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Application Proof of
Weiheng Intelligent Technology Co., Ltd.
為恒智能科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

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Weiheng Intelligent Technology Co., Ltd.

為恒智能科技股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] : [REDACTED] H Shares (subject to the under the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application and subject to refund)
Nominal value : RMB[0.50] per H Share
[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED]



华泰国际
HUATAI INTERNATIONAL



招銀国际
CMB INTERNATIONAL

(Ranked in no specific order)

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The obligations of the [REDACTED] under the [REDACTED] to subscribe for, and to procure applicants for the subscription for, the [REDACTED], are subject to termination by the [REDACTED] (for themselves and on behalf the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. Further details of such circumstances are set out in the section headed "[REDACTED] — [REDACTED] Arrangements — [REDACTED] — [REDACTED] — Grounds for Termination." It is important that you refer to that section for further details.

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The [REDACTED] have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be [REDACTED], sold, pledged or transferred within the United States, except pursuant to an available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. The [REDACTED] are being [REDACTED] and sold outside the United States in offshore transactions in reliance on Regulation S.

[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

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SUMMARY

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

OVERVIEW

Who We Are

We are a leading provider of digital and intelligent commercial and industrial (“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 have consistently pursued a global strategy and are one of the first movers among the Chinese enterprises to break in the overseas C&I energy storage markets.

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.

Our major awards and recognitions include being designated as 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 2025, winning 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 and winning a gold medal at the Geneva International Invention Exhibition in both 2024 and 2025.

The following table highlights our remarkable achievements:

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

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.

SUMMARY

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, which enhance grid stability and support C&I users in managing energy costs and improving supply autonomy, have become the core drivers behind the development of the global energy industry.

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, 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 primarily includes (i) all-in-one energy storage systems; (ii) battery cabinets; and (iii) integrated step-up inverters. With grid-forming capabilities, our utility hardware enhances 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.

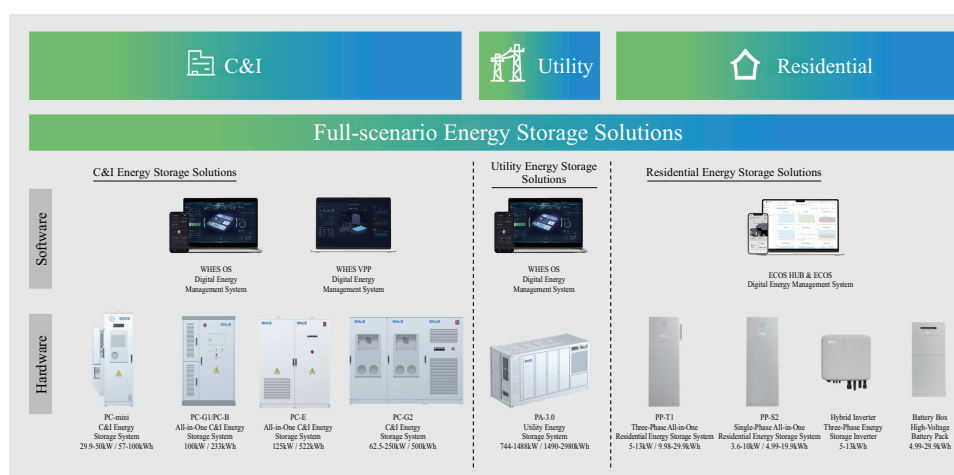
WHES OS is the software hub and control center of our C&I and utility energy storage solutions, enabling the unified connection, real-time monitoring and refined control of various underlying energy assets, such as our energy storage systems and photovoltaic systems. In addition, WHES OS supports flexible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

SUMMARY

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 our full-scenario energy storage solutions:



Our Technologies

We are committed to delivering efficient and reliable energy storage solutions by integrating foundational physical technologies and advanced algorithms. With our proprietary, full-stack technology 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.** Our energy storage systems continuously monitor the internal condition of each battery cell to detect potential risks early, allowing for fast charging and discharging by keeping every battery cell within its optimal and safe range. Our energy storage systems adjust power output and cooling, minimizing long-term wear and tear to extend the batteries' overall life.
- Power electronics technology.** We have developed our own high-performance PCS that acts as a smart, efficient bridge between battery storage and the electrical grid. Its key advantages are focused on efficiency, grid support and reliability. Our PCS is designed to minimize energy loss during charging and discharging. It also actively helps stabilize the grid frequency to maintain overall network stability. Our PCS includes an ultra-fast switching mechanism that allows it to seamlessly isolate from the main grid and continue powering essential operations within milliseconds if a grid problem occurs.

SUMMARY

- **Decision-making AI technology.** Our digital and intelligent energy storage systems 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.

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. In terms of market coverage, our operation spanned over 50 countries and regions on five continents as of the Latest Practicable Date, and our overseas revenue accounted for over 40% of our total revenue in the nine months ended September 30, 2025. In terms of service network, we had established six regional offices worldwide, nine service centers in the Chinese Mainland and 11 overseas service centers as of the Latest Practicable Date, forming a robust global service network.

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 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 amounted 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 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 types of energy storage solutions for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(unaudited)		(unaudited)	
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⁾	56	0.0	2,697	1.0	683	0.6	3,794	0.8
Total	266,835	100.0	268,275	100.0	124,885	100.0	476,389	100.0

Note:

- (1) Primarily include (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.

SUMMARY

We have built a complete business closed loop featuring global market coverage, differentiated sales channels and milestone-based payment collection. Our core value positioning 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.

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, accounting for 17.3%, 17.7%, 26.2% and 8.0% of our revenue, 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 globally. We had also obtained more than 570 certifications for our energy management systems globally, covering authoritative market-access standards such as IEC, EU CE, UL, VDE and CEI. In addition, the core members of our R&D team have participated in the drafting of three national standards, two international industry standards and nine group standards.

As of the Latest Practicable Date, we had 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.

See “Business — Research and Development.”

PRODUCTION

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.

As of September 30, 2025, we operated two production facilities in Wuxi. Facility No. 1 had a gross floor area of 3,700 sq.m. and was primarily used for the production of residential energy storage systems. Facility No. 2 had a gross floor area of 12,000 sq.m. and was primarily used for the production of C&I energy storage systems. 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 is currently used as our offices. See “Business — Production — Our Production Facilities.”

For our C&I, utility and residential energy storage systems, we have in place different production processes. See “Business — Production — Production Process.”

SUMMARY

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. See “Industry Overview.” We believe that we are well prepared to excel in industry competition.

OUR COMPETITIVE ADVANTAGES

We believe the following strengths have contributed to our success and differentiate us from our competitors: (i) a leader in the C&I energy storage solution market with large-scale delivery capabilities in complex application scenarios; (ii) multidisciplinary, full-stack digital energy solutions that integrate hardware and software; (iii) a globally leading energy storage brand with continuously enhanced market influence and customer trust worldwide; (iv) an integrated hardware-software global service system that drives full-lifecycle value enhancement; (v) digital and flexible manufacturing and supply chain collaboration management underpinning a differentiated global competitive edge; and (vi) our highly qualified international management and R&D teams working in concert to drive our recognition with multiple prestigious honors.

OUR STRATEGIES

We intend to continue to grow our business through the following key strategies: (i) focusing on digital intelligent energy storage while strengthening our R&D capabilities to maintain leadership in both technology and scale; (ii) implementing our global expansion strategy to achieve dual-track market penetration both domestically and internationally; (iii) expanding horizontally with existing technologies and products to create a second growth curve; and (iv) expanding production capacity and enhancing digital intelligence capabilities.

KEY RISK FACTORS

Our business and the [REDACTED] involve certain risks, which are set out in the section headed “Risk Factors.” Some of the major risks that we face include: (i) we operate in an intensely competitive market and may not compete effectively against existing and new competitors; (ii) price fluctuations and inadequate or interrupted supply of our raw materials and components could adversely affect our business operations, financial condition and future prospects; (iii) we rely on the market demand for our solutions. Any slowdown or decrease in downstream demand may have an adverse impact on us; (iv) our international strategy exposes us to legal, regulatory, political, operational, economic and other risks that could adversely affect our business operations, results of operations and financial condition; and (v) we may be unable to expand our production capacity as scheduled or, even if the physical expansion proceeds as planned, we may fail to realize the anticipated increase in output or utilization rate in a timely manner or at all.

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.

SUMMARY

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. 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.

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.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of Our Consolidated Statements of Comprehensive Income

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)			
Revenue	266,835	100.0	268,275	100.0	124,885	100.0	476,389	100.0
Cost of sales	(244,800)	(91.7)	(219,764)	(81.9)	(106,378)	(85.2)	(385,615)	(80.9)
Gross profit	22,035	8.3	48,511	18.1	18,507	14.8	90,774	19.1
Other income	2,047	0.8	5,973	2.2	4,429	3.5	2,677	0.6
Other gains/(losses), net	777	0.3	(1,435)	(0.5)	853	0.7	5,054	1.1
Selling and marketing expenses	(37,846)	(14.2)	(67,086)	(25.0)	(47,244)	(37.8)	(47,194)	(9.9)
Research and development expenses	(46,259)	(17.3)	(47,377)	(17.7)	(32,749)	(26.2)	(38,270)	(8.0)
Administrative expenses	(87,691)	(32.9)	(137,113)	(51.1)	(108,888)	(87.2)	(45,161)	(9.5)
(Provision for)/reversal of impairment of financial assets and contract assets	(5,456)	(2.0)	(1,806)	(0.7)	2,331	1.9	(4,130)	(0.9)
Finance costs, net	(1,337)	(0.5)	(3,135)	(1.2)	(2,069)	(1.7)	(4,030)	(0.8)
Share of results of associates	—	—	(5)	(0.0)	—	—	—	—
Loss before income tax	(153,730)	(57.6)	(203,473)	(75.8)	(164,830)	(132.0)	(40,280)	(8.5)
Income tax expense	—	—	(1,073)	(0.4)	(410)	(0.3)	(118)	(0.0)
Loss for the year/period	(153,730)	(57.6)	(204,546)	(76.2)	(165,240)	(132.3)	(40,398)	(8.5)

Summary of Our Consolidated Statements of Financial Position

	As of December 31,		As of September
	2023	2024	30, 2025
	(RMB in thousands)		(Unaudited)
Total current assets	484,720	528,241	610,428
Total current liabilities	303,076	428,593	541,445
Net currents assets	181,644	99,648	68,983
Total assets less current liabilities	222,718	170,524	140,784
Net assets	222,718	159,320	124,341

SUMMARY

Summary of Our Consolidated Statements of Cash Flows

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	(RMB in thousands)			
			(Unaudited)	(Unaudited)
Net cash used in operating activities	(161,630)	(70,107)	(51,496)	(116,799)
Net cash (used in)/generated from investing activities	(62,816)	3,147	10,781	(3,300)
Net cash generated from financing activities	300,560	70,903	10,814	62,504
Net increase/(decrease) in cash and cash equivalents	76,114	3,943	(29,901)	(57,595)
Cash and cash equivalents at end of year/period	111,941	114,571	80,640	57,316

Key Financial Ratios

	As of/For the year ended December 31,		As of/For the nine months ended
	2023	2024	September 30, 2025
Profit Indicator			
Gross profit margin (%) ⁽¹⁾	8.3	18.1	19.1
Liquidity			
Current ratio (times) ⁽¹⁾	1.6	1.2	1.1
Quick ratio (times) ⁽¹⁾	1.0	0.6	0.5
Interest-bearing debt ratio (%) ⁽¹⁾	23.9	30.1	37.0

Note:

- (1) See “Financial Information — Key Financial Ratios” for the calculation formulas.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the granting the [REDACTED] of, and permission to [REDACTED], H shares to be issued pursuant to the [REDACTED] (including any additional H shares that may be issued pursuant to the exercise of the [REDACTED]) and the H shares to be converted from the Unlisted Shares, on the basis that, among other things, that we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK\$[REDACTED] per H Share	Based on an [REDACTED] of HK\$[REDACTED] per H Share
Market capitalization of our Shares	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted net tangible assets per Share	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) All statistics in the table are based on the assumption that the [REDACTED] is not exercised.
- (2) The calculation of market capitalization is based on the assumption that [REDACTED] H Shares to be [REDACTED] under the [REDACTED] and [REDACTED] H Shares to be converted from Unlisted Shares, expected to be in issue upon completion of the Share Subdivision and [REDACTED].
- (3) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in the section headed “Appendix II — Unaudited [REDACTED] Financial Information.”

SUMMARY

FUTURE PLANS AND [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming the [REDACTED] being not exercised and an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED]). We intend to use the net [REDACTED] from the [REDACTED] for the following purposes: (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand our production capacity; (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our product development and R&D capabilities; (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand our overseas and domestic sales network; (iv) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our asset operation and maintenance and value-added service systems; and (v) approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes. See “Future Plans and [REDACTED].”

DIVIDENDS

No dividend was declared or paid by our Company during the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period. Our Group currently does not have a pre-determined dividend policy. We may declare and pay dividends after taking into account our results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as we may deem relevant. We may distribute dividends by way of cash or stock. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant PRC laws and regulations. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders’ meeting.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. At the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), the [REDACTED] which are payable by us are estimated to amount in aggregate to be approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. The total [REDACTED] consist of (i) approximately HK\$[REDACTED] [REDACTED] fees (including [REDACTED], incentive fee, SFC transaction levy, Stock Exchange trading fee, and AFRC transaction levy) and (ii) approximately HK\$[REDACTED] non-[REDACTED] fees mainly comprising (a) fees paid to legal adviser(s) and accountant(s) of approximately HK\$[REDACTED], and (b) other fees and expenses and fees paid to other professional parties of approximately HK\$[REDACTED]. Among the total [REDACTED], approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be deducted from equity upon the completion of the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

OUR CONTROLLING SHAREHOLDERS

Our Controlling Shareholder Group comprises Mr. Ko, Rich Master, Reorient Investments Limited, Wuxi Weiheng, Reorient Capital Markets Limited, Ruinao Shanghai and Shanghai Juhengxin. As of the Latest Practicable Date, Mr. Ko controlled an aggregate of approximately 56.95% of the voting rights of our Company through the other members of our Controlling Shareholder Group. Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Ko will control approximately [REDACTED]% of the voting rights of our Company.

PRE-[REDACTED] INVESTMENTS

We completed several rounds of Pre-[REDACTED] Investments since our establishment. See “History, Development and Corporate Structure — Pre-[REDACTED] Investments” for details of the Pre-[REDACTED] Investments and the Pre-[REDACTED] Investors.

SUMMARY

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 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.

See “Business — Path to Profitability.”

RECENT DEVELOPMENTS

Following the Track Record Period and up to the Latest Practicable Date, our business continued to grow, which was reflected in our operational metrics. The shipment volume of our energy storage solutions reached 311.8MWh in the fourth quarter of 2025 and 143.7MWh in January 2026, underscoring our sustained growth momentum. Apart from the over 400 energy storage stations as of September 30, 2025, we also deployed our energy storage solutions to another 198 energy storage stations after the Track Record Period and up to the Latest Practicable Date.

Following the Track Record Period and up to the Latest Practicable Date, we entered into operation and maintenance service agreements with seven new customers in both the Chinese Mainland and overseas markets, and extended our services to cover third-party renewable energy devices and systems, signifying our operation and maintenance services’ transition into a more significant and growing revenue stream for us.

We are also actively expanding our VPP services. 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, marking an initial step into this service domain.

In January 2026, we were certified as a 2025 Outstanding Brand Enterprise in China’s Energy Storage Industry by Solarbe Global. Our C&I energy storage systems were awarded the 2025 Excellent Commercial and Industrial Energy Storage Solution in China’s Energy Storage Sector, demonstrating market recognition for our technological and solution capabilities. Our PCS for both C&I and utility energy storage systems was certified for UL 1741 in North America. Imposing stringent requirements on grid connection, the UL 1741 certification that we obtained demonstrates our R&D capabilities, production quality and commitment to regulatory compliance. We believe that it prepares our C&I and utility energy storage systems for a credible and smooth entry into the North America markets.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since September 30, 2025, being the end of the Track Record Period, and there is no event since September 30, 2025 which would materially affect the information shown in the Accountant’s Report, the contents of which are set out in Appendix I to this document.

DEFINITIONS

In this document unless the context otherwise requires the following terms shall have the following meanings. Certain technical terms are explained in the section headed “Glossary” in this document.

