output increased, the consumption of related resources and energy as well as emissions have risen correspondingly due to the expansion of production scale.
- (2) The water consumption data for 2025 disclosed in this report does not include complete data for the third quarter, as some plants operate on different water billing cycles.

Climate Change

We proactively align with the national carbon peaking and carbon neutrality strategy by systematically implementing our emission reduction pathways through optimizing the energy mix, enhancing operational energy efficiency, and promoting low-carbon innovation. Through these measures, we contribute steadily toward the national goals of achieving carbon peak before 2030 and carbon neutrality before 2060, thereby actively fulfilling our corporate responsibility in addressing global climate change.

To address the potential impact of climate change on our financial performance and long-term sustainability, we have conducted policy research, operational analysis and risk-opportunity assessments to understand climate risks and opportunities, and their implications on our business models.

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Climate-related Risks

Type	Description	Effects on business models	Countermeasures
Physical risks	Acute risk: extreme weather events such as typhoons, riverine flooding, and storms caused by global climate change	<ul style="list-style-type: none"> • Depreciation of fixed assets, loss of labor, and instability in production • Negative impacts on the workforce 	<ul style="list-style-type: none"> • Formulating contingency plans and measures for extreme weather conditions, and conducting regular emergency drills • Monitoring for extreme weather events
Transition risks	Policy and legal risk: stricter regulations on carbon emissions from government and the Exchange market	<ul style="list-style-type: none"> • Rising compliance costs driven by mandatory climate-related disclosures • Anticipated change in energy efficiency standards 	<ul style="list-style-type: none"> • Analyzing and understanding regulatory demands and ensure that we meet regulatory requirements

Climate-related Opportunities

Type	Description	Effects on business models	Countermeasures
Opportunities	Market: government incentives on energy storage, consumption preferences and behavior featured with preferring environmentally friendly products	<ul style="list-style-type: none"> • Rising consumer preference for green solutions, amplified by government home and commercial storage subsidies 	<ul style="list-style-type: none"> • Focusing on core product performance, advancing cutting-edge technologies, and embedding environmental protection and low-carbon principles into our business model

Indicator ⁽³⁾	Unit	2023	2024	Nine months ended September 30, 2025
Total GHG Emissions	tCO ₂ e	106,591.97	110,500.38	161,565.33
GHG Emission Intensity	tCO ₂ e/revenue in 10 thousands RMB	4.00	3.74	4.09
Scope 1 GHG Emissions	tCO ₂ e	14.61	18.91	19.27
Scope 2 GHG Emissions	tCO ₂ e	403.96	722.19	891.44
Scope 1+2 GHG Emission Intensity	tCO ₂ e/revenue in 10 thousands RMB	0.02	0.03	0.02
Scope 3 GHG Emissions	tCO ₂ e	106,173.40	109,759.29	160,654.62
Scope 3 GHG Emission Intensity	tCO ₂ e/revenue in 10 thousands RMB	3.99	3.71	4.07
Scope 3 GHG Emission — Purchased Goods and Services	tCO ₂ e	77,356.21	86,558.57	86,969.84
Scope 3 GHG Emission — Business Travel	tCO ₂ e	251.60	395.60	347.59
Scope 3 GHG Emission — Employee Commuting	tCO ₂ e	62.49	74.58	58.70
Scope 3 GHG Emission — Use of Sold Products	tCO ₂ e	28,503.10	22,730.54	73,278.50

Note:

(3) The quantification of these emissions adheres to the methodological guidelines provided in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (《第六次評估報告》) and employs the operational grid-average emission factors for China as stipulated in the Announcement on the Release of 2023 Power Carbon Dioxide Emission Factors (《關於發布2023年電力二氧化碳排放因子的公告》) by the Ministry of Ecology and Environment.

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Social

Employment

We have formulated the *Employee Handbook* (《員工手冊》), the *Responsible Business Alliance (RBA) Code of Conduct* (《責任商業聯盟(RBA)行為準則》), among other internal policies and systems, and have implemented resolute bans on the use of child labor and forced labor. We strictly enforce a pre-employment verification and registration system for all employees, including rigorous verification of applicants' age information, and implement special protection measures such as job-specific safeguards, working hour control, health monitoring and dynamic job adjustment, with supporting remedial and reporting mechanisms in place to safeguard their legitimate rights and interests.