“Accountant’s Report”	the accountant’s report of the Company for the Track Record Period, the text of which is set out in Appendix I
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Anhui Weiheng”	Anhui Weiheng Intelligent Technology Co., Ltd.* (安徽為恒智能科技有限公司), a limited liability company established in the PRC on November 14, 2024, a wholly-owned subsidiary of our Company
“Articles” or “Articles of Association”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix III to this document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day” or “business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
“[REDACTED]” or “[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]

DEFINITIONS

“[REDACTED]”	[REDACTED]
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this document, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company,” “our Company” or “the Company”	Weiheng Intelligent Technology Co., Ltd. (為恆智能科技股份有限公司), (formerly known as Jiangsu Weiheng Intelligent Technology Co., Ltd. (江蘇為恆智能科技有限公司)), which was initially incorporated under the laws of the PRC as a limited liability company on July 4, 2017 and was subsequently converted into a joint stock company with limited liability on January 22, 2026
“Company Law” or “PRC Company Law”	the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Ko, Rich Master, Reorient Investment Limited, Wuxi Weiheng, Reorient Capital Markets Limited, Ruinao Shanghai and Shanghai Juhengxin, as further detailed in the section headed “Relationship with Our Controlling Shareholders” in this document
“Conversion of Unlisted Shares into H Shares”	the conversion of [REDACTED] Unlisted Shares in aggregate held by our existing Shareholders into [REDACTED] H Shares upon the completion of the [REDACTED]
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSDC (Hong Kong)”	China Securities Depository and Clearing (Hong Kong) Company Limited
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company

DEFINITIONS

“Employee Incentive Platforms”	our employee incentive platforms, including Weiheng New Energy and Shanghai Juhengxin or any one of them as the context may require
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
“[REDACTED]”	[REDACTED]
“F&S” or “Frost & Sullivan”	Frost & Sullivan, a consulting firm that provides market research and analysis
“F&S Report”	a commissioned industry report prepared by F&S
“Gansu Hengchu”	Gansu Hengchu Energy Storage Technology Co., Ltd.* (甘肅恒儲儲能科技有限責任公司), a limited liability company established in the PRC on July 19, 2023, a wholly-owned subsidiary of our Company
“[REDACTED]”	[REDACTED]
“Group,” “our Group,” “the Group,” “we” or “us”	the Company and its subsidiaries from time to time or, where the context so requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“Guide”	the Guide for New Listing Applicants published by the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
“Guidelines on Articles”	Guidelines for Articles of Association of Listed Companies (上市公司章程指引), as amended, supplemented or otherwise modified from time to time
“H Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB[0.50] each, which is/are to be [REDACTED] and [REDACTED] in HK dollars and to be [REDACTED] on the Stock Exchange
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]

DEFINITIONS

“[REDACTED]”	[REDACTED]
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s)
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong dollars,” “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“[REDACTED]”	[REDACTED]

DEFINITIONS

“[REDACTED]”	[REDACTED]
“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Joint Sponsors”	the joint sponsors of the [REDACTED] of the H Shares on the Hong Kong Stock Exchange as named in “Directors and Parties Involved in the [REDACTED]” in this document
“Latest Practicable Date”	February 2, 2026, being the latest practicable date for ascertaining certain information in this document before its publication
“[REDACTED]”	[REDACTED]
“Listing Committee”	the Listing Committee of the Stock Exchange

DEFINITIONS

“[REDACTED]”	[REDACTED]
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Mr. Ko”	Mr. Ko Chun Shun, Johnson (“高振順”), one of our Controlling Shareholders
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Trial Measures”	The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC GAAP”	generally accepted accounting principles of the PRC
“PRC Legal Advisor”	Tian Yuan Law Firm, being the legal advisor to the Company as to the PRC laws

DEFINITIONS

“[REDACTED]”	[REDACTED]
“Pre-[REDACTED] Investments”	the Pre-[REDACTED] investments in our Company undertaken by the Pre-[REDACTED] Investors, details of which are set out in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document
“Pre-[REDACTED] Investor(s)”	the existing Shareholder(s) who participated in our Pre-[REDACTED] Investments, details of which are set out in the section headed “History, Development and Corporate Structure — Pre-[REDACTED] Investments” in this document
“Regulation S”	Regulation S under the U.S. Securities Act
“Rich Master”	Rich Master Global Limited, a company incorporated in BVI, one of our Controlling Shareholders
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Ruinao Shanghai”	Ruinao (Shanghai) Management Consulting Co., Ltd. (瑞璵(上海)管理諮詢有限公司), a company established in the PRC on June 26, 2019, one of our Controlling Shareholders
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“STA”	the State Taxation Administration (國家稅務總局)
“SCNPC”	Standing Committee of the National People’s Congress, the permanent body of the National People’s Congress of the PRC
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai Juhengxin”	Shanghai Juhengxin New Energy Partnership (Limited Partnership)* (上海聚恒鑫新能源合夥企業(有限合夥)), a limited partnership established in the PRC on October 10, 2022, one of our Employee Incentive Platforms
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB[0.50] each upon completion of the Share Subdivision, including Unlisted Shares and H Shares; before the completion of the Share Subdivision, ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each

DEFINITIONS

“Shareholder(s)”	holder(s) of our Share(s)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchange and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period consisting of the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“United States or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each before the completion of the Share Subdivision and RMB[0.50] each upon completion of the Share Subdivision, which is/are not listed on any stock exchange
“U.S. Investors”	(i) U.S. persons as defined in Rule 902(k)(1) of Regulation S under the US Securities Act or (ii) United States person as defined in 31 CFR Part 850.229, the final rule that implements Executive Order 14105 and became effective in January 2025, which includes any United States citizen, lawful permanent resident, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States
“VAT”	value-added tax
“Weiheng Fujin”	Guangdong Weiheng Fujin Intelligent Technology Co., Ltd.* (廣東為恒複金智能科技有限公司), a limited liability company established in the PRC on November 10, 2022, a non-wholly owned subsidiary of our Company

DEFINITIONS

“Weiheng New Energy”	Shanghai Weiheng New Energy Technology Co., Ltd.* (上海為恒新能源科技有限公司), a limited liability company established in the PRC on June 5, 2012, one of our Employee Incentive Platforms
“Weiheng Shanghai”	Weiheng Intelligent Technology (Shanghai) Co., Ltd.* (為恒智能科技(上海)有限公司), a limited liability company established in the PRC on January 24, 2022, a wholly-owned subsidiary of our Company
“Wei Heng Intelligent”	Wei Heng Intelligent Technology Company Limited, a company established in Hong Kong on August 13, 2021, a wholly-owned subsidiary of our Company
“Wuxi Weiheng”	Weiheng Power Technology (Wuxi) Co., Ltd.* (為恒電能科技(無錫)有限公司), a limited liability company established in the PRC on September 27, 2021, one of our Controlling Shareholders
“Xi’an Weidun”	Xi’an Weidun New Energy Technology Co., Ltd.* (西安維盾新能源科技有限公司), a limited liability company established in the PRC on September 8, 2025, a wholly-owned subsidiary of our Company
“Xi’an Weiheng”	Xi’an Weiheng Energy Storage Co., Ltd.* (西安為恒儲能技術有限公司), a limited liability company established in the PRC on March 31, 2023, a wholly-owned subsidiary of our Company
“Zhejiang Weiheng”	Zhejiang Weiheng Intelligent Equipment Co., Ltd.* (浙江為恒智能裝備有限公司), a limited liability company established in the PRC on August 1, 2025, a wholly-owned subsidiary of our Company
“%”	percent

In this document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages; in the event of any inconsistency, the Chinese versions shall prevail.

GLOSSARY

This glossary contains certain technical terms used in this document in connection with us and our business. Such terms and their meaning may not correspond to standard industry definitions or usage.

“AC”	alternating current, an electric current which periodically reverses direction and changes its magnitude continuously with time
“AEMO”	Australian Energy Market Operator
“AFCI”	arc fault circuit interrupters, a protective device used for protection against fire hazards caused by arc faults
“AI”	artificial intelligence
“battery pack”	an assembly of interconnected batteries designed to store and supply electrical energy for various applications
“BMS”	battery management system, a system that monitors, manages, and protects batteries, ensuring safe operation, optimal performance, and extended lifespan
“CAGR”	compound annual growth rate
“CE”	Conformité Européenne, a certification mark that indicates a product complies with safety, health and environmental protection standards of European Union
“CEI”	Comitato Elettrotecnico Italiano, a certification mark that indicates a product complies with safety, health and environmental protection standards of Italy
“C&I”	commercial and industrial
“CRM”	customer relationship management, the system and strategies used to manage customer interactions, enhance service delivery, and improve customer satisfaction in relation to energy solutions
“DC”	direct current, an electric current which flows only in one direction
“DSP”	digital signal processor, which is a specialized microprocessor designed for high-performance mathematical operations, particularly in digital signal processing applications
“EMC”	electromagnetic compatibility, which means that a device is compatible with (i.e., no interference is caused by) its electromagnetic environment, and does not generate, or is not affected by, electromagnetic disturbance

GLOSSARY

“EMS”	energy management system, a system that monitors, controls, and optimizes energy usage and storage
“ERP”	enterprise resource planning
“energy storage system” or “ESS”	a system designed to store energy in various forms, such as chemical, thermal, or mechanical, for later use
“GB”	the national standards of China, established to ensure consistency, quality, and safety across various industries
“GPM”	gross profit margin
“grid-side”	the transmission and distribution segment of the power system, where infrastructure and resources are operated to maintain grid stability, reliability, and overall system balance
“GW”	Gigawatt, a unit of power measurement equal to one billion watts, commonly used to quantify the capacity of large-scale energy systems such as power plants or energy storage facilities
“GWh”	Gigawatt-hour, a unit of energy measurement equal to one billion watt-hours, commonly used to quantify the amount of energy produced or consumed over time, particularly in large-scale energy systems
“IEC”	International Electrotechnical Commission, an organization that publishes international standards for electrical, electronic, and related technologies
“IoT”	internet of things
“ISO 14001”	international standard defining the requirements for an effective environmental management system, enabling organizations to enhance environmental performance and comply with regulations
“ISO 9001”	international standard defining the requirements for a quality management system, enabling organizations to consistently meet customer and regulatory requirements
“kWh”	kilowatt-hours, a unit of electric energy
“MES”	manufacturing execution system, a system that monitors, tracks, and controls manufacturing processes in real-time
“microgrid”	a local power generation and distribution system integrating distributed energy sources, storage devices, energy conversion equipment, loads, and monitoring and protection devices, etc., which is able to operate on and off grid

GLOSSARY

“MPPT”	maximum power point tracking, an essential technology that improves the efficiency and output of solar photovoltaic (“PV”) systems. Its purpose is to continuously optimize the maximum power point (“MPP”) of solar panels, enabling the extraction of the highest amount of power from sunlight
“ms-level”	millisecond-level
“MWh”	Megawatt-hour, a unit of energy measurement equal to one million watt-hours, commonly used to quantify the amount of energy produced or consumed over a period, particularly in medium-scale energy systems
“O&M”	operation and maintenance
“over-the-air”	a technology that enables wireless delivery of updates, upgrades, or configurations to devices, ensuring functionality improvements and feature enhancements without physical intervention
“PCBA”	printed circuit board assembly, a comprehensive unit that encompasses a printed circuit board and all fundamental electronic components
“PCS”	power conversion system, a system that converts electrical energy between different forms, such as alternating current and direct current, enabling efficient energy transfer and integration in energy storage or renewable energy systems
“peak shaving”	the reduction of electricity consumption during peak demand periods by using stored energy to supply power, thereby decreasing reliance on the power grid
“PV”	photovoltaic, a technology that converts sunlight directly into electricity using solar cells
“R&D”	research and development
“RMB/Wh”	Chinese yuan per watt-hour of electricity, a pricing unit indicating the cost in energy markets and power purchase agreements
“SOC “	State of Charge, a key metric that indicates the current charge level of a battery as a percentage of its total capacity
“SOH”	State of Health, a key metric that reflects the overall condition and performance capability of a battery compared to its original specifications
“UL”	Underwriters Laboratories, an organization that develops safety standards and conducts testing for product compliance

GLOSSARY

“μs-level”	microsecond-level
“user-side”	the end-user segment of the power system, encompassing C&I fields and residential fields
“VDE”	Verband der Elektrotechnik, Elektronik and Informationstechnik, one of the most experienced European testing and certification organizations directly involved in developing German national standards and enjoying a high reputation worldwide
“VPP”	virtual power plant, a system that aggregates and manages distributed energy resources, such as solar panels, batteries, and wind turbines, to operate as a single power plant
“Wh”	watt-hours, a unit of electric energy

FORWARD-LOOKING STATEMENTS

We have included in this document forward looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward looking statements.

This document contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties, including the risk factors described in this document. Forward-looking statements can be identified by words such as "may," "will," "should," "would," "could," "believe," "expect," "anticipate," "intend," "plan," "continue," "seek," "estimate" or the negative of these terms or other comparable terminology. Examples of forward-looking statements include, but are not limited to, statements we make regarding our projections, business strategy and development activities as well as other capital spending, financing sources, the effects of regulation, expectations concerning future operations, margins, profitability and competition. The foregoing is not an exclusive list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. We give no assurance that these expectations and assumptions will prove to have been correct. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. We caution you therefore against placing undue reliance on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following: (i) our business prospects; (ii) our business strategies and plans to achieve these strategies; (iii) future developments, trends and conditions in and competitive environment for the industries and markets in which we operate; (iv) general economic, political and business conditions in locations where we operate; (v) our financial condition and performance; (vi) our capital expenditure plans; (vii) changes to the regulatory environment, policies, operating conditions of and general outlook in the industries and markets in which we operate; (viii) our expectations with respect to our ability to acquire and maintain regulatory licenses or permits; (ix) the amount and nature of, and potential for, future development of our business; (x) the actions of and developments affecting our competitors; (xi) the actions of and developments affecting our major customers and suppliers; and (xii) certain statements in the sections headed "Risk Factors," "Industry Overview," "Regulatory Overview," "Business," "Financial Information," "Relationship with Our Controlling Shareholders" and "Future Plans and [REDACTED]" with respect to trends in interest rates, foreign exchange rates, prices, volumes, operations, margins, risk management and overall market trends.

Any forward-looking statement made by us in this document speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise. All forward-looking statements contained in this document are qualified by reference to this cautionary statement.

RISK FACTORS

An [REDACTED] in our H Shares involves significant risk. You should carefully consider the following information about risks, together with the other information contained in this document, including our consolidated financial statements and related notes, before you decide to buy our H Shares. If any of the circumstances or events described below actually arises or occurs, our business, results of operations, financial condition and prospects would likely suffer. In any such case, the [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED]. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We operate in an intensely competitive market and may not compete effectively against existing and new competitors.

The energy storage system industry in which we operate is highly competitive. According to Frost & Sullivan, there were approximately 1,500 lithium-ion battery energy storage system providers in the Chinese Mainland as of December 31, 2024. See “Industry Overview.” Certain existing and potential competitors may possess longer operating track records, stronger brand awareness, more established customer relationships, greater financial and operational resources, broader customer reach, more reliable access to raw materials and components and/or more pronounced economies of scale than we do. In particular, some competitors may maintain closer ties with, or establish exclusive arrangements with, key customers in the market. Consequently, such competitors may be able to react more swiftly to shifts in customer preferences or allocate greater resources to the research, marketing and distribution of their offerings in response to evolving customer demand.

At the same time, certain competitors may offer a more diversified range of solutions than we do, which may place them in a more favorable position to weather declines or shifts in demand for specific energy storage system solutions or products. Furthermore, a number of market participants in China, many of whom may have greater capital strength, stronger market presence and/or more advanced technological capabilities than we do, have significantly expanded their energy storage system production capacity in recent years. By leveraging their competitive advantages, these players may benefit from economies of scale and pursue aggressive expansion strategies, enabling them to offer energy storage solutions at prices comparable to, or lower than, ours. As a result, customer demand for our solutions may decrease. If we are unable to compete effectively, our operations, market position and ability to maintain or grow our market share could be adversely affected.

In addition, as we market and deliver our solutions to overseas customers, we face competition on a global basis. In certain target markets, local and international competitors have capitalized on substantial market opportunities arising from favorable regulatory frameworks and financial incentive programs that may not be equally accessible to us. These local companies may also benefit from stronger relationships with regional governments and may possess greater focus and experience in providing solutions within their respective markets. Our inability to respond effectively to evolving market conditions or to compete successfully with existing or new local competitors could constrain our expansion efforts and have a material adverse effect on our business, financial condition and future prospects. We cannot guarantee that we will be able to compete successfully in the markets in which we currently operate or those we intend to enter in the future.

RISK FACTORS

Price fluctuations and inadequate or interrupted supply of our raw materials and components could adversely affect our business operations, financial condition and future prospects.

Fluctuations in the prices of our raw materials and components could materially affect our cost of sales. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our raw material costs amounted to RMB227.3 million, RMB194.2 million, RMB89.1 million and RMB355.9 million, representing 92.8%, 88.4%, 83.7% and 92.3% of our cost of sales, respectively. See “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income — Cost of Sales.” The actual or expected availability and market prices of our key raw materials and components may vary due to multiple factors beyond our control, including resource availability, changes in market demand, speculative activities, market interruptions, natural disasters and other unforeseen events. As a result, we may not always be able to secure a stable supply of raw materials and components of consistent quality at commercially reasonable prices or on a timely basis.

During the Track Record Period, volatility in the price of energy storage cells, a key raw material of our energy storage solutions, had a pronounced impact on our cost of sales, leading to fluctuations in our overall profitability. According to Frost & Sullivan, with the gradual increase in the supply of lithium carbonate, the price of energy storage cells has declined from approximately RMB0.5/Wh in 2023 to approximately RMB0.4/Wh in 2024. Looking ahead, the price of lithium carbonate is expected to continue decreasing against the backdrop of a stabilizing energy storage industry and sustained supply of lithium carbonate, which may further drive the price of energy storage cells down to approximately RMB0.3/Wh by 2030. See “Industry Overview.” Such price movement may materially affect both our cost structure and gross profit margin. We may also face difficulties in identifying or switching to alternative suppliers in response to adverse pricing or supply conditions.

We cannot guarantee that we will not experience material fluctuations in the prices of the major raw materials and components for our products, or that such prices will be favorable to us in the future. Any significant increase in the prices of our major raw materials and components, or any shortage, delay, or quality issue in their supply, could materially increase our production costs and reduce our profitability. In addition, we cannot guarantee that we will be able to pass on all or any portion of the increased costs to our customers or that we will be able to identify alternative suppliers in a timely or cost-efficient manner, or at all. As such, we may be required to adjust the pricing of our products, which might adversely affect our profitability, and prolonged or severe supply disruptions may also impair our production schedules, delay delivery of our products, reduce customer satisfaction and weaken our competitive position.

We rely on the market demand for our solutions. Any slowdown or decrease in downstream demand may have an adverse impact on us.

Our revenue and growth prospects depend on the demand for our solutions from end users across our target markets which is subject to macroeconomic conditions, customer capital expenditure cycles, and changes in government policies, incentive programs or grid-investment priorities. Any adverse changes in these factors may further exacerbate fluctuations in downstream demand for our solutions. A significant slowdown, stagnation, or decline in downstream demand would likely result in reduced orders for our solutions. This could lead to lower sales volumes, downward pressure on pricing, increased inventory levels, and underutilization of production or service delivery capacity. Consequently, our revenue, profitability, cash flows, and overall financial condition could be materially and adversely affected.

RISK FACTORS

We may not be able to fully offset the impact of weak downstream demand through cost-effective measures or diversification into new markets or product lines in a timely or effective manner, if at all. There is no assurance that downstream demand will remain stable or continue to grow, and any sustained downturn in the markets we serve poses a significant risk to our business, results of operations, and financial condition.

Our international strategy exposes us to legal, regulatory, political, operational, economic and other risks that could adversely affect our business operations, results of operations and financial condition.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our overseas revenue amounted to RMB38.6 million, RMB135.7 million, RMB60.9 million and RMB212.8 million, representing 14.5%, 50.6%, 48.8% and 44.7% of our total revenue, respectively. As a result, we are exposed to diverse and evolving legal, regulatory, political, operational, economic, commercial, sanctions-related and other risks arising from conducting business across multiple overseas jurisdictions, particularly, in Europe and Asia-Pacific during the Track Record Period. We are also exposed to foreign exchange risks given that our overseas revenue is denominated in local currencies such as euros. Fluctuations in local currencies against Renminbi or other settlement currencies may reduce our reported revenue, increase our costs and create uncertainties in cross-regional capital allocation and cash flow management.