We are committed to fostering a diverse, equitable and inclusive work environment, and ensure that all employees are protected from any form of harassment and unlawful discrimination. Discrimination and harassment based on race, age, gender, sexual orientation, political affiliation, marital status, or other legally protected characteristics are strictly prohibited in recruitment and employment practices. To reinforce these standards, we conduct annual company-wide specialized training and assessments on anti-discrimination and anti-harassment, ensuring that all employees fully understand the relevant internal policies and procedures for handling such incidents.

We have established multiple reporting channels for discrimination and harassment incidents, including a dedicated 24/7 hotline, a General Manager's mailbox, and direct contact information of designated officers.

<u>Metric</u>	<u>Unit</u>	<u>As of</u>		<u>As of</u> <u>September 30,</u> <u>2025</u>
		<u>December 31,</u> <u>2023</u>	<u>2024</u>	
Total number of employees	Persons	337	394	414
Number of employees by gender	Male	265	317	322
	Female	72	77	92
Number of employees by employment type	Full-time	337	394	414
	Part-time	0	0	0
Number of employees by age group	Below 30 years old	85	118	133
	30–50 years old	239	262	267
	Above 50 years old	13	14	14
Employee turnover rate ⁽⁴⁾	%	25.95%	18.88%	20.79%

Notes:

(4) Employment turnover rate = Total number of employees / ((Number of Employees at Period Start + Number of Employees at Period End)/2)

Health and Safety

We strictly comply with relevant laws and regulations including the *Work Safety Law of the People's Republic of China* (《中華人民共和國安全生產法》) and the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* (《中華人民共和國職業病防治法》), and other relevant laws and regulations. To strengthen our health and safety management system, we have formulated and implemented the *Safety Management Policy* (《安全管理制度》) and the *Occupational Health Management Policy* (《職業衛生管理制度》). Currently, we have obtained ISO 45001 Occupational Health and Safety Management System certification. We have also implemented a tiered risk management and control framework, conducting regular on-site inspections and audits. During the Track Record Period and up to the Latest Practicable Date, the number of working days lost due to work-related injuries was fewer than 200.

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Product Responsibility

We have formulated and implemented internal policies, such as the *Digital Factory Production Management Policy* (《數字化工廠生產管理制度》), the *Routine Inspection and Confirmation Management Policy* (《例行檢驗和確認檢驗管理制度》), establishing a comprehensive quality management framework to achieve standardized quality control and ensure that product quality meets relevant standards.

Regarding intellectual property rights, we have formulated a three-year strategic plan for intellectual property development and issued the *Patent Management Policy* (《專利管理制度》) and the *Patent Incentive Policy* (《專利獎勵制度》), thereby establishing a standardized IP management framework. Currently, we have successfully obtained GB/T 29490-2013 Intellectual Property Management System Certification.

In order to safeguard the information security, we have established a series of internal policies, such as the *Information Security Management Policy* (《信息安全管理办法》), to ensure the security of our information assets, prevent information leakage, tampering, or unauthorized use, and protect our legitimate rights and interests as well as customer privacy.

Supply Chain Management

We have established a comprehensive supply chain management system and formulated the *Supplier Management Policy* (《供應商管理規定》), covering all stages of supplier management.

During the supplier onboarding process, we implement a dual-review mechanism of “supplier self-assessment and company verification.” Suppliers must submit qualification documents in areas such as environmental protection and social responsibility. In parallel, we conduct on-site audits and sample testing. Additionally, suppliers are required to sign the *Supplier Code of Conduct* (《供應商行為準則》), the *Quality Agreement* (《質量協議》), and the *Restricted Hazardous Substances (RoHS) Compliance Commitment* (《有害物質(Rohs)承諾保證書》), which collectively ensure comprehensive coverage of labor, health and safety, environmental, and quality obligations.

Business Ethics and Anti-corruption

We have established internal policies such as the *Integrity and Compliance Policy* (《廉潔從業管理規定》). We require suppliers to sign the *Integrity Commitment* (《廉潔承諾書》) and employees to sign the *Integrity Agreement* (《廉潔從業協議》), prohibiting all forms of bribery, corruption, and misconduct.

A confidential reporting channel and a closed-loop handling mechanism are established to ensure that whistleblowers are protected throughout the investigation process. Any disclosure of their identity or report details is strictly forbidden.

SEASONALITY

According to Frost & Sullivan, the sales of our energy storage solutions exhibits a certain level of seasonality, which is attributable to (i) shifts in power demand, which typically peaks in winter seasons and amid extreme weathers or energy crunch; (ii) policy influences, which may create a period of concentrated installation at the end of a year; and (iii) holidays, which may slow down project approvals and installations. Typically, we experience a slowdown in order intake and project delivery in the first quarter due to holidays, including Christmas, the New Year and the Chinese New Year, which decelerate logistical and on-site activities, and a peak in order intake in the third quarter.

Affected by seasonality, the revenue recognition of our energy storage solutions is typically higher in the second half of the year, primarily because (i) our deployment of C&I energy storage solutions in the Chinese Mainland typically takes up to three months after our customers’ order placement, resulting in the installation, commissioning and revenue recognition pertaining to the orders placed in the second quarter to take place in the third quarter; (ii) the majority of our customers in the Chinese Mainland

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typically connect the energy storage solutions we deliver to the grid in the second half of the year, particularly in the fourth quarter; and (iii) our overseas order fulfillment typically involves a lead time of two months for production and shipment to our overseas warehouses, resulting in the delivery and revenue recognition pertaining to the orders placed in the second quarter to take place in the third and fourth quarters. See “Risk Factors — Risks Relating to Our Business and Industry — Our performance is subject to seasonality.”

LICENSES, PERMITS AND APPROVALS

Our Directors confirmed, and as advised by our PRC Legal Advisor with respect to our operations in the PRC, that, as of the Latest Practicable Date, we have obtained all material requisite licenses, permits and approvals, such as the Filing for Importers and Exporters of Goods, for conducting business activities in the jurisdictions where we operate; such material requisite licenses, permits and approvals remained valid; and our Directors were not aware of any material legal impediments to renewing such licenses, permits and approvals.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become a party to various legal, arbitral or administrative proceedings that arise from our ordinary course of business. As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we complied with the applicable PRC laws and regulations in relation to our business operations in all material respects, and there were no litigation, arbitration or administrative proceedings pending or initiated against us which might have a material and adverse effect on our business operations, financial condition or results of operations. During the Track Record Period and up to the Latest Practicable Date, we did not have any non-compliance incidents which our Directors believe have had or are reasonably likely to have, individually or in aggregate, a material legal, operational or financial impact on our Group as a whole.

PATH TO PROFITABILITY

During the Track Record Period, our energy storage solutions experienced rapid growth. In 2023, 2024 and the nine months ended September 30, 2025, we delivered 159.6MWh, 192.2MWh and 456.5MWh of energy storage solutions to our customers, generating approximately RMB266.8 million, RMB268.3 million and RMB476.4 million of revenue, respectively.

Despite the rapid growth of our business, we were not yet profitable as of September 30, 2025, primarily due to (i) our share-based payments; and (ii) our ongoing R&D and technological investments. Nonetheless, benefiting from our rapid overseas market expansion during the Track Record Period, our net loss margin had narrowed considerably.

Looking ahead, we plan to further improve our financial performance and achieve profitability through several measures, including (i) sustaining our revenue growth; (ii) improving our gross profit margin; and (iii) optimizing our operating costs.