The performance of our overseas operations depends, in part, on our ability to effectively identify, manage and mitigate these risks. The nature, extent and potential impact of such risks on us and our business partners differ across jurisdictions and are inherently difficult to predict with precision or manage. We may face, among other challenges, differing legal and regulatory frameworks, changes in government policies, geopolitical tensions, compliance requirements, commercial practices, market entry barriers, logistical and supply chain disruptions, and macroeconomic uncertainties. We may be unable to formulate and implement appropriate policies or strategies to adequately address all of these risks in each market in which we operate. Our exposure to overseas risks may also lead to increased compliance costs, operational disruptions, delays in project execution, adverse changes in customer or supplier relationships, or exposure to disputes, investigations, lawsuits or other claims. Furthermore, there can be no assurance that our exposure to such risks, which may increase as we continue to expand our international footprint, will not have a material adverse effect on our reputation, business operations, results of operations and financial condition, or require us to devote substantial management time and resources to responding to disputes, lawsuits, legal proceedings or other claims.

We may be unable to expand our production capacity as scheduled or, even if the physical expansion proceeds as planned, we may fail to realize the anticipated increase in output or utilization rate in a timely manner or at all.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our production capacity for all energy storage solutions was 148.0MWh, 340.4MWh, 255.3MWh and 624.7MWh, respectively. We plan to expand our production capacity to meet anticipated customer demand. See “Business — Production — Expansion Plan” and “Future Plans and [REDACTED].”

The execution of our production expansion plan will require substantial management attention and financial and operational resources, including additional personnel, capital expenditures and enhanced operational capabilities. Our expansion may also result in higher overhead and support costs and expose us to increased risks associated with scaling manufacturing operations and commercializing new products. Any failure to effectively manage budgeting, financing, forecasting or internal controls in

RISK FACTORS

connection with such expansion could adversely affect our business, results of operations and financial condition. In addition, our production expansion projects require obtaining various governmental approvals, permits, licenses and certifications, as well as completing relevant inspections.

Even if our production capacity is expanded as planned, we may not be able to ramp up production output in a timely manner or achieve the expected utilization levels. Our ability to increase production output is subject to various constraints and uncertainties, including (i) delays, performance issues or cost overruns involving suppliers and equipment vendors; (ii) delays in, or failure to obtain, necessary governmental approvals; (iii) challenges in configuring or adjusting production lines; and (iv) the performance, efficiency and reliability of manufacturing equipment and production personnel.

In addition, our manufacturing, testing and quality control processes are complex and technically demanding. Changes to production processes, the introduction of new products or the expansion of capacity may increase the risk of production errors, disruptions or delays. Shortages of qualified employees or delays in onboarding may also limit our ability to achieve desired output levels. Any failure to maintain effective quality control procedures could result in product defects, customer dissatisfaction, higher warranty costs, increased logistics expenses or delivery delays.

If we are unable to increase production output in a timely manner or meet customer demand, we may fail to fulfill customer orders, lose customers to competitors and suffer reputational damage. Even if our capacity is expanded as planned, downstream market demand may not grow as expected. As a result, we may experience low utilization rates or over-capacity. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We may fail to generate adequate returns on our R&D investments, which could adversely affect our competitive position and profitability.

As of the Latest Practicable Date, we had three R&D centers in Wuxi, Xi’an and Shanghai, each focusing on different technologies and product categories. 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, representing 17.3%, 17.7%, 26.2% and 8.0% of our total revenue, respectively. See “Business — Research and Development” and “Financial Information — Key Factors Affecting Our Results of Operations — Investment in Technological Innovation and Product Development Capabilities.”

R&D activities inherently involve uncertainties. There can be no assurance that our R&D projects will be completed on schedule or within budget, or that our newly developed products and technologies will achieve market acceptance or deliver the anticipated performance, sales volume or profitability. If we fail to keep pace with technological advancements or industry trends, our competitive position may be adversely affected.

Even if new products are successfully developed and commercialized, they may not be widely accepted and our existing or potential competitors may develop similar or superior solutions or offer more competitive pricing. Due to uncertainties relating to development timelines and the duration of market opportunities, we may be required to suspend or abandon certain solutions or products that become commercially unviable despite significant investment. Our R&D progress depends on securing qualified personnel in an increasingly competitive talent market. Changes in technical standards, certification requirements or regulations may necessitate redesigns or delay commercialization. If we fail to protect our intellectual property, competitors may replicate our technologies, reducing the returns on our R&D efforts. R&D projects may also require greater resources than expected, resulting in budget overruns or delays.

RISK FACTORS

If our R&D efforts fail to produce commercially successful outcomes, our R&D expenditure may not result in corresponding benefits, which could have a material adverse effect on our business, prospects, financial condition and results of operations.

Technological changes in the energy storage system industry could render our solutions uncompetitive or obsolete, which cannot be accurately predicted nor fully mitigated despite our best efforts in R&D.

The energy storage system industry is characterized by continuously evolving technologies and standards. Such developments may lead competitors to produce energy storage system solutions with superior performance or features. To maintain our market position and remain competitive, we actively invest in the R&D of next-generation products and materials, including next-generation energy storage batteries and inverters. See “Future Plans and [REDACTED].”

There can be no assurance that we will be able to adjust our R&D focus promptly in response to rapid technological changes, successfully commercialize next-generation products, or generate a return on such R&D. If we fail to develop or launch new solutions effectively, our business, results of operations and prospects could be materially and adversely affected.

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.

Our distributors play an important role in expanding our sales coverage to markets outside the PRC. As of December 31, 2023 and 2024 and September 30, 2025, we had nine, 11 and 15 distributors in our distribution network, respectively. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, revenue generated through 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. See “Business — Sales, Marketing and Customer Service — Our Sales and Distribution Network — Distributors.”

As such, our business, financial condition and results of operations may be adversely affected if we are unable to effectively manage and expand our distributor network due to various factors, such as (i) termination of business relationships with our distributors; (ii) failure to replace departing distributors with suitable new partners; (iii) failure to effectively manage and expand the geographic coverage of our distribution channels; (iv) our distributors’ reduction in order volumes, suspension of new purchases or request for price discounts; (v) changes in applicable laws and regulations, evolving competitive dynamics and shifting customer preferences; (vi) our distributors’ financial distress or delayed payments; and (vii) our distributors’ failure to effectively promote and sell our solutions.

We have limited control over the daily business activities of our distributors, and even less control over the sub-distributors. In addition, 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 and may expose us to reputational or regulatory risks. If distributors accumulate excess inventory or reduce purchases due to slower sell-through, our orders, sales and working capital may be adversely affected. We may be exposed to credit or collection risks if any distributor fails to make timely payments, experiences financial distress or becomes insolvent. 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.

RISK FACTORS

Our overseas operations are subject to complex execution risks, including those related to engineering, permitting and grid connection, which could delay our solution delivery, increase costs or lead to project failures.

The delivery of our solutions in overseas markets typically requires us to manage or rely on third-party EPC contractors, secure local permits and regulatory approvals as well as complete the technical and administrative process for grid connection. Inability to effectively manage these interdependent requirements might prevent the completion of our solution delivery, delay our solutions' commercial operation date, materially increase their cost or subject us to penalties, any of which could adversely affect our business, financial condition and results of operations.

We may rely on third-party EPC contractors to construct our projects. Subpar performance by a contractor, including failures related to engineering design, quality of work, cost control, adherence to schedule or health and safety standards, directly impact a project's success. Such failures could lead to construction delays, cost overruns, performance deficiencies and disputes. Our ability to manage and monitor our EPC contractors across different international jurisdictions, each with distinct business practices, labor laws and supply chain constraints, increases operational complexity and risk.

The process of obtaining all necessary siting, environmental, construction and operational permits in a foreign jurisdiction might be uncertain, time-consuming and costly. Requirements vary significantly by country and region, and are subject to change. Delays, unexpected conditions, or outright denials in the permitting process are common risks that can halt project development, alter project economics or force costly design changes. Differences in local technical codes, grid requirements or engineering standards may also necessitate additional testing or redesign.

The process and timing for connecting our energy storage systems to the local grids is controlled by local grid operator or utility. Technical standards, approval processes and queue backlogs might cause significant delays in grid connection. Failure to achieve timely grid connection or the imposition of restrictive operating conditions by the grid operators may delay our customers' revenue generation as planned.

Any failure to maintain an effective quality management system may have a material adverse effect on our business operations, reputation, financial condition and future prospects.

The quality of our solutions is critical to our business success and reputation. Accordingly, we have established and implemented a quality management system. The effectiveness of this system depends on various factors, including its design, the equipment employed, the competence and training of our personnel, and our ability to ensure consistent compliance with internal quality policies, procedures and guidelines. Furthermore, in the jurisdictions where we offer our solutions (or sell solutions), we are required to comply with applicable product safety and environmental requirements as well as relevant laws and regulations governing restricted and hazardous materials. Our product inspection standards are also based on relevant national and industry requirements and standards.

We cannot assure that our quality management system will remain effective or continue to comply with applicable laws, regulations and standards. Any material failure in or deterioration of the effectiveness of this system could result in the loss of relevant accreditations, certifications, or qualifications, which could materially and adversely affect our business, financial condition and results of operations. In addition, defects arising from upstream suppliers, inconsistencies during production scale-up or failure to pass customer audits or meet country-specific quality standards may lead to product recalls, warranty claims, delivery delays or suspension of sales, any of which could further harm our business and reputation.

RISK FACTORS

Any failure by the third-party manufacturers that we commission for the assembly of our C&I energy storage solutions could adversely affect our business, financial condition and operating results.

We may from time to time commission third-party manufacturers to assemble our C&I energy storage solutions for us to alleviate acute production capacity constraints, manage high delivery pressure and ensure the fulfillment of delivery timelines during periods of significant order volume. While such arrangement provides operational flexibility and scalability, it also subjects us to several risks that could materially and adversely affect our business, results of operations and prospects if not managed effectively.

We may face challenges in maintaining consistent product quality, as we do not have direct control over the third-party manufacturers' production processes or their supply chains. Any failure by them to adhere to our quality specifications, reliability standards or safety protocols could result in defective products, leading to increased warranty claims, product recalls, reputational harm and potential liability. Our outsourced production might also expose us to dependency risks. Any disruption in the third-party manufacturers' operations could lead to significant production delays, order backlogs and our inability to meet customer demand. Furthermore, our outsourced production presents risks related to the protection of our intellectual property and proprietary information, as the production process necessitates sharing technical designs and specifications.

If we fail to manage our inventory effectively or the proportion and amount of our inventory write-down increase, our results of operations, financial condition and liquidity may be adversely affected.

To operate our business effectively and meet customer and end-user demands, we must maintain a certain level of inventory to support production and ensure timely delivery of our solutions. During the Track Record Period, our inventories primarily consisted of 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. We adopt a flexible approach to inventory management and adjust our inventory levels in response to market demand fluctuations. However, we cannot guarantee that we will always maintain optimal inventory levels. Excess inventory or a substantial decrease in expected market prices may lead to inventory write-downs or write-offs, or require us to sell inventory at discounted prices, which could adversely affect our profitability.

Conversely, if we underestimate demand for our solutions, we may be unable to produce sufficient products to satisfy unexpected demand, resulting in delays in delivery and potential harm to our reputation. Despite supply chain management mechanisms, demand forecasts are intrinsically uncertain due to factors such as the launch of new products, pricing changes, customer procurement decisions and evolving customer preferences. As of December 31, 2023 and 2024 and September 30, 2025, we recorded provision for impairment of inventories of RMB3.3 million, RMB10.6 million and RMB4.0 million, respectively. As we continue to expand our production capacity, we may face ongoing challenges in effectively managing inventory, and any mismanagement could materially and adversely affect our business, financial condition and results of operations.

We may be exposed to credit risk associated with our trade and bills receivables.

Our trade and bills receivables mainly comprise trade receivables, representing amounts owed by customers for products provided by us, and bills receivable, representing bank acceptance bills received from customers. As of December 31, 2023 and 2024 and September 30, 2025, the net carrying amounts of our trade and bills receivables were RMB93.0 million, RMB94.0 million and RMB141.3 million, with

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impairment allowances of RMB4.2 million, RMB7.3 million and RMB11.2 million, respectively. During the same periods, our trade and bills receivables turnover days were 106.0 days, 127.2 days and 66.7 days, respectively. See "Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Trade and Bills Receivables."

There can be no assurance that we will be able to maintain our receivables turnover at a reasonable level. If the creditworthiness of our customers declines, or if a significant portion of our customers fails to settle their trade and bills receivables in full or on time, we may incur further impairment losses, which could materially and adversely affect our results of operations and financial condition. Delays in payments could also result in additional impairment provisions. We cannot guarantee full recovery of our receivables or timely settlement by our customers and any failure or delay in collection could have a material adverse impact on our financial position and operating results.

We may incur significant costs because of the warranties we provide with our products, and our provisions to cover future potential claims under our product warranties may be insufficient.

For our energy storage system products, we usually provide our customers with a warranty of three to ten years. See "Business — Sales, Marketing and Customer service — Customer service." We provide a provision for these potential warranty expenses, which is based on an analysis of our recent claims, past warranty data and the weight of all possible results and their related probabilities. During the Track Record Period, our provisions made for product warranty were RMB2.7 million, RMB2.4 million and RMB3.9 million, respectively. As we continue to upgrade our products design and introduce new models, there is no assurance that future warranty claims will be consistent with past history, and in the event that we experience a significant increase in warranty claims, there is no assurance that our provision will be sufficient. This could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to financial and reputational risks due to product recalls and product liability claims.

Our energy storage system products are complex and may be subject to failures, accidents or other malfunctions. In particular, thermal runaway of lithium-ion batteries in energy storage systems might cause fires, explosions and toxic gas release. Although we have not experienced any material product quality incidents, recalls or similar events during the Track Record Period and up to the Latest Practicable Date, there can be no assurance that such events will not occur in the future. The risk of product recalls, product liability claims, and associated negative publicity is inherent in the development, manufacturing, and sale of our products, which are becoming increasingly sophisticated as technologies advance.

Efforts to maintain product quality may not always succeed, potentially resulting in costs related to product recalls or liability claims and adversely affecting our brand reputation. Significant recalls or liability claims could materially and adversely affect our business, financial condition and results of operations. Such events may also generate negative publicity, disrupt manufacturing schedules and delivery obligations as well as impede the commercialization of future products.

We might be subject to risks inherent in operating our WHES Virtual Power Plant and participating in the power trading markets.

Our operation of WHES Virtual Power Plant that aggregates distributed energy resources to participate in the power trading markets exposes us to a complex set of regulatory, market, operational and technological risks.

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The core of our WHES Virtual Power Plant relies on complex software for the forecasting, optimization, real-time dispatch and secure communication with aggregated assets. Any failure, bug or cybersecurity breach in our technology platform could lead to operational disruptions, inaccurate bidding in markets or failure to meet dispatch instructions, resulting in financial penalties, reputational damage and loss of market access. The performance and availability of the distributed energy resources are also beyond our direct control and subject to individual asset failures, weather variability and customer behavior, which can impact our ability to deliver committed power and services.

In addition, our revenue from WHES Virtual Power Plant might be heavily influenced by volatile electricity prices, ancillary service market rates and the regulatory frameworks established by grid operators and government agencies. Sudden and significant fluctuations in energy prices, changes in market rules, the reduction or elimination of incentive programs for distributed energy resources or unfavorable shifts in energy and climate policy could dramatically alter the economic viability of our VPP operations and reduce our profitability.

We might be subject to liabilities and disruption in operations in connection with accidents that occur during the installation process due to, among others, our installers' failure to comply with safety measures and procedures.

For the installation and commissioning of our energy storage solutions, we rely on our regional distributors and installers. We implement and require our distributors and installers to comply with our safety measures and procedures. Nevertheless, there is no assurance that they will strictly follow our safety measures and procedures. As our installation and commissioning processes are complicated and inevitably involve operation of tools, equipment and machinery, accidents resulting in injuries might occur. Such accidents might result in disruption of our operation and subject us to liabilities and warranty claims in overseas jurisdictions, and we might not have adequate or sufficient insurance to cover such liabilities, which could then adversely affect our business, results of operations and financial condition. We cannot assure you that we will not experience material safety-related or occupational accidents in the future. If such accidents occur, our reputation and business prospects may be materially and adversely affected.

We may be unable to secure new sales or maintain our existing customers in the future.

Our sales are typically conducted under contractual agreements, which require us to continuously secure new contracts as existing ones expire. We cannot guarantee that we will be able to retain our existing customers, renew existing contracts or obtain new contracts of comparable terms and quality, or that our customers will maintain their current level of business with us. The loss of key customers or a substantial reduction in the number or value of contracts could materially and adversely affect our financial condition and results of operations.

In addition, if any of our customers encounters liquidity or financial difficulties, they may delay or default on payments, which could negatively impact our cash flows and financial position. We may also face challenges in diversifying our customer base or expanding relationships with other customers. Failure to mitigate these risks could materially and adversely affect our business, financial condition and operating results.

We may not be successful in our AI initiatives, which could adversely affect our business, reputation or financial results.

We are incorporating AI technology into various aspects of our business and energy storage system solutions to enhance real-time energy analysis, automate complex processes and personalize energy storage strategies, helping us address customer and end-user needs more efficiently. See "Business — Our Solutions." However, AI involves inherent uncertainties and risks that could adversely affect its

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adoption and impact our business. AI algorithms may be flawed and the data used could be incomplete, biased or otherwise inappropriate. Inappropriate or controversial data practices, whether by us or third parties, could limit market acceptance of our AI-enabled products and there is no assurance that AI integration will improve the performance, efficiency or profitability of our solutions, or that investments in AI will generate the anticipated commercial benefits.

In addition, the regulatory and legal framework governing AI is evolving. It is unclear how laws related to online services, intermediary liability, data protection and other matters will apply to AI-generated content. We may also face heightened governmental or regulatory scrutiny, litigation, legal liability, ethical concerns, negative consumer perceptions regarding automation and AI, or other issues affecting safety and well-being on- or offline. Any of these factors could materially and adversely affect our business, financial condition, results of operations or reputation.

Our historical performance may not be indicative of our future growth, and we may be unable to sustain a similar level of growth in the future.