Sustaining Revenue Growth

Capitalizing on Industry Growth and Expanding Our Global Sales Network

According to Frost & Sullivan, the global lithium-ion battery energy storage system market is projected to grow at a CAGR of 23.2% between 2024 and 2030, with the C&I segment expected to grow at a CAGR of 28.6%. Such projection indicates that the energy storage system market is poised for continued rapid expansion. Notably, significant potential is observed in overseas markets such as Europe, where Frost & Sullivan forecasts the total addressable markets in terms of shipment volume for lithium-ion battery energy storage systems and the C&I segment to reach 88.9GWh and 9.4GWh by 2030, with CAGRs of 20.0% and 30.5% between 2024 and 2030, respectively.

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We are committed to capturing this growth opportunity by solidifying our presence in established markets, such as Europe and Australia, while strategically expanding into emerging markets, such as the Middle East and the Americas.

The European and Australian Market. Since commencing operations in Europe and Australia in 2022 and 2021, respectively, we have achieved significant market penetration. As of the Latest Practicable Date, we had established six regional offices world and 11 overseas service centers. In 2025, we deepened our collaborations with leading local distributors and professional installers in key regions like Poland and Germany. Our strategic layout in Europe and Australia has resulted in a mature local distribution channel, enabling stable, bulk product shipments and laying a solid foundation for our further market development.

The Middle East Market. Since 2023, we have steadily increased our market presence in the Middle East by participating in prominent regional industry events, such as the WETEX & Dubai Solar Show. We achieved a key milestone in January 2025 with the successful commissioning of our first C&I energy storage power station in the United Arab Emirates. Furthermore, in the fourth quarter of 2025, we entered into strategic cooperation agreements with major local distributors and installers, strengthening our distribution channel in the Middle East.

The Americas Market. Since 2024, we have engaged with the Americas market by showcasing our mature products at major events such as RE+ and other industry forums. We also conducted small-scale seminars and installer training sessions to deepen our cooperation with local distributors and expand our influence and sales network. As of the Latest Practicable Date, our C&I and residential energy storage systems were certified for both North and South American markets. In 2025, we completed our first pilot installation in California and secured initial orders in South America, with delivery and installation planned for 2026.

The Domestic Market. As of the Latest Practicable Date, we operated five regional sales centers and nine service centers in China, forming a robust nationwide service network. We plan to continue expanding our domestic sales and service teams, augmenting our brand and marketing activities through both online and offline channels to broaden our reach and customer base. We are also strengthening our sales model, which integrates direct sales with distributorship, allowing us to expand market coverage while maintaining close engagement with end customers to foster long-term, stable relationships.

We anticipate that the expansion of our global sales network will further promote the coordinated development of our domestic and international operations. Such strategy is expected to enhance our market penetration and market share worldwide, ensuring the sustained growth of our business revenue.

Expanding Our Overseas C&I Product Advantages and Strengthening Market Leadership

During the Track Record Period, our overseas C&I energy storage solutions experienced rapid growth, demonstrating strong product competitiveness and pricing power. We expect that the gross profit margin of our C&I energy storage solutions will maintain at a high level going forward. As of the Latest Practicable Date, we had deployed our energy storage solutions in over 600 energy storage power stations globally, with C&I customers spanning more than 40 industries, earning broad recognition for our solutions in the international market.

Moving forward, we will continue to tap into the development potential of our overseas C&I energy storage solutions. Leveraging our established brand and distribution channels, we plan to reinforce our product strength, which lies in the deep integration of our versatile hardware with sophisticated software algorithms. By providing high-performance, precisely tailored C&I energy storage solutions, we aim to enhance the demonstration effect of our overseas flagship customers. Such strategy is designed to elevate our industry standing and brand awareness within the global C&I energy storage market.

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Increasing R&D Investment to Expand Our Product Portfolio and Application Scenarios while Enhancing AI Empowerment

We will continue to increase our investment in R&D, actively expanding our product portfolio and diversifying our application scenarios to meet evolving customer demands. In particular, we plan to:

Strengthening Laboratory Infrastructure and Talent. We plan to focus on continuous R&D to expand our product portfolio. We plan to focus specifically on developing products with higher power and energy density, greater energy density, large-format cell systems and technologies targeted at AI data centers ("AIDC") and microgrids, such as novel DC-DC topologies, to improve our product performance. Such R&D focus is expected to allow us to serve a broader range of customers, thereby increasing our market share.