Our historical growth rate may not be sustainable or indicative of our future growth rate, and in future periods, our growth could be slower than we expect or decline. We believe that continued growth in our revenue as well as our ability to improve margins and profitability, will depend upon, among other factors, our ability to address the challenges, risks, and difficulties described herein. We cannot provide assurance that we will be able to successfully manage any such challenges or risks to our future growth. Any of these factors could cause our revenue growth to slow down or decline and may adversely affect our margins and profitability.

We are subject to risks associated with international trade policies, geopolitics and trade protection measures, tariffs and rising political tensions, and our business, financial condition and results of operations could be adversely affected.

Our business is exposed to evolving international trade policies, sanctions regimes, export controls, tariffs and geopolitical tensions, which could adversely affect our operations, financial condition and results of operations.

Some of our customers are located outside of China, and deteriorating geopolitical or geoeconomic relations may disrupt supply chains, limit market access or increase compliance burdens. Certain foreign jurisdictions may impose sanctions or trade restrictions that directly or indirectly affect China-based companies based on product origin, ownership or other factors, and these frameworks frequently change and are subject to uncertain interpretation and enforcement, including in the context of asserted national security concerns.

Existing or future trade-related restrictions, particularly those imposed by the United States, the European Union, the United Kingdom, Australia and the United Nations, could be costly or burdensome to satisfy and could materially impact us and our customers. These measures may limit our ability, and that of our suppliers and customers, to obtain technologies, systems, devices or components that are critical to our solution offerings, and may constrain sales in certain foreign markets. The United States in particular maintains extensive economic sanctions and has also implemented export controls that require licenses for the export, reexport and in-country transfer of items subject to U.S. jurisdiction under the Export Administration Regulations (the "EAR") administered by the Bureau of Industry and Security (the "BIS"), including restrictions tied to the Entity List. Absent satisfaction of applicable licensing requirements, transactions involving items subject to the EAR with listed parties are generally prohibited, and in recent years BIS has increasingly designated PRC entities and individuals, tightening restrictions applicable to China.

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Non-compliance with sanctions or export controls could result in whistleblower complaints, adverse media coverage, investigations and severe administrative, civil or criminal penalties, as well as collateral consequences, remedial obligations and legal expenses, any of which could materially and adversely affect our business, reputation, financial condition and results of operations.

Any failure to provide efficient after-sales services to our customers or end-users may harm our customer relationships and consequently adversely affect our business operations and financial condition.

We provide solutions to our customers or end-users, and sales of these solutions are typically accompanied by after-sales services such as commissioning, maintenance and technical support. Our business success depends in part on our ability to deliver high-quality solutions to our customers or end-users. Failure to provide timely and effective after-sales service and technical support could harm our reputation, lead to lost sales, customer complaints and warranty claims, and thus have a material adverse effect on our business, financial condition and operating results.

A substantial amount of our revenue may be attributable to a limited number of customers.

Our major customers during the Track Record Period primarily included (i) C&I energy storage solution investors; (ii) construction and investment enterprises and energy groups; and (iii) property owners. A substantial amount of our revenue may be attributable to a limited number of customers. For instance, our largest customer in 2023 contributed 59.4% of our total revenue. We cannot assure you that our major customers will not change their business scope or business model, encounter project delays or cancellations, or suspend their operation, or fail to comply with applicable laws, licenses or approvals, or that they will not encounter any operating or financial difficulties. Any material adverse changes in the business, procurement schedules, operations and financial conditions of such customers may have a material adverse effect on us.

There is also no assurance that we are able to maintain a good relationship with our major customers, or that our major customers will continue to have high demand for our products in the future. Major customers may also exert significant bargaining power, including pricing pressure or less favorable contractual terms, and any deterioration in their financial condition may expose us to credit risk or delayed payments. Under the aforementioned circumstances, if we are unable to identify suitable new customers within a reasonable period of time, or if demand from any key customer segment declines, our business, financial condition and results of operations may be adversely affected.

We are exposed to concentration risk of reliance on our major suppliers.

Our major suppliers primarily include vendors of batteries and accessories, transformers, power modules and sheet metal components. In 2023, 2024 and the nine months ended September 30, 2025, purchases from our five largest suppliers in each period during the Track Record Period accounted for 41.5%, 41.1% and 50.1% of our total purchases, and purchases from our largest suppliers in each period during the Track Record Period accounted for 11.7%, 21.0% and 34.2% of our total purchases, respectively.

Our reliance on these major suppliers subjects us to the concentration and counterparty risks. We cannot assure you that we will be able to maintain our relationships with our major suppliers in the future. Moreover, we cannot guarantee that our major suppliers will not have a change of business scope or business model or will continue to maintain their market position and reputation. Any material adverse change to the operation, financial performance or financial condition of our major suppliers may result in material adverse impact on their business with us. For example, if the supply of key raw materials from our major suppliers is disrupted or delayed, there can be no assurance that we will be

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able to find new suppliers with similar supply capacity on comparable commercial terms within a reasonable period of time, or at all. Should any of these occur, our business, financial condition, results of operations and profitability might be adversely affected.

Our information technology and systems may experience malfunctions, including unexpected system failures, service interruptions, insufficient capacity, cyber-attacks or security breaches, which could have a material adverse effect on our reputation, business operations and financial condition.

We rely on information technology systems to conduct and monitor the daily operations of our manufacturing facilities and to collect financial, operating and other transactional data, including procurement, production, inventory and sales and logistics, for business analysis and forecasts. In addition, we store various proprietary information and customer data in these systems. Therefore, our business is dependent upon the continued maintenance and enhancement of our information technology systems.

These information technology systems are subject to certain risks, such as malfunction, natural disasters and cyberattacks. Our cybersecurity measures may not timely detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks that may disrupt the operation of the information technology systems. Any breach of our cybersecurity measure, or malfunction, damages, disruptions or shut down of our information technology systems may result in unauthorized access to our systems, misappropriation of information or data, deletion or modification of customer information, or a denial-of-service or other interruption to our business operations. In cases of cyberattacks, we may also be asked to make a lump-sum payment in order to resume the operation of our systems. However, there is no assurance that we will not be subject to any of these cyber security issues in the future. If we cannot effectively resolve the issues in a timely manner, our business, financial condition and results of operations may be adversely affected.

Furthermore, we need to constantly upgrade and improve our information technology systems to keep up with the continuous growth of our operations and business. We may not always be successful in installing, running or implementing new software or advanced information technology systems as required by our business development. All of the above may have an adverse impact on our business, financial condition and results of operations.

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.

We rely primarily on a combination of our patents, copyrights, trademarks, the confidentiality agreements signed by the employees and confidentiality agreements signed with the third parties to protect our intellectual property rights. As of the Latest Practicable Date, we were granted 86 patents globally, among which 33 were invention patents and 35 were utility patents. In addition, we had 50 registered software copyrights, 14 registered domain names and 53 registered trademarks globally. See "Business — Intellectual Property." There is no assurance that we will be able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future, for such applications are expensive and time consuming.

Despite our efforts to protect our proprietary rights, unauthorized parties may be able to obtain and use information that we regard as proprietary. Under such circumstances, to protect our intellectual property rights and maintain our competitive advantages, we may initiate legal proceedings against parties, who we believe are infringing our intellectual property rights. Legal proceedings are often costly

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and may divert management attention and resources away from our business. In certain situations, we may have to initiate such legal proceedings in foreign jurisdictions, in which case we are subject to additional risks as to the result of the proceedings, the amount of damages that we can recover, and the enforcement process. As of the Latest Practicable Date, we were not involved in any legal proceeding against parties who we believe are infringing upon our intellectual properties.

Our success is also subject to our ability to use, develop and protect our technology and trade secrets without infringing the intellectual property rights of third parties. Others may hold or obtain patents, copyrights, trademarks or other proprietary rights used in our products and service. This might prevent, limit, or interfere with our production, use, development, sales or marketing, and could therefore disturb our daily operations and distract our management. From time to time, we may receive communications from intellectual property right holders regarding their proprietary rights. Companies holding patents or other intellectual property rights may bring suits alleging infringement of such rights or otherwise assert their rights and urge us to obtain licenses. Our uses of trademarks relating to our design, software or technology could be found to infringe upon existing intellectual property rights owned by others.

In addition, if we are found to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following: (i) cease to sell products that are involved in the challenged intellectual property rights owned by others; (ii) pay damages; (iii) redesign our products; or (iv) establish and maintain alternative branding for our product.

The validity and scope of any potential claims or requests can be complicated and involve complex scientific, legal and factual questions and analysis and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings or requests can be both costly and time consuming and may significantly divert the efforts and resources of our management. A determination in any such litigation or proceedings or requests to which we are a party may invalidate our patents, subject us to pay damages to third parties, require us to seek licenses from third parties, pay ongoing royalties, redesign our products, subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Any of the aforementioned will materially and adversely affect our business, financial condition and results of operations.

We require significant upfront funding for the deployment of our solutions and if we do not have access to such funding, our financial condition and results of operations could be adversely affected.

The deployment of our solutions typically requires substantial upfront funding. We require a considerable amount of capital to purchase components and other materials to assemble and integrate our energy storage systems. If we are unable to secure such upfront funding, our financial condition and results of operations could be adversely affected, and we might not be able to fulfill our financial obligations and business objectives.

Our ability to source funding on desirable terms is subject to a number of uncertainties, including, among other things, our financial condition, results of operations, cash flows and credit history, the conditions of the global and domestic financial market, changes in monetary policy with respect to bank lending practices and conditions in the regions where we operate and changes in interest with respect to borrowing practices in the regions where we operate. If adequate working capital is not available to us in a timely manner and on acceptable terms or at all, we may not be able to develop or expand our business and therefore, our business, financial condition, results of operations and prospects may be materially and adversely affected.

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Our performance is subject to 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. See “Business — Seasonality.” As a result, comparisons of operating results between different periods within the same financial year may not be meaningful and should not be relied upon as indicators of our overall performance. Our financial condition and results of operations may continue to experience periodic fluctuations due to seasonality.

Our revenue recognition and cash flows are subject to risks inherent in our milestone-based payment collection, which could lead to volatility in our financial results.

We employ a milestone-based payment collection mechanism tied to the physical and contractual progress of our projects. We collect payments from customers at key stages, typically structured as an advance payment followed by payments upon delivery, arrival at site, commissioning, final acceptance and retention of a quality guarantee deposit. While this model provides alignment with project execution, it exposes us to specific financial and operational risks that could adversely affect the timing of our revenue recognition, our operating cash flows and our overall financial performance. Our ability to recognize revenue at each milestone is directly contingent upon the timely completion of defined project stages. Any significant delays in project execution could delay the achievement of the associated milestones. Consequently, our revenue recognition related to those delayed milestones would be postponed, potentially causing significant volatility in our financial results.

We had incurred loss for the year/period and recorded operating cash outflows during the Track Record Period, and may not be able to subsequently maintain profitability in the near future. We recorded loss for the year/period of RMB153.7 million, RMB204.5 million, RMB165.2 million and RMB40.4 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. There is no assurance that we will be able to subsequently achieve profitability in the near future and may continue incurring net losses, as we are in the stage of expanding our business and operations. If we are unable to generate sufficient operating cash flows, we may need to rely on external financing to fund our operations, which could result in increased financial costs and liquidity risks. A sustained inability to generate positive operating cash flows could adversely affect our ability to fund our operations, invest in growth opportunities, meet our financial obligations, or maintain sufficient liquidity, which could materially and adversely affect our business, financial condition, and results of operations.

We are subject to the risk of changes in government grants and preferential tax treatments, which could affect our financial performance.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we received government grants of RMB1.8 million, RMB6.0 million, RMB4.4 million and RMB2.1 million, respectively. Some government grants arise from our cooperation with local governments, and not all government grants are recurring in nature. See “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income — Other Income.” The availability of government grants are also subject to eligibility criteria and procedures set by local authorities. Failure to meet the relevant criteria or adhere to stipulated procedures may result in a reduction or termination of the government grants we receive or the favorable policies that we benefit from. Moreover, local governments’ development

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priorities may shift over time, and there can be no assurance that we will receive similar grants in the future or that grants already received will not be required to be returned. A reduction or loss of such grants could adversely affect our financial condition and results of operations.

During the Track Record Period, we benefited from a preferential tax rate of 15% as a “High and New Technology Enterprise (高新技術企業).” Such preferential tax treatments and incentives are subject to review, renewal and potential adjustment or revocation by the PRC authorities. We cannot guarantee that these benefits will remain valid or be successfully renewed. Any discontinuation or adjustment of our current tax treatments could materially increase our tax obligations and negatively affect our net income.

We may be materially and adversely affected if we fail to detect or prevent fraudulent or illegal activities or other misconduct by our employees, customers, suppliers or other third parties.

We are exposed to risks arising from potential fraud, illegal conduct or other improper acts by our employees, customers, suppliers or other third parties. Such misconduct may involve intentional, reckless or negligent violations of laws and regulations, including fraud, corruption, bribery, tax evasion or other unlawful activities. We may not be able to detect or prevent such behavior, and the measures we implement to prevent misconduct may be insufficient to address unknown or unmanageable risks, or to protect us from investigations, enforcement actions, or litigation arising from non-compliance with applicable laws or regulations.

If any of these events occur, we, our business partners or current or former employees could be subject to administrative, civil or criminal penalties as well as legal costs and other remedial actions. Actual or alleged misconduct could also result in negative publicity, damage our brand and reputation and materially and adversely affect our business and operating results.

We face the risk related to our leased properties.

As of the Latest Practicable Date, we leased 48 properties in the PRC and we had not completed the administrative filing of all our lease agreements with the relevant government authorities, primarily because the lessors (i) failed to provide documents evidencing their ownership of or right to lease these properties; or (ii) were unwilling to cooperate with the registration and filing process. While the failure to complete such administrative filing may not affect the legality, validity or enforceability of the lease agreement, the relevant government authorities may require us to complete the lease registration within a specified time frame, failing of which may subject us to a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements. See “Business — Properties — Leased properties.” We cannot assure you that the relevant authorities will not impose penalties for failure to register these lease agreements.

In addition, we cannot ensure whether the lessors have the legal rights to lease the relevant properties to us, and if not, our use of such leased properties might be challenged by third parties. As of the Latest Practicable Date, we were not aware of any challenges raised by third parties regarding our use of such properties. We cannot guarantee that our leasehold interests in these leased properties will not be challenged in the future. If the owners or the mortgagees of lease properties, or the relevant regulatory authorities, challenge our right to use the leased properties, we may be unable to safeguard our leasehold interests and need to vacate the affected properties and find alternative locations with similar functionalities, which could incur extra costs for relocation and have a material adverse effect on our business and financial condition.

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We could face operational disruptions and liabilities due to accidents in our manufacturing process, which may be caused by a failure to adhere to safety measures and procedures, among other factors.

We implement safety measures and procedures in our operations and require employees to comply with our internal policies. During the Track Record Period, there were no safety-related or occupational accidents. However, there can be no assurance that these measures are consistently followed. Our manufacturing processes are complex and involve the use of tools, equipment, machinery and chemical materials, and accidents resulting in employee injuries or fatalities may occur. Such incidents could disrupt our operations, expose us to liabilities and we may not have sufficient insurance coverage to fully mitigate these risks. Any such events could materially and adversely affect our business, results of operations and financial condition.

Work stoppage, increases in labor cost and other labor related matters may have an adverse effect on our businesses.

Maintaining good working relationships with our employees is essential to our operations. We have not experienced any material work stoppages, strikes or other major labor disputes during the Track Record Period. However, there can be no assurance that such events will not occur in the future. Any strikes or work stoppages could materially disrupt our operations and increase labor costs, adversely affecting our business, financial condition and results of operations.

Employees of our suppliers or customers may also experience labor instability or become unionized, and we may not be able to predict the outcome of future labor negotiations. Conflicts with labor unions, whether directly or indirectly through suppliers or customers, could negatively affect our financial condition and results of operations.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our direct labor costs amounted to RMB1.8 million, RMB5.1 million, RMB2.9 million and RMB4.4 million, representing 0.7%, 2.3%, 2.7% and 1.1% of our total cost of sales, respectively. Labor costs in the regions where we operate have generally increased in recent years and may continue to rise. We may be unable to pass on these increased costs to customers due to market competition, which could reduce our profit margins and materially and adversely affect our financial condition and results of operations.

Failure to make adequate social insurance and housing provident fund contributions as required by the PRC laws and regulations may subject us to penalties.

According to relevant PRC laws and regulations, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant PRC laws and regulations, the social insurance authorities may demand us make payments or supplementary payments for the unpaid social insurance contributions within a prescribed time limit together with a 0.05% late payment penalty of the unpaid social insurance contributions per day from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times of the total outstanding amount. If any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident fund do not satisfy the requirements under the relevant PRC laws and regulations, we may be ordered to make the payment or makeup the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court. See "Regulatory Overview — Regulations related to Employment, Social Insurance and Housing Fund."

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During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any administrative penalties as a result of our non-compliance with social insurance and housing provident fund related PRC laws and regulations. As advised by our PRC Legal Advisor, in the absence of any significant changes in regulatory requirements regarding social insurance and housing provident fund contributions, the likelihood that we would be subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions by relevant government authorities and any material administrative penalties due to failure to make such contributions in full amount for our employees is remote, based on (i) written confirmations from, and our consultation with, the relevant competent government authorities; (ii) during the Track Record Period and up to the Latest Practicable Date, no administrative penalties or centralized collection of the outstanding historical social insurance and housing provident fund contributions was imposed on us with respect to the shortfall of social insurance and housing provident fund contributions; (iii) we did not and assuming we will not experience any material claims raised by employees to the competent government authorities regarding such shortfall; and (iv) we undertake that if we receive notice from competent government authorities requiring us to pay the outstanding contributions, we will take immediate measures as required. See "Business — Employees."

There is no assurance that there will not be any employee complaint against us in relation to our failure to make full social insurance and housing provident fund contributions. There is also no assurance that we will not be ordered to rectify for the outstanding amount or subject to penalties imposed by the relevant PRC authorities as a result thereof. Any such complaints, orders or penalties may have an adverse effect on our financial condition and results of operations.

The success of our business depends on our ability to attract, train and retain highly skilled employees and key personnel.

Due to the highly specialized and technical nature of our business, our operations depend on our ability to attract, train, and retain a sufficient number of highly skilled employees and other key personnel. The loss of any such personnel, whether due to their inability or unwillingness to continue working with us, could be difficult or time-consuming to replace, or may not be replaceable at all, which could adversely affect our operations.

The energy storage system industry is characterized by strong demand and intense competition for qualified talent. As a result, we may be required to offer higher compensation and benefits to attract and retain skilled employees. As a relatively young company, our ability to recruit, train and effectively integrate new personnel may not keep pace with our business growth. Failure to attract, retain or develop sufficient qualified personnel could materially and adversely affect our business and results of operations. In addition, the departure of employees may increase the risk of disclosure of commercially sensitive information, including proprietary know-how, which could weaken our technological advantages and competitive position.

Our reputation is key to our business success. Negative news or publicity may adversely affect our reputation, business and growth prospects.

Any adverse news or publicity relating to us, or any of our Directors, management team, Controlling Shareholders, joint ventures, distributors, business partners, counterparties, or their respective affiliates, regardless of whether such parties act on our behalf, use or associate with our brand, or whether such information is ultimately proven to be inaccurate, could harm our reputation, business, and growth prospects.

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There can be no assurance that negative publicity will not damage our reputation or brand image. Given the specialized nature of our industry and market, unfavorable news, publicity, or word-of-mouth may spread rapidly and negatively affect our reputation, brand perception, or relationships with third parties. Even where we are not directly involved in, responsible for, or liable in connection with any litigation, dispute, or allegation, such publicity may still adversely affect our reputation and stakeholder relationships, which could materially and adversely affect our business, financial condition and results of operations.

Our risk management and internal control systems as well as the risk management tools available to us may not fully protect us against various risks inherent in our business.

We have established internal control and risk management systems, including organizational structures, policies and procedures, to monitor and manage risks associated with our business operations. See "Business — Risk Management and Internal Control." However, due to inherent limitations in the design and implementation of such systems, they may fail to identify, manage or mitigate all risks, particularly in the event of significant changes in external circumstances or the occurrence of unforeseen or extraordinary events.

In addition, new business initiatives may expose us to risks that are not currently known or fully anticipated. If our risk management and internal control systems fail to identify or address such risks in a timely manner, or if they are found to have deficiencies or weaknesses, our business, financial condition and results of operations could be materially and adversely affected. The effectiveness of our risk management framework also depends on proper implementation by our employees, and there can be no assurance that such implementation will always be effective or free from human error, negligence or intentional misconduct. Any failure to implement our policies and procedures promptly or to identify and address risks in a timely manner could adversely affect our operations, including our ability to maintain required governmental approvals and licenses.

We may be adversely affected in our business operations, financial condition and future prospects if we fail to obtain or maintain the necessary licenses, permits, certificates, approvals, registrations or filings required by the regulatory environment applicable to our operations in any jurisdiction where we operate, or if the process of obtaining or maintaining such licenses, permits, certificates and approvals is time-consuming or costly.

Our operations are subject to laws and regulations of multiple jurisdictions, which regulate various aspects of our business. We are required to obtain and maintain a number of certificates, licenses, approvals and permits in order to provide our solutions. The granting, renewal and continued validity of such regulatory approvals are subject to our ongoing compliance with applicable requirements prescribed by relevant governmental authorities or organizations. Certain certificates, licenses, approvals and permits obtained during the Track Record Period and up to the Latest Practicable Date are valid only for limited periods and are subject to periodic review and renewal.

The applicable compliance standards and regulatory requirements may change from time to time, and the legal and regulatory framework governing our industry may continue to evolve. Such changes expose us to the risk of non-compliance. If we are found to be in violation of applicable laws or regulations, we may be subject to administrative or regulatory penalties, including fines, suspension or revocation of relevant licenses, approvals or permits, which could disrupt or suspend our operations and materially and adversely affect our business and results of operations. In addition, amendments to existing laws, regulations or compliance requirements may impose additional obligations on us in the future, further increasing our compliance risks.

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We may not have adequate insurance to cover losses and liabilities arising from various operational risks and hazards.

Our business is exposed to various operational risks, including disruptions arising from operational errors, power interruptions, equipment failures or suspensions caused by other factors. We may also be subject to operational constraints imposed by environmental or other regulatory requirements as well as risks associated with social, political or labor unrest, environmental or industrial accidents and catastrophic events, such as fires, earthquakes, explosions, floods or other natural disasters. In addition, geopolitical tensions, policy changes and risks relating to intellectual property and technology protection may adversely affect our operations.

The occurrence of any of the foregoing events may result in damage to or destruction of our production facilities, personal injury or loss of life, environmental harm, financial losses or legal liabilities and could disrupt our operations or cause us to incur significant losses. To mitigate certain operational risks, we maintain various insurance policies, including property insurance, product liability insurance, export insurance, employer’s liability insurance and group accident insurance. See “Business — Insurance.” However, we may not maintain sufficient or appropriate insurance coverage for all operational risks and there can be no assurance that our insurance will adequately cover any losses or liabilities we may incur. Any uninsured or underinsured losses could materially and adversely affect our business, financial condition and results of operations.

Our business operations are subject to force majeure events and unforeseen, hostile or catastrophic events.

If any force majeure event or other event beyond our control occurs, our customers may be entitled to terminate their contracts with us. In such circumstances, customers may only be required to compensate us under limited conditions, such as damage to or loss of our containers, and we may be required to bear losses to the extent that our insurance coverage is insufficient. Any uninsured or underinsured losses could materially and adversely affect our business, results of operations, and financial condition.

Our operations are also susceptible to interruption or damage caused by unforeseen, hostile or catastrophic events that are beyond our control, including wars, terrorist attacks, natural disasters, public health emergencies and extreme weather conditions such as floods, heavy rainfall, strong winds and waves. Such events may disrupt global financial markets and weaken consumer confidence. In addition, severe weather conditions may require us to temporarily suspend operations in response to warnings issued by national meteorological authorities or result in prolonged operational disruptions. There can be no assurance that such events will not occur or that they will not cause significant damage to our operations. Any failure to effectively manage or mitigate these risks could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

We may be subject to the CSRC’s or other Chinese governmental authorities’ approvals, filing requirements or other regulations regarding this [REDACTED] and future fundraising activities.

We plan to file with CSRC within a specific time limit as required by the Trial Measures. See “Regulatory Overview — Regulations Related to Overseas Securities Offering and Listing and Full Circulation.” However, we cannot assure you that we will be able to complete the required procedures and fully comply with these regulations in a timely manner, or at all. If we fail to complete the filing procedure or the filing documents submitted contain any misrepresentation, misleading statement or material omission, our ability to complete the proposed [REDACTED] may be restricted. We also cannot assure you that we would be able to complete all the requirements to the extent subsequently required by

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the relevant regulatory authorities, in a timely manner, or at all, or that completion of any additional compliance requirements would not be imposed. Furthermore, we cannot assure you that new laws, rules or regulations will not be promulgated in the future that would impose additional requirements on us. Any failure to complete or delay in completing such procedures for this [REDACTED] and [REDACTED], or our future capital raising activities such as follow-on equity or debt [REDACTED], [REDACTED] on other stock exchanges, and going private transactions, as required under the Trial Measures, or a rescission of any such filings completed by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in mainland China, and other forms of sanctions that may have a material adverse effect on our business, financial condition, and results of operations.

Evolving legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. The legal systems of some geographic markets where we operate are consistently evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the enforcement of these laws and regulations are subject to future interpretation and implementations. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate.

The governments of our geographic markets may, on many occasions, introduce new laws, rules and regulations relevant to our businesses and amend or replace the current applicable regulations, requiring us to conduct business with newly enacted oversight and regulatory compliance. Additionally, any developments in the applicable laws, rules and regulations in the future could require us to obtain newly enacted licenses, permits, approvals, or certificates, increase our operational expenses, or impose additional compliance requirements, which could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of our industries and affect our business, financial condition and results of operations.

Our business is subject to a variety of evolving laws, regulations and regulatory requirements regarding data security, personal information protection and cybersecurity, and any cybersecurity and data security incidents might result in interruption of our information technology facilities and key manufacturing processes, which could have a material adverse effect on our business and operating results.

The laws and regulations relating to data security, personal information protection and cybersecurity that we are subject to include, among others, the PRC Data Security Law (《中華人民共和國數據安全法》), the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) and the Regulations on Network Data Security Management (《網絡數據安全管理條例》). We have utilized significant resources to comply with the relevant requirements and obligations and have taken appropriate security measures to protect our data, information technology systems, software and databases. Despite all these efforts, data security and cybersecurity incidents may still occur due to the limitation of development of information security technology and reasons beyond our reasonable control, and there is no guarantee that our privacy and data protection measures will always be considered sufficient under applicable laws and regulations. Our

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production of energy storage systems is dependent on a combination of automated industrial and information technology facilities, and in the event of a data or cyber security incident, our production capability could be adversely impacted, which might lead to a reduction in product supplies and distribution, thereby significantly affecting our business operations and financial performance. In addition, the effectiveness of our services and privacy and data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to address any privacy and data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential business partners from using our services, which will adversely affect our business, results of operations and financial performance.

Non-compliance by our employees, distributors, customers or suppliers with applicable anti-bribery and anti-corruption laws, economic sanctions or other forms of illegal or improper conduct could have a material adverse impact on our business operations.

Employees, distributors, customers, or suppliers may be subject to anti-corruption, economic sanctions, and other laws and regulations in the jurisdictions where they conduct activities. We cannot guarantee that every employee, distributor, customer, or supplier will strictly comply with such anti-corruption, economic sanctions, and other laws and regulations. Non-compliant behavior or even mere allegations of non-compliance by employees, distributors, customers, or suppliers could expose us to whistleblower complaints, adverse media coverage, investigations, and significant administrative, civil, and criminal penalties, as well as collateral consequences, remedial measures, and legal expenses. All of these could have a material adverse effect on our business, reputation, financial condition, and operating results.

We may be involved in legal or administrative proceedings and commercial disputes with the potential to materially and adversely affect our business operations, financial condition and future prospects.

Our business operations are subject to legal/administrative proceedings and commercial disputes, including litigation and other legal and/or regulatory action risks related to product liability, delivery, sales and customer service, leases, and labor disputes. We may face claims and litigation in the ordinary course of business. We may also be subject to inquiries, inspections, investigations and litigation by relevant regulatory and other governmental agencies. Litigation brought against us could result in liquidation, injunctions, fines, penalties, or other unfavorable outcomes, which could harm our business, financial condition, operating results, and reputation. Even if we successfully defend against such litigation, the associated defense costs could represent a significant expense for us. In such cases, our business, financial condition, operating results, cash flows, and reputation could be materially and adversely affected.

Increasing focus on environmental, social and governance matters may impose additional costs on us or expose us to further risks.

In recent years, regulators, governmental authorities, investor groups and other stakeholders have placed increasing emphasis on environmental, social and governance ("ESG") matters. As ESG considerations continue to evolve, our business operations may become subject to more stringent compliance requirements, enhanced disclosure obligations and heightened stakeholder scrutiny. Any further tightening of relevant laws, regulations or market expectations may increase our compliance costs and operational burden.

Although we did not experience any material ESG-related incidents during the Track Record Period, we cannot assure you that similar issues will not arise in the future. Failure to meet applicable ESG requirements or perceived shortcomings in our ESG performance, even if not legally mandated,

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may adversely affect investor confidence, limit our access to capital, or subject us to negative publicity. Any resulting reputational harm, increased compliance costs or adverse regulatory actions could materially and adversely affect our business, financial condition and results of operations.

Investors may encounter difficulties in serving legal process on us and our directors and management members or enforcing judgments against us.

We are a company incorporated under the laws of the PRC and a majority of our assets and subsidiaries are located in the PRC. Most of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may be difficult to effect service of process upon most of our Directors and senior management outside the PRC.

Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [REDACTED] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

We are subject to foreign exchange regulations.

The conversion of RMB is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Foreign exchange transactions under the capital account, however, need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law or handle the relevant procedures at banks authorized to conduct foreign exchange business in accordance with the law. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

Payment of dividends is subject to restrictions under PRC law.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under HKFRSs in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under HKFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our

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subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

Holders of our H shares may be subject to Chinese income tax and dividends distributed may be subject to Chinese taxes.

Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》)(國稅函[2011]348號) dated June 28, 2011 and issued by the STA, the tax rate applicable to dividends paid to Non-PRC Resident Individual Holders of H Shares varies from 5.0% to 20.0%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the Non-PRC Resident Individual Holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Non-PRC Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation regulations, Non-PRC Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20.0% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the STA on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax.

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (“EIT Law”) and its implementation regulations, a non-PRC resident enterprise is generally subject to enterprise income tax at a rate of 10.0% with respect to its PRC-sourced income, including dividends received from a PRC company and gains derived from the disposition of equity interests in a PRC company. This rate may be reduced under any special arrangement or applicable treaty between the PRC and the jurisdiction in which the non-PRC resident enterprise resides.

Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non-resident Enterprises Holding H-shares of the Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》)(國稅函[2008]897號)) promulgated by the STA on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at 10.0% from dividends payable to non-PRC resident enterprise holders of H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities shall be in accordance with the then effective laws and regulations, and new taxes may be imposed which may adversely affect the value of your [REDACTED] in our H Shares.

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RISKS RELATING TO THE [REDACTED]

No public market currently exists for our H Shares. An active [REDACTED] market for our H Shares may not develop and the market price and trading volume of our H Shares may be volatile.

Following the completion of the [REDACTED], we cannot assure you that an active [REDACTED] market for our H Shares on the Stock Exchange will develop or be sustained. The [REDACTED] of our H Shares is the result of negotiations between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), which may not be indicative of the price at which our H Shares will be [REDACTED] following the completion of the [REDACTED]. The market price of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

Factors such as fluctuations in our revenue, earnings, cash flows, new investments, regulatory development, additions or departures of key personnel, or actions taken by competitors could cause the [REDACTED] of our H Shares or [REDACTED] of our H Shares to change substantially and unexpectedly. In addition, stock prices have been subject to significant volatility in recent years. Such volatility has not always been directly related to the performance of the specific companies whose shares are traded. Such volatility, as well as general economic conditions, may materially and adversely affect the prices of H Shares, and as a result [REDACTED] in our H Shares may incur substantial losses.

Future sales or perceived sales or conversion of significant amounts of our H Shares in the public market following the [REDACTED] could materially and adversely affect the price of our H Shares.

Prior to the [REDACTED], there has not been a public market for our H Shares. Future sales or perceived sales of significant amounts of our H Shares or conversion of the Unlisted Shares, if any, by specific Shareholders subject to certain regulatory requirements, after the [REDACTED] could result in a significant decrease in the prevailing market price of our H Shares. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales, or conversion of existing Unlisted Shares, if any, may occur could significantly decrease the prevailing [REDACTED] of our H Shares and our ability to raise equity capital in the future.

You will experience immediate and substantial dilution as a result of the [REDACTED] and may experience further dilution if we issue additional Shares or equity securities in the future.

The [REDACTED] of the H Shares is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the H Shares in the [REDACTED] will experience an immediate dilution. In order to expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the H Shares may experience dilution if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. Furthermore, we may issue Shares through the employee incentive platforms, which would further dilute Shareholders' interests in our Company.

There can be no assurance whether and when we will pay dividends in the future, and payment of dividends is subject to applicable PRC laws.

We cannot guarantee when and in what form dividends will be paid on our [REDACTED] following the [REDACTED]. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, such as our business and financial performance, capital and regulatory requirements and general business and operation conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

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Investors should not place undue reliance on facts, forecasts, estimates and other statistics in this document relating to the economy and our industry obtained from official or other resources.

Facts, forecasts, estimates and other statistics in this document relating to the economy and the industry in which we operate our business on have been collected from materials from official government sources. While we have exercised reasonable care in compiling and reproducing such information and statistics derived from government publications, we cannot assure you nor make any representation as to the accuracy or completeness of such information.

The information and statistics from official government sources have not been independently verified by our Group, our Directors, the Joint Sponsors, [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy.

Neither we or any of our respective affiliates or advisors, nor the [REDACTED] or any of its affiliates or advisors, have independently verified the accuracy or completeness of such information directly or indirectly derived from official government sources. In particular, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such information and statistics may not be comparable to information and statistics produced with respect to other countries. Statistics, industry data and other information relating to the economy and the industry derived from the official government sources used in this document may not be consistent with other information available from other sources.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] and [REDACTED] volume of our H Shares may decline.

Research reports published by securities or industry analysts about our business may influence the [REDACTED] of our H shares. If one or more analysts who cover us downgrade their evaluations of our H Shares, or if they issue reports with negative outlooks or misinformation regarding our operations, it could result in a material decline in the [REDACTED] of our H Shares. If one or more of these analysts cease coverage for us or fail to publish regular reports on us, we could lose visibility in the financial markets, which, in turn, could adversely affect the [REDACTED] or [REDACTED] volume of our H shares.

Forward-looking information contained in this document is subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “going forward”, “intend”, “plan”, “project”, “seek”, “expect”, “may”, “ought to”, “should”, “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

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You should read the entire Document carefully and should not place any reliance on any information contained in press articles or other media regarding the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], our Company has sought and [has been granted] the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Stock Exchange.

Since our principal business and operations are substantially located, managed and conducted in the PRC, our Directors consider that appointment of additional executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, our Group. As none of our executive Directors are ordinarily based in Hong Kong, we do not, and do not contemplate that we will in the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, provided that our Company implements the following arrangements:

- (a) we have appointed Mr. Chan Kam Kwan, Jason (陳錦坤), who is ordinarily resident in Hong Kong, and Ms. Wang Ying (王瑩) as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. The authorized representatives will act as our principal channel of communication with the Stock Exchange. The authorized representatives will be readily contactable by phone, facsimile (if any) and email to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon the request of the Stock Exchange;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, each of the authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly as and when required. We will also inform the Stock Exchange promptly in respect of any changes in the authorized representatives. We have provided the Stock Exchange with the contact details (i.e. mobile phone number, office phone number, email address and fax number (if any)) of all Directors to facilitate communication with the Stock Exchange.
- (c) All Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon the request of the Stock Exchange;
- (d) we have appointed Maxa Capital Limited as our compliance advisor upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will, among other things, provide our Company with professional advice on continuing obligations under the Listing Rules and act as the additional channel of communication with the Stock Exchange during the period from the [REDACTED] to the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the [REDACTED]; and

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (e) meetings between the Stock Exchange and our Directors could be arranged through our authorized representatives or our compliance advisor, or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorized representatives, the Directors and/or the compliance advisor of our Company in accordance with the Listing Rules.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following factors in assessing the "relevant experience" of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Codes;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

Pursuant to the chapter 3.10 of the Guide for New Listing Applicants, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (a) whether the issuer has principal business activities primarily outside Hong Kong;
- (b) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) nor Relevant Experience (as defined under paragraph 11 of Chapter 3.10 of the Guide for New Listing Applicants) as a company secretary; and
- (c) why the directors consider the individual to be suitable to act as the issuer's company secretary.