Expanding into New Application Scenarios. Aligning with the industry trend towards integrating energy generation, transmission, distribution, usage and storage, we are extending our product applications to new fields such as AIDC infrastructure, microgrids, emergency backup power and self-sufficient energy systems for mining areas. With respect to AIDC infrastructure, we are collaborating with our business partner to explore the integrated combination of energy storage systems with computing equipment. We are developing solutions that integrate energy storage and computing for distributed computing scenarios like campus and enterprise server rooms, catering to customers with high demands for power supply reliability, energy efficiency and private deployment. In 2025, we achieved initial success in this direction by winning the bid for the Phase I energy storage project of the Light of Wuzhen Supercomputing Center. With respect to microgrids, we have deployed our energy storage solutions to various projects in remote areas like Southeast Asia. By installing photovoltaic and energy storage microgrids to replace traditional diesel generators, we meet production and residential electricity needs, supporting regional low-carbon energy transitions.

Enhancing Software and AI Empowerment. We are committed to the ongoing development of our software platforms, including WHES OS, ECOS and ECOS Hub. Our current platforms incorporate AI prediction and optimization algorithms designed to achieve an optimal balance between energy savings and trading value. We have also developed a customized AI assistant that covers pre-sales solution simulation and post-sales technical support. The development of these AI capabilities empowers our existing products, enhancing user experience and loyalty, which in turn facilitates customer base expansion and increases repurchase rates.

Exploring New Business Models

We plan to explore and establish an asset operation and value-added service system to create a second growth curve. In particular, we plan to:

Developing EMS Subscription Services. Based on our proprietary WHES OS and ECOS software platforms, we plan to develop EMS subscription services, including VPP and electricity price hosting functionalities.

Expanding VPP Operations. We have developed our WHES Virtual Power Plant to support large-scale virtual power plants. As of the Latest Practicable Date, we had reached agreements with customers in Shanghai, Jiangsu and Zhejiang provinces for aggregating their energy resources of approximately 24MWh. In the future, after obtaining the necessary VPP qualifications, we plan to launch VPP-related services such as peak shaving and demand response in these regions. Such plan will be based on a complete integration of our WHES OS and WHES Virtual Power Plant platforms as well as the pool of rich aggregatable customer-side energy resources managed uniformly on our WHES OS platform. Our goal is to achieve centralized dispatch and value realization of energy assets, generating stable operational service revenue. As the reform of energy markets deepens, we will also gradually explore more market-oriented business models, laying the foundation for future participation in power spot markets and other grid services.

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Launching An Independent Service Brand. Through the establishment of an independent service brand, we plan to offer our customers comprehensive energy storage hosting services, covering system commissioning, inspection, maintenance, spare parts management, battery recycling and performance optimization. We plan to gradually expand the service scope of such brand to include wind power, photovoltaic and other power electronic equipment.

Investing in and Operating Photovoltaic and Energy Storage Projects. We plan to invest in, own and independently operate photovoltaic and energy storage projects in suitable regions. We expect such approach to allow us to obtain low-cost electricity and expand our energy supply business.

Through the implementation of the abovementioned measures, we aim to gradually complete a profound transformation into an energy storage solutions and operational service provider, thereby developing new revenue growth points.

Improving Gross Profit Margin

Enhancing Profitability through Economies of Scale

To capture our rapidly growing customer demand, we plan to further increase our production capacity and utilization rate to achieve greater economies of scale. In particular, we plan to (i) establish a new production facility in Tongxiang for the production of C&I energy storage systems, focusing on the overseas markets with higher gross profit margins; (ii) upgrade our existing production lines and testing equipment to enhance our digital and smart production capabilities; and (iii) incorporate collaborative robots and visual inspection on our production lines to improve our agile and flexible order processing capabilities.

Furthermore, we plan to strengthen our strategic cooperation with our existing industry-leading suppliers globally and actively seek more long-term, stable potential suppliers. We aim to secure more stable material supply at more favorable prices, thereby enhancing our supply chain management capability and reducing our procurement and logistics costs. We believe this will help us continue to improve our operational efficiency and strengthen our cost competitiveness.