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Further, pursuant to the chapter 3.10 of the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the "**Waiver Period**") and on the following conditions:

- (a) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (b) the waiver will be revoked if there are material breaches of the Listing Rules by the issuer.

We have appointed Ms. Wang Ying (王瑩) ("**Ms. Wang**"), our Board secretary and a member of senior management, as one of our joint company secretaries. She has considerable experience in the corporate governance and secretarial matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Chan Kam Kwan, Jason (陳錦坤) ("**Mr. Chan**"), who holds the certificate of certified public accountants from the Washington State Board of Accountancy in the U.S. in 1999 and serves as the company secretary of several Hong Kong listed companies, including Concord New Energy Group Limited (stock code: 182), Brockman Mining Limited (stock code: 159 and ASX stock code: BCK) and Frontier Services Group Limited (stock code: 500), respectively, since 2007, and therefore fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Wang for an initial period of three years from the [REDACTED] to enable Ms. Wang to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules. Mr. Chan has undertaken no less than 15 hours of relevant professional training each year as required by Rule 3.29 of the Listing Rules. For their biographies, see "Directors and Senior Management — Joint Company Secretaries."

Given Mr. Chan's professional qualification and extensive experience in company secretarial matters, he will be able to explain to both Ms. Wang and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Mr. Chan will also assist Ms. Wang in organizing Board meetings and Shareholders' meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Chan is expected to work closely with Ms. Wang and will maintain regular contact with Ms. Wang. In addition, Ms. Wang will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. She will also be assisted by our compliance advisor and our legal advisor as to Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Wang does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Wang may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Ms. Wang must be assisted by Mr. Chan who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and (b) the waiver will be revoked immediately if and when Mr. Chan ceases to provide assistance to Ms. Wang as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the expiration of the initial three-year period, the qualifications of Ms. Wang will be re-evaluated to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied and whether the need for ongoing assistance will continue. We will liaise with the Stock Exchange to enable it to assess whether Ms. Wang, having benefited from the assistance of Mr. Chan for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

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[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Executive Directors

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
Mr. Sun Yaojie (孫耀傑)	Unit 25–402, Jialong Garden Lane 600, Yingkou Road Yangpu District Shanghai PRC	Chinese
Mr. Xu Yuanyuan (徐源遠)	Unit 2502, Building 2, Cuiyuan No. 1 Lihu, Binhu District Wuxi, Jiangsu Province PRC	Chinese
Mr. Guo Ce (郭策)	Room 1203, Building 1 Lane 1515, Zhangyang Road Pudong New District Shanghai PRC	Chinese

Non-executive Directors

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
Ms. Ko Wing Yan, Samantha (高穎欣)	Flat 1A, 38 Broadwood Road Happy Valley Hong Kong	Chinese (Hong Kong)
Mr. Chan Kam Kwan, Jason (陳錦坤)	Flat A, 10/F, Block 4 Beverly Heights, 56 Cloud View Road North Point Hong Kong	Chinese (Hong Kong)

Independent non-executive Directors

<u>Name</u>	<u>Address</u>	<u>Nationality</u>
Ms. Ko Kit Man, Liza (高潔雯)	15/F, Pak Tak Building 51 Jardine’s Bazaar Causeway Bay Hong Kong	Singapore
Mr. Wong Tak Ho, Justin (黃德豪)	2173, Tower 13, Hong Kong Parkview 88 Tai Tam Reservoir Road Southern District Hong Kong	Chinese (Hong Kong)
Mr. He Hao (何浩)	13D, Block 19, Baguio Villa 555 Victoria Road, Pok Fu Lam Southern District Hong Kong	Chinese (Hong Kong)

Further information is set out in the section headed “Directors and Senior Management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Huatai Financial Holdings (Hong Kong) Limited

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99 Queen’s Road Central
Hong Kong

CMB International Capital Limited

45/F, Champion Tower
3 Garden Road
Central, Hong Kong

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DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

	<i>As to data compliance law:</i> Beijing Dacheng Law Offices, LLP (Wuxi) 17th Floor, Bank of Communications Building No. 8 Jinrong 2nd Street Economic Development Zone Wuxi, Jiangsu PRC
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Auditor and Reporting Accountant	PricewaterhouseCoopers <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 22/F, Prince’s Building Central, Hong Kong
Industry Consultant	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. Room 2504, Wheelock Square 1717 West Nanjing Road Jingan District Shanghai, PRC
Compliance Advisor	Maxa Capital Limited Unit 2602, 26/F, Golden Center 188 Des Voeux Road Central Sheung Wan Hong Kong
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CORPORATE INFORMATION

Registered Office in the PRC	Shengxiang, Yaxi Community, Luoshe Town, Huishan District, Wuxi, Jiangsu PRC
Headquarters and Principal Place of Business in the PRC	Shengxiang, Yaxi Community, Luoshe Town, Huishan District, Wuxi, Jiangsu PRC
Principal Place of Business in Hong Kong	Room 3901, Far East Finance Center 16 Harcourt Road Admiralty Hong Kong
Company's Website	<u>www.whes.com</u> <i>(the information contained on the website does not form part of this document)</i>
Joint Company Secretaries	Mr. Chan Kam Kwan, Jason (陳錦坤) <i>(Holder of the certificate of certified public accountants from the Washington State Board of Accountancy in the U.S.)</i> Flat A, 10/F, Block 4 Beverley Heights, 56 Cloud View Road North Point Hong Kong Ms. Wang Ying (王瑩) Room 1601, Building 10 No. 168 Hongqiao Road Xuhui District Shanghai PRC
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CORPORATE INFORMATION

Audit Committee

Ms. Ko Kit Man, Liza (高潔雯) (*Chairperson*)
 Mr. Chan Kam Kwan, Jason (陳錦坤)
 Mr. Wong Tak Ho, Justin (黃德豪)
 Mr. He Hao (何浩)

Remuneration Committee

Mr. Wong Tak Ho, Justin (黃德豪) (*Chairperson*)
 Mr. Xu Yuanyuan (徐源遠)
 Ms. Ko Wing Yan, Samantha (高穎欣)
 Ms. Ko Kit Man, Liza (高潔雯)
 Mr. He Hao (何浩)

Nomination Committee

Mr. He Hao (何浩) (*Chairperson*)
 Mr. Xu Yuanyuan (徐源遠)
 Ms. Ko Wing Yan, Samantha (高穎欣)
 Ms. Ko Kit Man, Liza (高潔雯)
 Mr. Wong Tak Ho, Justin (黃德豪)

[REDACTED]

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Principal Bank

China CITIC Bank Co., Ltd
Wuxi Huishan Sub-branch
 110-111 Oak Bay Residence
 Zhenghe Avenue, Huishan District
 Wuxi, Jiangsu
 PRC

INDUSTRY OVERVIEW

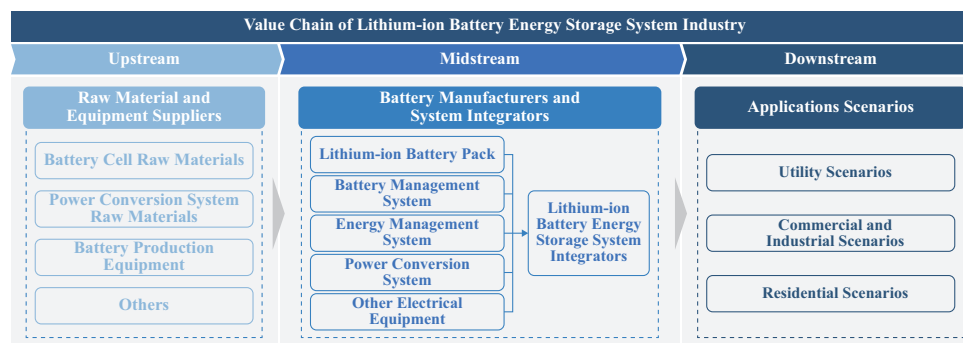
The information and statistics set out in this section have been extracted, in part, from various official government sources and a market research report prepared by Frost & Sullivan (the “F&S Report”) and commissioned by us. We believe that these sources are appropriate sources for such information and statistics and reasonable care has been exercised by us in selecting and identifying the named information sources, compiling, extracting and reproducing the information, and ensuring no material omission of the information. We have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. Neither our Company nor any of the Relevant Persons (which, for the purpose of this paragraph, excludes Frost & Sullivan) has independently verified the information and statistics from official government sources, and no representation is given as to its accuracy.

GLOBAL AND CHINESE MAINLAND LITHIUM-ION BATTERY ENERGY STORAGE SYSTEM INDUSTRY

Definition and Overview of Global and Chinese Mainland Lithium-ion Battery Energy Storage System Industry

A lithium-ion battery energy storage system is an electrochemical energy storage device centered on lithium-ion batteries, enabling bidirectional conversion between electrical energy and chemical energy to achieve the storage and release of electricity, and is used to regulate grid load, balance supply and demand, and improve energy utilization efficiency. Its core components consist of lithium-ion battery pack, a Battery Management System (BMS), an Energy Management System (EMS), a Power Conversion System (PCS), as well as thermal management and safety protection systems. By downstream application scenarios, the lithium-ion battery energy storage system can be categorized into utility lithium-ion battery energy storage system, commercial and industrial lithium-ion battery energy storage system and residential lithium-ion battery energy storage system.

The value chain of lithium-ion battery energy storage systems industry can be divided into upstream raw materials and equipment suppliers, midstream battery manufacturers and system integrators, and downstream application scenarios. The upstream mainly includes battery cell raw materials, PCS raw materials, and battery production equipment. The midstream primarily consists of lithium-ion battery packs, BMS, EMS, PCS, and lithium-ion battery energy storage system integrators. The downstream mainly cover different application scenarios, including utility scenarios, commercial and industrial scenarios, and residential scenarios.

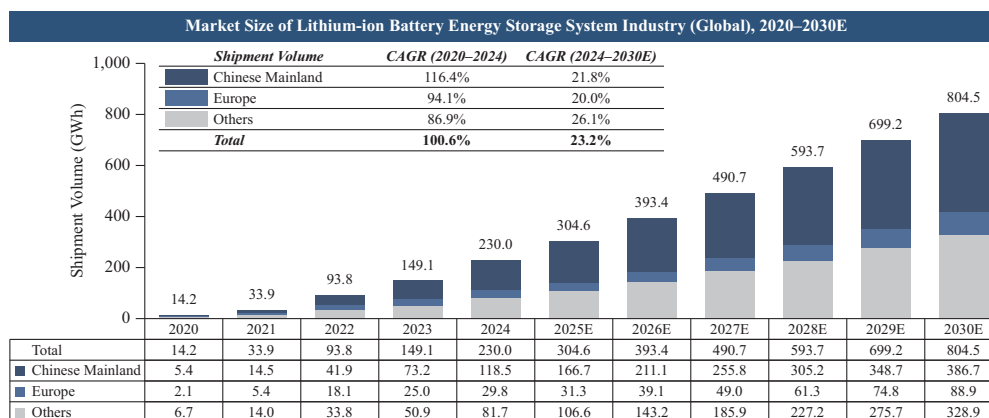


Source: Frost & Sullivan Analysis

INDUSTRY OVERVIEW

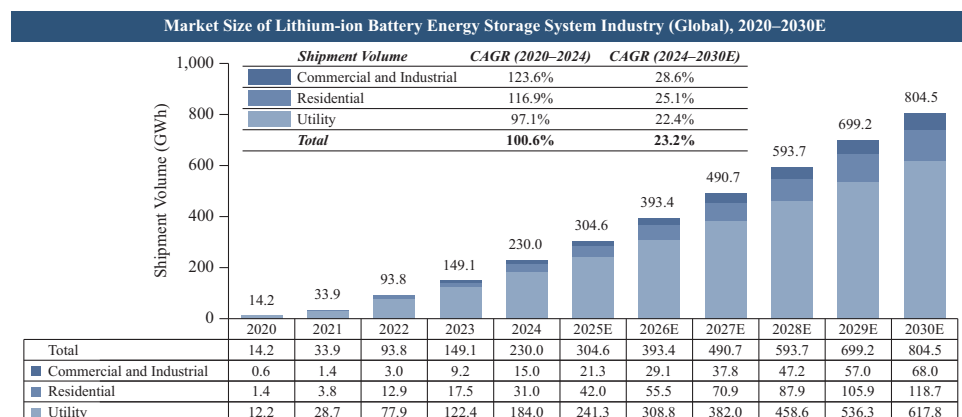
Market Size of Global and Chinese Mainland Lithium-ion Battery Energy Storage System Industry

With the growing downstream and technical advancements, the lithium-ion battery energy storage system industry has experienced significant growth. In 2024, the market size of lithium-ion battery energy storage system industry in terms of shipment volume reached 230.0GWh globally and 118.5GWh in Chinese Mainland, growing at a CAGR of 100.6% and 116.4% from 2020 to 2024, respectively. Driven by continuous transformation of the energy structure, the market size of lithium-ion battery energy storage system industry in terms of shipment volume reached 804.5GWh globally and 386.7GWh in Chinese Mainland by 2030, represent a CAGR of 23.2% and 21.8% from 2024 to 2030, respectively.



Source: EESA; CNESA; Frost & Sullivan Analysis

In terms of application scenarios, the lithium-ion battery energy storage systems primarily include commercial and industrial lithium-ion battery energy storage systems, residential lithium-ion battery energy storage systems, and utility lithium-ion battery energy storage systems. From 2020 to 2024, the market size of commercial and industrial lithium-ion battery energy storage systems, residential lithium-ion battery energy storage systems, and utility lithium-ion battery energy storage systems in terms of shipment volume grew at CAGR of 123.6%, 116.9%, and 97.1%, respectively. Looking forward, the market size of commercial and industrial lithium-ion battery energy storage systems, residential lithium-ion battery energy storage systems, and utility lithium-ion battery energy storage systems in terms of shipment volume are expected to grow at CAGR of 28.6%, 25.1%, and 22.4% from 2024 to 2030, respectively.



Source: EESA; CNESA; Frost & Sullivan Analysis

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Market Drivers of Global and Chinese Mainland Lithium-ion Battery Energy Storage System Industry

Deep transformation of the energy structure drives storage to become the core of power system stability. The global energy system is shifting toward renewables, and the volatility, intermittency, and regional differences of wind and solar power significantly increase the dependence of power systems on flexible regulation and storage capacity. Energy storage systems have evolved from auxiliary facilities into critical infrastructure ensuring grid security and supply-demand balance, with expanding applications in peak shaving, frequency regulation, and power quality improvement, becoming a prerequisite for large-scale integration of renewables. As renewable penetration continues to rise worldwide, the role of storage in supporting system stability and economic efficiency becomes increasingly prominent, forming a long-term growth driver for the industry.

Technological iteration and system integration optimization drive continuous improvement in storage economics. In recent years, improvements in cell energy density, cycle life, and safety, combined with advancements in liquid cooling, thermal management, power electronics, and EMS optimization, have significantly enhanced overall system performance. Modularization, standardization, and automated manufacturing processes further reduce production and deployment costs, driving down unit costs of storage. At the same time, the introduction of intelligent control algorithms and digital twin technology enables refined upgrades in operational strategy optimization and lifecycle management. Technological iteration not only improves economic viability but also lays the foundation for new business models, propelling the industry from demonstration applications to large-scale deployment.

Rising demand for energy autonomy on the user side accelerates industry growth. Under the combined effects of electricity price fluctuations, carbon neutrality pressures, and energy security requirements, enterprises and industrial/commercial users are increasingly seeking energy independence and cost optimization. Energy storage systems can achieve controllable energy costs and flexible scheduling through peak-valley price management, backup power, and load reduction, becoming an integral part of user-side energy management systems. The commercialization of user-side storage is gradually maturing, with customers no longer focusing solely on equipment investment but viewing storage as a long-term revenue-generating asset. With the spread of energy management services and third-party operation and maintenance models, storage companies are shifting from hardware suppliers to integrated energy solution providers, building a more stable customer base and sustainable revenue streams.

Future Opportunities of Global and Chinese Mainland Lithium-ion Battery Energy Storage System Industry

Energy storage scenarios evolving from single peak-shaving to multidimensional collaborative integration. In the future, storage will no longer be limited to single functions but will form full-chain applications across both utility side and user-side. Energy storage systems will deeply integrate with solar PV, wind power, EV charging infrastructure, and microgrid systems, building a "generation-grid-load-storage integration" structure to achieve cross-time and cross-regional energy optimization. Leading enterprises with full-scenario storage solution capabilities will gain clear advantages in system architecture design, operational control, and scenario adaptation, realizing multi-scenario collaborative management through unified technical systems and platform capabilities, thereby improving equipment utilization efficiency and unlocking value. Consequently, industry competition will shift from equipment performance to system coordination and solution integration, driving enterprises to differentiate through system architecture, operational platforms, and market participation capabilities.

Intelligence empowers efficiency upgrades in energy storage systems. With the maturity of artificial intelligence, big data, and cloud computing technologies, energy storage systems are advancing toward dynamic learning and predictive decision-making. AI algorithms analyze market prices, weather, load, and equipment status in real time to output optimal scheduling strategies, achieving the dual goals of maximizing returns and extending lifespan. Algorithms also enable predictive maintenance, significantly improving O&M efficiency, system availability, and safety. In the future, the competitiveness of lithium-ion battery storage enterprises will not only depend on manufacturing capabilities but also on their depth of expertise in intelligent algorithms, closed-loop data management, and platform-based operations.

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Accelerating vertical integration of energy storage industry chain. As the market expands, the industry chain is shifting from fragmented cooperation to vertical consolidation. Leading enterprises are deploying across cell manufacturing, system integration, EMS software, and backend O&M, achieving upstream-downstream coordination and cost control. The integrated model helps enterprises maintain price stability and delivery security amid supply chain fluctuations, while internal integration of data and algorithms creates a complete closed loop from design to operations.

Entry Barriers of Global and Chinese Mainland Lithium-ion Battery Energy Storage System Industry

Channel barriers. Many countries impose strict entry requirements on energy storage products and system integrators, including safety certifications, grid connection standards, localized service capabilities and local compliance qualifications, with long entry cycles and high costs. Established enterprises, leveraging project track records, technical support and O&M networks covering key regions, and scale advantages, hold strong influence and long-term partnerships in major client markets. Once customers complete system selection and validation, switching suppliers incurs high costs, creating significant resistance for new entrants in channel expansion.

Technical barriers. The lithium-ion battery energy storage industry demands extremely high system integration capabilities, requiring deep expertise in cell selection and matching, module design, BMS and EMS coordination, thermal management, and safety strategies. Only enterprises with strong integration capabilities can ensure stable output under diverse operating conditions, improve energy utilization efficiency, reduce lifecycle costs, and guarantee grid safety and reliability.

Multi-scenario delivery capability barriers. Lithium-ion battery energy storage systems must adapt to diverse application scenarios across utility side and user-side, with significant differences in capacity configuration, safety standards, control strategies, and system integration. Leading enterprises typically possess cross-scenario product platforms and engineering experience, enabling rapid customization and large-scale delivery. New entrants lacking multi-scenario project experience and integration capabilities face limitations in solution reliability and delivery efficiency, making it difficult to meet customer demands for comprehensive solutions.

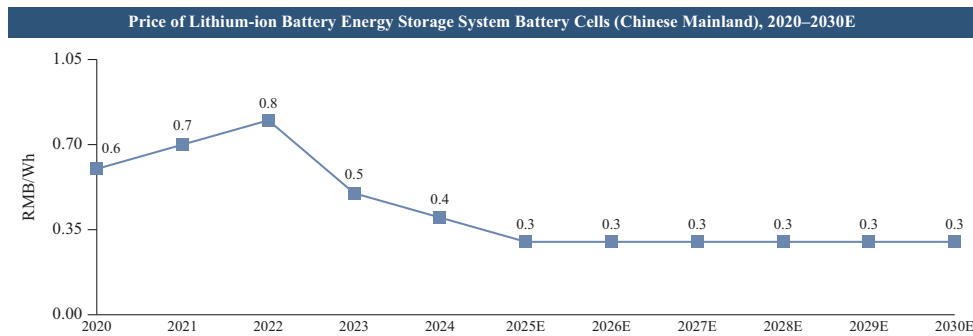
Talent barriers. The lithium-ion battery energy storage industry relies heavily on interdisciplinary talent across electrochemistry, power systems, automation, and project management. Professionals with system engineering and application experience are scarce, and leading enterprises attract talent through technological accumulation and brand advantages, creating a strong talent magnet effect that limits new entrants.

Cost Structure and Raw Material Prices Analysis of Global Lithium-ion Battery Energy Storage System Industry

The raw materials of lithium-ion battery energy storage systems primarily include battery, PCS, among others. Battery and PCS accounted for approximately 70.0% and 10.0% of the total raw material costs in 2024, respectively.

The price of lithium-ion battery energy storage system battery cells is one of the core influencing factors of the cost of energy storage systems. From 2020 to 2022, with the rapid growth of global demand for new energy vehicles and energy storage and the limited supply of lithium carbonate, caused a sharp price surge in lithium-ion battery energy storage system battery cells. Consequently, the price of lithium-ion battery energy storage system battery cells increased from RMB0.6/Wh to RMB0.8/Wh. However, starting in 2023, as the supply of lithium carbonate gradually increased, the price of lithium-ion battery energy storage system battery cells declined from 0.5 RMB/wh in 2023 to 0.4 RMB/Wh in 2024. Looking ahead, with the moderated growth in the energy storage system industry and steady supply of lithium carbonate, the price of lithium-ion battery energy storage system battery cells is anticipated to maintain at a low level from 2025 and the price of battery cells is expected to drop to approximately RMB0.3/Wh by 2030.

INDUSTRY OVERVIEW



Source: Frost & Sullivan Analysis

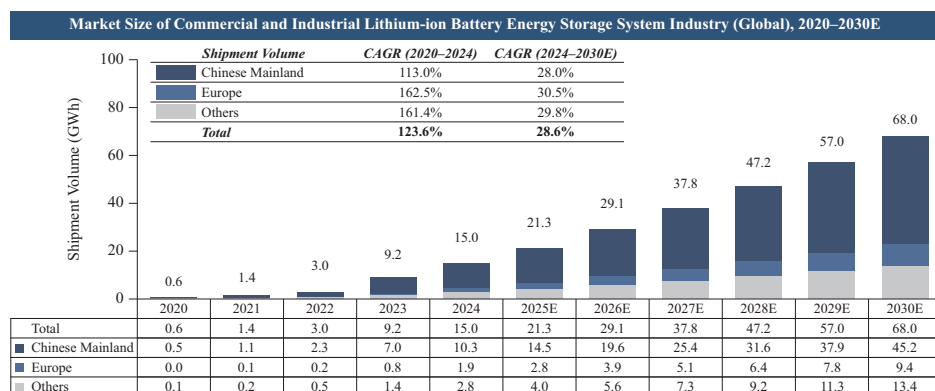
GLOBAL AND CHINESE MAINLAND COMMERCIAL AND INDUSTRIAL LITHIUM-ION BATTERY ENERGY STORAGE SYSTEM INDUSTRY

Definition and Overview of Global and Chinese Mainland Commercial and Industrial Lithium-ion Battery Energy Storage System Industry

The commercial and industrial lithium-ion battery energy storage system is an energy storage system centered on lithium-ion-ion batteries, primarily designed to meet the storage needs of electricity users such as factories, industrial parks, commercial buildings, and public facilities. Functionally, the commercial and industrial lithium-ion battery energy storage system mainly serves demands for peak shaving and valley filling, load balancing, power quality optimization, and improvement of electricity reliability, reducing overall energy costs by optimizing the structure of power usage. Against the backdrop of energy transition and the intelligentization of power systems, the commercial and industrial lithium-ion battery energy storage system has gradually evolved into critical infrastructure for factories, industrial parks, commercial buildings, and public facilities, enhancing energy efficiency, strengthening power system resilience, and supporting the operation of new-type power systems.

Market Size of Global and Chinese Mainland Commercial and Industrial Lithium-ion Battery Energy Storage System Industry

In 2024, the market size of commercial and industrial lithium-ion battery energy storage system industry in terms of shipment volume reached 15.0GWh globally and 10.3GWh in Chinese Mainland, growing at a CAGR of 123.6% and 113.0% from 2020 to 2024, respectively. In the future, the market size of commercial and industrial lithium-ion battery energy storage system industry in terms of shipment volume reached 68.0GWh globally and 45.2GWh in Chinese Mainland by 2030, represent a CAGR of 28.6% and 28.0%, respectively.



Source: EESA; CNESA; Frost & Sullivan Analysis

INDUSTRY OVERVIEW

Future Opportunities of Global and Chinese Mainland Commercial and Industrial Lithium-ion Battery Energy Storage System Industry

Scenario-based energy storage systems closely aligned with commercial and industrial load characteristics. Commercial and industrial energy storage users typically exhibit large load fluctuations, concentrated electricity consumption periods, and complex energy usage structures. Therefore, compared with other application scenarios, the commercial and industrial context places higher demands on energy storage systems in terms of response speed, operational stability, and strategic flexibility. The energy storage systems must precisely match enterprise production rhythms, electricity price cycles, and peak-valley differences in energy use. This drives energy storage systems to embed load analysis and revenue models deeply at the solution design stage, transforming storage from a general-purpose device into a customized energy management tool tailored to specific commercial and industrial scenarios. Scenario adaptability has thus become a key factor in industry competition.

Deep integration of commercial and industrial energy storage with digital energy operations. In commercial and industrial settings, the value of lithium-ion battery energy storage systems depends heavily on sustained operational performance. With the advancement of digital capabilities, these systems are becoming core nodes within the energy operation frameworks of commercial and industrial users. By enabling real-time monitoring of load variations, equipment status, and operational efficiency, they support dynamic scheduling and strategy optimization. Digital platforms allow commercial and industrial energy storage to shift from fixed operating strategies to rolling optimization, maintaining stable returns under complex conditions and uncertain energy usage. This accelerates the industry’s transformation from an engineering-oriented to an operation-oriented model.

Acceleration toward diversified business models. In the future, the commercial and industrial energy storage industry will gradually move away from reliance on policy subsidies and single price-differential revenues, transitioning toward diversified profit models led by market mechanisms. As electricity market liberalization advances, the value boundaries of commercial and industrial energy storage will continue to expand. Beyond peak-valley arbitrage and user demand triggered by two-part tariffs, additional revenue streams will emerge, for example, participation in demand-side response within virtual power plants, engaging in spot market transactions, and providing ancillary services. Meanwhile, business models such as energy performance contracting, owner self-build, and pure leasing will be further refined to meet diverse user needs. The diversification of business models not only enhances the adaptability and replicability of commercial and industrial energy storage but also strengthens the stability and sustainability of project returns, marking an important milestone in the industry’s progression toward maturity.

Competitive Landscape of Global and Chinese Mainland Commercial and Industrial Lithium-ion Battery Energy Storage System Industry

The global commercial and industrial lithium-ion battery energy storage system industry was relatively fragmented. As of December 31, 2024, the number of commercial and industrial lithium-ion battery energy storage system providers in Chinese Mainland was approximately 800. In terms of global shipment volume of commercial and industrial lithium-ion battery energy storage system in 2024, the top twelve Chinese lithium-ion battery energy storage system integrators accounted for approximately 28.8%, among which our Group ranked twelfth, with a market share of approximately 1.1%. In terms of global shipment volume of commercial and industrial lithium-ion battery energy storage system in the nine months ended 30 September 2025, the top ten Chinese lithium-ion battery energy storage system integrators accounted for approximately 32.9%, among which our Group ranked eighth, with a market share of approximately 2.0%.

Top Ten Chinese Lithium-ion Battery ESS Integrators in terms of Global C&I Lithium-ion Battery ESS Shipment Volume in the Nine Months Ended 30 September 2025

Ranking	Company	Listing Status	Headquarters	Market Share (%)
1	Company A	Listed	Anhui Province, China	7.3%
2	Company B	Unlisted	Anhui Province, China	5.9%
3	Company C	Unlisted	Shaanxi Province, China	3.8%
4	Company D	Unlisted	Jiangsu Province, China	3.2%
5	Company E	Unlisted	Shanghai, China	2.6%
6	Company F	Unlisted	Jiangsu Province, China	2.4%
7	Company G	Listed	Zhejiang Province, China	2.1%
8	Our Group	—	Jiangsu Province, China	2.0%
9	Company H	Unlisted	Shanghai, China	1.9%
10	Company I	Listed	Beijing, China	1.7%
Top ten	—	—	—	32.9%

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Notes:

1. Company A was established in 1997, it is listed on the Shenzhen Stock Exchange. It primarily provides PV inverters, energy storage systems, wind power converter and transmission products, new energy vehicles’ electric control, power supply and charging equipment.
2. Company B was established in 2022, the company is engaged in the research and development, production, sale, services and solution-based commercialization of core energy storage equipment products.
3. Company C was established in 2018, it is focused on core technology research and product development for advanced energy storage systems, actively promoting the integration of large-scale clean energy systems.
4. Company D was established in 2015, it provides comprehensive intelligent energy solutions covering generation, transmission, consumption, and storage.
5. Company E was established in 2019, it provides digital energy solutions, large-scale energy storage system integration products, commercial and industrial energy storage products, and green power transportation vehicle energy products.
6. Company F was established in 1995, it is dedicated to the research, development, and industrialization of power protection and control equipment, as well as intelligent power equipment for power grids, power plants, and various industrial and mining enterprises.
7. Company G was established in 2002 and is listed on the Shenzhen Stock Exchange. It primarily focuses on the research, development, production, and sales of solar photovoltaic modules, while also engaging in solar power plant EPC, solar power plant operations, and energy storage systems.
8. Company H was established in 2021, its products include industrial and commercial energy storage systems, residential energy storage systems, and grid-side energy storage systems.
9. Company I was established in 2007 and is listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. The company is primarily engaged in the railway equipment business and has gradually developed new business segments with wind power equipment, new materials photovoltaics, and energy storage systems.

Source: Annual Reports; Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

In terms of shipment volume of commercial and industrial lithium-ion battery energy storage system in overseas market in 2024, the top five Chinese lithium-ion battery energy storage system integrators accounted for approximately 8.6%, among which our Group ranked fourth, with a market share of approximately 1.2%. In terms of shipment volume of commercial and industrial lithium-ion battery energy storage system in overseas market in the nine months ended 30 September 2025, the top five Chinese lithium-ion battery energy storage system integrators accounted for approximately 14.1%, among which our Group ranked third, with a market share of approximately 2.0%.

Top Five Chinese Lithium-ion Battery ESS Integrators in terms of C&I Lithium-ion Battery ESS Shipment Volume in Overseas Market, in the Nine Months Ended 30 September 2025

Ranking	Company	Listing Status	Headquarters	Market Share (%)
1	Company A	Listed	Anhui Province, China	7.7%
2	Company G	Listed	Zhejiang Province, China	2.2%
3	Our Group	—	Jiangsu Province, China	2.0%
4	Company B	Unlisted	Anhui Province, China	1.2%
5	Company D	Unlisted	Jiangsu Province, China	1.0%
Top five	—	—	—	14.1%

Source: Annual Reports; Interviews Conducted by Frost & Sullivan with Experts from Leading Market Players; Frost & Sullivan Analysis

GLOBAL AND CHINESE MAINLAND DIGITAL ENERGY SOLUTION INDUSTRY

Definition and Overview of Global and Chinese Mainland Digital Energy Solution Industry

Digital energy solutions are solutions that leverage information technology, artificial intelligence, big data, and the Internet of Things to enable efficient production, distribution, storage, and consumption management of energy. Application scenarios for digital energy solutions cover both the user side and the utility side, with key products including VPP aggregation platforms, EMS, and other SaaS-based energy services. Their core value lies in providing enterprises, governments, and individual users with

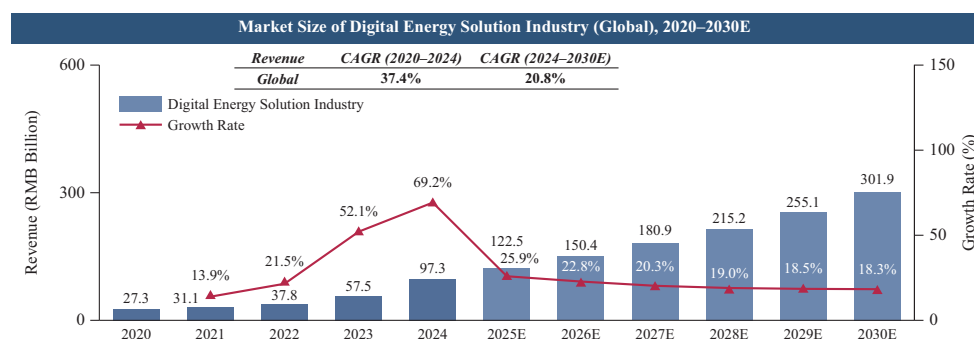
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services such as energy consumption optimization, scheduling decision-making, market transactions, and intelligent operation and maintenance through software- and platform-based approaches, thereby building the “data brain” of the energy system.

The business models of the digital energy solutions industry are centered on data-driven energy management and value-added services, and are mainly divided into the B-end model targeting enterprise customers and the C-end model targeting individual users. The B-end model focuses on energy investors, energy-consuming enterprises, and public institutions as primary clients, providing digital platforms such as EMS and VPP dispatch systems to achieve optimized allocation of energy assets and enhanced returns. Revenue sources include software licensing, system subscriptions, data services, and operation and maintenance services. The C-end model, on the other hand, targets households and small-scale users, relying on cloud-based energy management platforms and AI algorithms to improve electricity cost efficiency through functions such as electricity price forecasting, energy use optimization, and household energy storage scheduling, with revenues mainly derived from subscription-based software services. Both models take software and data as core assets, emphasizing the enhancement of customer stickiness and service value through continuous data accumulation and algorithm iteration, thereby gradually transforming from one-off sales to long-term service-oriented business loops.

Market Size of Global Digital Energy Solution Industry

With the increasing emphasis on energy management, the global digital energy solution industry has maintained rapid growth. From 2020 to 2024, the global market size of digital energy solution industry in terms of revenue grew from RMB27.3 billion to RMB97.3 billion, with a CAGR of 37.4%. In the future, with continuous technological advancement and the further expansion of application scenarios, the global market size of digital energy solution industry in terms of revenue is expected to reach RMB301.9 billion by 2030, with a CAGR of 20.8% from 2024 to 2030.



Source: Frost & Sullivan Analysis

Market Drivers of Global and Chinese Mainland Digital Energy Solution Industry

Digital energy solutions as core tools for enterprises to enhance efficiency and visualized management. With the rapid growth of distributed energy, traditional manual-driven operation and scheduling models can no longer cope with the complex operating scenarios of massive energy equipment. Digital energy solutions, through IoT data collection, edge computing, and visualized platform-based management, enable energy systems to achieve transparency, controllability, and automation. By leveraging real-time data analysis and intelligent decision support, enterprises can realize refined energy management and improved operational efficiency. Digitalization not only reduces labor costs but also enhances system safety and economic performance, becoming an irreversible direction in the modernization of energy systems.

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Advances in artificial intelligence and big data driving intelligent decision-making in energy systems. The application of AI algorithms and big data in load forecasting, optimal scheduling, and equipment diagnostics has become increasingly mature, shifting energy systems from passive monitoring to proactive optimization. Through real-time data training and model iteration, systems can dynamically adjust operating strategies to maximize returns and minimize risks. Technological progress lowers deployment thresholds, enabling enterprises to achieve intelligent upgrades without altering existing hardware architectures, thereby accelerating the adoption of digital energy solutions.

Carbon neutrality strengthening demand for energy data transparency and platform-based carbon management. In recent years, as carbon reduction targets have been incorporated into national strategies and enterprise performance assessments, the traceability of energy data and carbon accounting capabilities have become essential. Digital energy solutions, through data collection, carbon factor calculation, and emission tracking, enable full-process quantification and disclosure from energy consumption to carbon emissions. Regulatory authorities are raising requirements for corporate energy reporting and carbon information disclosure, driving enterprises to accelerate the deployment of digital energy management systems. The trend toward integrating carbon management with energy operations elevates digital energy solutions from auxiliary tools to core components of corporate energy governance.

Energy market reforms driving growth in asset trading and aggregation management. As global electricity markets gradually open, the maturation of spot markets, capacity markets, and ancillary service markets has endowed energy assets with tradable attributes. Digital energy solutions serve as critical hubs connecting assets, markets, and users, enabling distributed energy to maximize returns through aggregation management and strategy optimization. Market reforms not only increase the complexity of asset operations but also create rigid demand for digital platforms. Digital energy systems equipped with market interfaces, aggregation algorithms, and compliant settlement capabilities have become indispensable technical infrastructure for enterprises participating in energy markets.