Enhancing Flexible Production Capability to Reduce Structural Costs

We have established multiple digital production lines for our C&I and residential energy storage systems along with an advanced flexible production management system. This foundation enables us to flexibly manufacture energy storage systems of various product categories and batch sizes. Our production lines can also switch between different products within 30 minutes, supporting multi-category production while ensuring high quality consistency and reliability.

To further strengthen our core competitiveness and achieve structural cost reduction, we plan to continuously promote the standardization, simplification and optimization of our R&D and production processes. On one hand, we plan to focus on our in-house design and production of core components, such as EMS, BMS and PCS. We plan to apply Industrial Engineering methods for meticulous production line design and utilize time studies, motion analysis as well as layout optimization to eliminate overproduction, idle time and transportation time. Relying on standardized operating procedures, we plan to stabilize production cycle times and significantly increase our per capita productivity, laying a solid foundation for scaled production. On the other hand, we plan to continuously enhance our flexible manufacturing capability by integrating MES, smart warehousing and full-process quality traceability systems into our production, which is expected to enable differentiated production and efficient delivery that meets diverse market regulatory standards, application environments and customer requirements.

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In additional, we plan to leverage our WHES OS and ECOS Hub to achieve remote device management and data monitoring for our energy storage systems, providing our customers with remote operational support. Our goal is to reduce after-sales operation and maintenance labor costs. Through these efforts, we expect to achieve structural cost reduction in the course of production, thereby improving our gross profit margin.

Strengthening Inventory Management and Accelerating Inventory Turnover

We plan to continuously strengthen our inventory management, formulating and implementing an inventory management system with the goal of guaranteeing our supply, minimizing our capital occupation and accelerating our inventory turnover. Looking ahead, we plan to strike a balance between scale and efficiency. Through refined management, we aim to stabilize and gradually increase our inventory turnover ratio, ensuring that inventory growth serves business expansion, improves asset utilization efficiency, reduces inventory backlog, warehousing losses and capital occupation costs, and lowers the risk of inventory depreciation and impairment. We expect such approach to contribute to the continuous improvement of our gross profit margin.

Optimizing Operating Costs

Optimizing and Enhancing R&D Efficiency

During the Track Record Period, our R&D expenses amounted to RMB46.3 million, RMB47.4 million and RMB38.3 million, respectively, accounting for 17.3%, 17.7% and 8.0% of our revenue, respectively. As our overall revenue grows, our R&D efficiency has continuously improved. We plan to further enhance our R&D efficiency by (i) maintaining an R&D team that is appropriately scaled to our business size; (ii) optimizing our R&D processes and management systems; and (iii) further modularizing our energy storage systems to strengthen system interoperability across our product lines.

Leveraging Branding Advantages and Enhancing Marketing Efficiency

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our sales and marketing expenses amounted to RMB37.8 million, RMB67.1 million, RMB47.2 million and RMB47.2 million, accounting for 14.2%, 25.0%, 37.8% and 9.9% of our revenue, respectively. As we continue to expand globally, our strong brand recognition and industry reputation will become increasingly evident competitive advantages. As such, we plan to (i) strengthen our collaborations with well-known customers within the industry to further elevate our brand; and (ii) build upon our existing sales team by aggregating and optimizing our sales channels to achieve precise customer targeting and improve our overall marketing efficiency.

Strengthening Administrative Expense Control

Our administrative expenses have shown a significant decline from RMB108.9 million in the nine months ended September 30, 2024 to RMB45.2 million in the nine months ended September 30, 2025, which accounted for 87.2% and 9.5% of our revenue, respectively. We plan to continue to strengthen our control and optimization of administrative expenses. As our business grows, we aim to keep the proportion of our administrative expenses at a reasonable and sustainable level.

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RISK MANAGEMENT AND INTERNAL CONTROL

To address the operational, financial, legal and market risks identified in relation to our operations and to monitor the ongoing implementation of our risk management policies as well as corporate governance measures after the [REDACTED], we have implemented, or will continue to implement, the following measures and internal policies:

- Establish an Audit Committee to review and supervise our financial reporting process and internal control system. See "Directors and Parties Involved in the [REDACTED]";
- Adopt various policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to risk management and connected transactions;
- Provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations, and include relevant policies against noncompliance in employee handbooks;
- Organize training sessions for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong;
- Enhance our reporting and records system for production facilities, including centralizing their quality assurance and safety management systems and conducting regular inspections of the facilities;
- Establish a set of emergency procedures in the event of major production safety related issues;
- Provide enhanced training programs on quality assurance and production safety procedures;
- Strengthen fund management to prevent the misappropriation of funds, and enhance the efficiency of fund utilization; and
- Periodically review access to our IT systems.

In preparation for the [REDACTED], we have engaged an independent third-party consultant to review selected areas of our internal control measures over financial reporting (the "**Internal Control Review**"). The scope of the Internal Control Review included entity-level controls and business process level controls, such as revenue and receivables, purchases and payables, inventory, treasury, fixed assets, financial reporting, insurance and R&D. To ensure continuous compliance and set expectations for individual behavior across our Group, we will regularly review our risk management policies and internal management procedures, adopt strict accountability internally and conduct compliance training. Our Directors are of the view that our enhanced internal control system is adequate and effective for our current operations.

INSURANCE

During the Track Record Period, we purchased property insurance, product liability insurance, export insurance, employer's liability insurance and group accident insurance, which we believe were adequate to cover our daily operation and, according to Frost & Sullivan, was in line with industry practice. Nevertheless, we may be exposed to claims and liabilities which exceed our insurance coverage. See "Risk Factors — Risks Relating to Our Business and Industry — We may not have adequate insurance to cover losses and liabilities arising from various operational risks and hazards." During the Track Record Period and up to the Latest Practicable Date, we did not make, and were not subject to, any material insurance claim.

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AWARDS AND RECOGNITIONS

The following table sets forth selected important awards and recognition that we received during the Track Record Period and up to the Latest Practicable Date.

<u>Awarding Year</u>	<u>Award/Recognition</u>	<u>Awarding Entity</u>
2025	National Key Specialized, Refined, Distinctive and Innovative Little Giant Enterprises (國家重點專精特新"小巨人"企業)	Ministry of Industry and Information Technology
2025	National-level AI application scenario for Small- and Medium-sized Enterprises (國家級中小企業人工智能典型應用場景)	Ministry of Industry and Information Technology
2025 & 2024	Tier 1 Global Energy Storage Manufacturer (彭博新能源財經全球一級儲能廠商)	BloombergNEF
2025	DUNS Registered Company — 4AA1 Rating (鄧白氏註冊認證企業)	Dun & Bradstreet
2025 & 2024	Gold Medal of the Exhibition of Inventions Geneva (國際日內瓦發明金獎)	Swiss Federal Government, the State and City of Geneva and the World Intellectual Property Organization (WIPO)
2025	High-Tech Enterprise Certification (高新技術企業證書)	Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance and Jiangsu Provincial Taxation Bureau
2024	Provincial Enterprise Technology Center (省級企業技術中心)	Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial Taxation Bureau, Jiangsu Provincial Development and Reform Commission and Jiangsu Provincial Department of Industry and Information Technology
2024	Wuxi Key Laboratory (無錫市重點實驗室)	Wuxi Municipal Bureau of Science and Technology
2025	China's Top 50 High-Tech High-Growth Enterprises (中國高科技高成長企業50強)	Deloitte China

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<u>Awarding Year</u>	<u>Award/Recognition</u>	<u>Awarding Entity</u>
2023	First Prize of the 2022 Shanghai Science and Technology Progress Award (2022年度上海市科技進步獎一等獎)	Shanghai Municipal Government
2023	Jiangsu Province Key Promoted New Technologies and Products Catalog (江蘇省重點推廣應用的新技術新產品目錄)	Wuxi Municipal Bureau of Industry and Information Technology