Future Opportunities of Global and Chinese Mainland Digital Energy Solution Industry

Integrated development of software and hardware enhancing the competitiveness of digital energy solutions. Digital energy solutions are becoming a key pathway for hardware providers to extend their value chains in lithium-ion battery energy storage industry. Companies with strong hardware foundations naturally hold advantages in acquiring system operation data, understanding application scenarios, and enabling real-world deployment. This makes it easier for them to embed digital energy solutions into the planning, operation, and optimization of lithium-ion battery energy storage systems. While digital energy solutions enhance system visualization, intelligent dispatching, and operational efficiency, they also reinforce the irreplaceable role of hardware within the broader energy system. This reduces user switching costs and increases the stickiness of integrated solutions. During this process, the continuous iteration of software capabilities, in turn, drives the adaptation and deployment of hardware across a broader range of scenarios, accelerating hardware penetration. This dynamic fosters a synergistic and mutually reinforcing development pattern between digital energy solutions and lithium-ion battery energy storage systems, emerging as a key direction for the industry to build long-term competitive advantages.

Platformization and open ecosystems as the dominant model for digital energy solutions. Digital energy solutions are evolving from closed systems to open ecosystem platforms. Enterprises are building SaaS-based platforms and standardized interfaces to enable collaboration with equipment manufacturers, aggregators, grid operators, and third-party service providers. Open platforms bring stronger compatibility and scalability, while data sharing and co-creation foster network effects. Future competition will no longer be limited to single functions but will revolve around the breadth and extensibility of platform ecosystems. Enterprises with ecosystem integration and openness capabilities will occupy leading positions in the industry.

Commercialization of virtual power plants accelerates the release of distributed resource value. Virtual power plants aggregate distributed PV, storage, and controllable loads through digital platforms, participating in electricity market transactions and ancillary services to achieve centralized optimization

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of distributed resources. This model has entered commercialization in multiple markets, becoming a key means of flexible regulation and revenue optimization for power systems. The development of virtual power plants relies not only on technological support but also on enterprises’ understanding of market rules and compliance capabilities. As aggregation models mature and standardization advances, virtual power plants will become an important growth engine for the digital energy industry.

“Energy-as-a-service (EaaS)” model accelerating business transformation in the industry. Traditional digital energy business models have focused on system integration and software deployment, while the future dominant model is shifting toward “Energy-as-a-Service” (EaaS). Enterprises provide customers with continuous services such as energy monitoring, strategy optimization, asset aggregation, and market participation through subscription or revenue-sharing models, enabling customers to maximize energy asset value without building their own systems. This model not only improves corporate cash flow structures but also enhances customer stickiness and long-term cooperation. As market demand grows for flexible, low-threshold, and results-oriented services, EaaS will become the core direction of digital energy solution commercialization.

Competitive Landscape of Global and Chinese Mainland Digital Energy Solution Industry

With the development trends of energy system digitization and value diversification, the lithium-ion battery energy storage system integrators are actively transforming from hardware equipment providers to digital energy solution service providers. Through offering intelligent platforms and services spanning the entire energy lifecycle, from generation, transmission, and consumption to storage, they extend their value chains and build differentiated competitive advantages. These providers leverage their deep understanding of energy storage physics, extensive grid-connected equipment base, and profound industry expertise to tailor digital solutions to practical needs, achieving coordinated optimization of both software and hardware. As of December 31, 2024, the number of participants in Chinese Mainland digital energy solutions market has reached approximately 2,000.

SOURCE AND RELIABILITY OF INFORMATION

In connection with the [REDACTED], we engaged an independent market research consultant, Frost & Sullivan, to conduct an analysis of, and to prepare an industry report on the industries where we operate with a commission fee of RMB500,000. Founded in 1961, Frost & Sullivan is an independent global consulting firm that conducts industry research and prepares industry report on a wide range of industries, among other services. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report with its consent.

In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan used the following key methodologies to collect multiple sources, validate the collected data and information, and cross-check each respondent’s information and expressions against those of others: (i) detailed primary research, which involved discussing the status of the industry with leading industry participants and industry experts; and (ii) secondary research, which involved reviewing published sources including reports of market participants, independent research reports and data based on Frost & Sullivan’s own research database.

Frost & Sullivan adopted the following primary assumptions while making projections for preparing the Frost & Sullivan Report: (i) global and Chinese Mainland economy is likely to maintain steady growth in the next decade; (ii) global and Chinese Mainland social, economic and political environment is likely to remain stable in the forecast period; and (iii) market drivers such as policy incentives, technological iteration, rising demand for energy autonomy, among others.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that after taking reasonable care, there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict, or have an impact on such information.

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LAWS AND REGULATIONS RELATED TO FOREIGN INVESTMENT

Foreign Investment

On March 15, 2019, the National People’s Congress, or the NPC, promulgated the PRC Foreign Investment Law (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which came into effect on January 1, 2020 and replaced the previous laws regulating foreign investment in the PRC, namely, the Sino-foreign Equity Joint Venture Enterprise Law of PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and the ancillary regulations. The Foreign Investment Law is formulated to further expand opening-up, vigorously promote foreign investment and protect the legitimate rights and interests of foreign investors. According to the Foreign Investment Law, foreign investments are entitled to pre-entry national treatment and are subject to negative list management system. The pre-entry national treatment means that the treatment given to foreign investors and their investments at the stage of investment access is not lower than that of domestic investors and their investments. The negative list management system means that the state implements special management measures for the access of foreign investment in specific fields. Foreign investors shall not invest in any forbidden fields stipulated in the negative list and shall meet the conditions stipulated in the negative list before investing in any restricted fields.

On December 26, 2019, the State Council published the Implementation Rules of Foreign Investment Law (《中華人民共和國外商投資法實施條例》), which came into effect on January 1, 2020. The Implementation Rules of Foreign Investment Law restates certain principles of the Foreign Investment Law and further provides, among others, that (i) an FIE’s investment within the territory of China is also subject to the Foreign Investment Law and the Implementation Rules of Foreign Investment Law; (ii) an FIE established prior to the effective date of the Foreign Investment Law may, within five years following January 1, 2020, choose to amend its legal form or corporate governance and complete amendment registration, or to keep its original legal form or corporate governance; (iii) provisions regarding the transfer of equity interests or distribution of profits and remaining assets as stipulated in the contracts among the joint venture parties of an existing FIE may survive the Foreign Investment Law after such FIE amends its legal form or corporate governance in accordance with applicable laws.

The Foreign Investment Law, while strengthening the promotion and protection of investment, further standardizes the management of foreign investment and proposes the establishment of foreign investment information reporting system, which replaces the approval and filing system for foreign investment enterprises by the Ministry of Commerce of the People’s Republic of China (the “**MOFCOM**”). The foreign investment information reporting is subject to the Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》) jointly formulated by the MOFCOM and the State Administration for Market Regulation and coming into effect on January 1, 2020. According to the Measures for Foreign Investment Information Reporting, foreign investors who directly or indirectly invest in China shall submit the investment information to competent departments for commerce through the enterprise registration system and the national enterprise credit information publicity system; the reporting formats are divided into initial report, change report, cancellation report, annual report, etc.

The 2024 Negative List

Pursuant to the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024) (《外商投資准入特別管理措施(負面清單) (2024年版)》) (the “**2024 Negative List**”), jointly promulgated by the NDRC and MOFCOM on September 6, 2024 and came into effect on November 1, 2024, limitations were stipulated for foreign investments in different industries in the PRC.

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The 2024 Negative List is further classified into “Catalog of Industries Limited for Foreign Investment” and “Catalog of Industries Prohibited for Foreign Investment.” Industries which do not fall within the “Special Management Measures (Negative List) for the Access of Foreign Investment” are industries permitted for foreign investment.

REGULATIONS RELATED TO OVERSEAS DIRECT INVESTMENTS

Pursuant to the Measures for the Administration of Outbound Investment by Enterprises (《企業境外投資管理辦法》), which was promulgated by the NDRC on December 26, 2017 and came into effect on March 1, 2018, “overseas investment” refers to investment activities conducted directly by enterprises within China or through their controlled overseas enterprises, by contributing assets or equity interests, or providing financing or guarantees, to obtain overseas ownership, control rights, management rights and other related interests. When making outbound investments, investors shall complete approval or filing procedures for outbound investment projects, report relevant information and cooperate with supervision and inspection.

Pursuant to the Measures for the Administration of Outbound Investment (《境外投資管理辦法》), which was last amended on September 6, 2014, the MOFCOM and provincial commerce authorities implement either approval or filing administration depending on the nature of the outbound investment, with investments involving sensitive countries or sensitive industries subject to approval while other investments subject to filing requirements. In the event of overseas reinvestments by the overseas enterprise, the enterprise shall, upon completion of overseas legal formalities, report to the commerce authorities in charge.

LAWS AND REGULATIONS RELATED TO OUR BUSINESS IN THE PRC

Laws, Regulations and Industrial Policies on Energy Storage

Pursuant to the Catalog for Guiding Industry Restructuring (2024 Version) (《產業結構調整指導目錄(2024年本)》) promulgated by the National Development and Reform Commission of the PRC on December 27, 2023, and came into effect on February 1, 2024, technologies and equipment for new power systems and technologies and applications for renewable energy utilization belongs to the state-encouraged industries.

Pursuant to the Energy Law of the People’s Republic of China (《中華人民共和國能源法》) promulgated by the Standing Committee of the National People’s Congress, or the SCNPC, on November 8, 2024 and brought into effect on January 1, 2025, China promotes the improvement of energy utilization efficiency, encourages the development of distributed energy and integrated energy services such as multi-energy complementary and multi-energy combined supply, actively promotes market-based energy conservation services such as contractual energy management, and raises the level of cleaner, lower carbon, more efficient and smarter end-use energy consumption.

On September 24, 2021, the National Energy Administration, or the NEA, promulgated the Notice of the National Energy Administration on Issuing the Interim Administrative Measures for New Energy Storage Projects (《國家能源局關於印發《新型儲能專案管理規範(暫行)》的通知》), or the Measures for New Energy Storage. Pursuant to the Measures for New Energy Storage, local energy authorities shall implement filing management for new energy storage projects in their regions in accordance with relevant investment laws, regulations, and supporting systems, and power grid enterprises shall provide grid connection services to new energy storage projects in a fair and non-discriminatory manner.

Pursuant to the Guiding Opinions on Accelerating the Development of New Energy Storage (《關於加快推動新型儲能發展的指導意見》) jointly promulgated by the NDRC and the NEA on July 15, 2021 and came into effect on the same date, the transformation from the initial stage of commercialization to

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large-scale development of new energy storage shall be achieved by 2025. The full market-oriented development of new energy storage shall be realized by 2030, and new energy storage will become one of the key supports for carbon peak and carbon neutrality in the energy sector. The core technologies and equipment of new energy storage shall be independent and controllable, and the installed capacity shall basically meet the corresponding needs of the new power system. New energy storage shall become one of the key supports for carbon peak and carbon neutrality in the energy sector.

Pursuant to the Basic Rules for the Operation of the Electric Power Market (《電力市場運行基本規則》) promulgated by the NDRC on April 25, 2024 and implemented on July 1, 2024, the term “members of the electric power market” refers to the business entities, the operators of the electric power market and the power grid enterprises that provide power transmission and distribution services, etc. In particular, business entities include the enterprises generating electricity, enterprises selling electricity, electricity users and new business entities (including enterprises engaging in the energy storage, virtual power plants, load aggregators, etc.) which participate in the electric power market transactions. The construction of the technical supporting system of the electric power market shall comply with the requirements of the prescribed performance indicators and have the functions of energy management, transaction management, measurement of power energy, settlement system, contract management, quotation processing, market analysis and forecast, trading information, and regulatory system, etc.

Regulations on Product Quality and Safety Production

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) released by the SCNPC, on February 22, 1993 with effect from September 1, 1993, which was last amended on December 29, 2018, the law applies to all the production and sales activities of any product in the PRC. The producer and the seller shall bear the responsibilities for product quality in accordance with the provisions of this law. Victims who suffer personal injury or property losses due to product defects may claim for compensation either from the producer or the seller. Where the responsibility lies with the producer and the compensation is paid by the seller, the seller shall have the right to recover such compensation from the producer. Where the responsibility lies with the seller and the compensation is paid by the producer, the producer shall have the right to recover such compensation from the seller.

Pursuant to the Production Safety Law of the PRC (《中華人民共和國安全生產法》), which was promulgated by the Standing Committee of NPC on June 29, 2002, became effective on November 1, 2002 and was last amended on June 10, 2021, entities that are engaged in the production and business operation activities within the territory of the PRC shall (i) observe the Production Safety Law and other relevant laws and regulations concerning production safety; (ii) strengthen the management and control of production safety; (iii) improve the measures for safety protection of production sites; and (iv) establish and improve the accountability system for safety accidents to ensure the work safety in production sites. The production entities shall implement national standards or industrial standards for safety formulated pursuant to laws, and provide conditions for safe production stipulated by relevant national standards or industrial standards. Entities that do not meet the conditions for safety production shall not be engaged in production and operation activities.

Regulations on Import and Export Goods

Pursuant to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) which was promulgated by the NPC Standing Committee on May 12, 1994, implemented on July 1, 1994, and last amended on December 27, 2025 and will be effective on March 1, 2026, the State permits the free import and export of goods and technologies. Based on the need to monitor the import and export goods, the competent department of foreign trade under the State Council may implement automatic import and export licensing for certain freely import and export goods and publish their catalogs. For import and

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export goods subject to automatic licensing, if the consignee or consignor applies for automatic licensing before going through the customs declaration formalities, the competent department of foreign trade under the State Council or its entrusted institution shall be licensed.

Pursuant to the Customs Law of the PRC (《中華人民共和國海關法》) promulgated by the SCNPC on January 22, 1987 and last amended on April 29, 2021 and became effective on April 29, 2021, unless otherwise stipulated, the declaration of import and export goods may be made by consignees and consignors themselves, and such formalities may also be completed by their entrusted customs brokers that have registered with the customs. The consignees and consignors for import or export of goods and the customs brokers engaged in customs declaration shall register with the customs in accordance with the laws.

Pursuant to the Administrative Provisions of the Customs of the PRC on the Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), which was promulgated by the General Administration of Customs on November 19, 2021 and took effect on January 1, 2022, the consignees and consignors of imported or exported goods and the customs brokers engaged in customs declarations shall undergo recordation formalities at the relevant customs administration department in accordance with the law.

Regulations on Environmental Protection

According to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by SCNPC on December 26, 1989 and was revised on April 24, 2014, enterprises, institutions and other manufacturing operators shall prevent and reduce environmental pollution and ecological damage, and shall be liable for damages caused by them pursuant to the law; enterprises, public institutions, and other production operators that discharge pollutants shall adopt measures to prevent and control pollution and damage to the environment caused by waste gas, waste water, waste residue, medical wastes, dust, malodorous gases, radioactive substances, noise, vibration, optical radiation, electromagnetic radiation, and other substances generated in their production, construction, and other activities.

Regulations on Development of Investment Projects

Pursuant to the Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) promulgated by National Development and Reform Commission on March 8, 2017 and last amended on March 23, 2023, any fixed-asset investment project invested and constructed in China shall be subject to the approval or filing procedures with the relevant bureaus of the Development and Reform Committee of China.

REGULATIONS RELATING TO PROPERTY LEASING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), which was promulgated by the SCNPC on July 5, 1994 and was latest amended on August 26, 2019, and the Management Measures for the Lease of Commercial Housing (《商品房屋租賃管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010, and effective on February 1, 2011, the parties to a lease shall enter into a lease contract in accordance with the law. Within 30 days after the conclusion of the lease contract, the parties to the lease shall go to the competent department of construction (real estate) of the people's government of the municipality, city or county where the leased premise is located to register the lease. In violation of the foregoing provisions, the competent construction (real estate) departments of the people's governments of the municipalities directly under the central government, cities and counties shall order rectification within a time limit. If rectification is not made by an individual within the time limit, a fine of less than RMB1,000 shall be imposed. If rectification is not made by an entity within the time limit, a

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fine of more than RMB1,000 but less than RMB10,000 shall be imposed. Pursuant to the PRC Civil Code (《中華人民共和國民法典》), the parties' failure to register the lease contract in accordance with the provisions of laws and administrative regulations does not affect the validity of the contract.

REGULATIONS RELATED TO DATA SECURITY, DATA PRIVACY AND CYBER SECURITY

On 1 July 2015, the SCNPC promulgated the National Security Law of the PRC (《中華人民共和國國家安全法》), effective on the same date, stipulating that the state shall establish systems and mechanisms for national security review and supervision, conduct national security reviews of foreign investment, specific items and key technologies, network information technology products and services, construction projects involving national security matters, and other major matters and activities that affect or may affect national security, to effectively prevent and defuse national security risks.

Pursuant to the PRC Cybersecurity Law (《中華人民共和國網絡安全法》) promulgated in November 7, 2016 and last amended on October 28, 2025, in construction or operation of networks or supply of services through networks, technical measures and other necessary measures must be implemented in accordance with laws and regulations as well as the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of the networks, effectively respond to cybersecurity incidents, prevent illegal and criminal activities, and maintain the integrity, confidentiality and availability of network data.

On June 10, 2021, the Standing Committee of the NPC promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which came into effect on September 1, 2021. The PRC Data Security Law provides for data security and privacy obligations on entities and individuals carrying out data activities. The PRC Data Security Law also introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. The appropriate level of protection measures is required to be taken for each respective category of data. In addition, the PRC Data Security Law imposes export restrictions on certain data and information. No entity or individual within the territory of the PRC may provide foreign judicial or law enforcement authorities with the data stored within the territory of the PRC without the approval of the competent PRC authorities.

On August 20, 2021, the SCNPC promulgated the PRC Personal Information Protection Law (《中華人民共和國個人信息保護法》), which became effective on November 1, 2021. The PRC Personal Information Protection Law aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information. "Personal information" refers to any information related to identified or identifiable natural persons recorded by electronic or other means, excluding anonymized information. The PRC Personal Information Protection Law also specified the rules for handling sensitive personal information, which includes biometrics, religious beliefs, specific identities, medical health, financial accounts, trails and locations, and personal information of children under fourteen years old and other personal information, which, upon leakage or illegal usage, may easily result in damage to the personal dignity or personal or property safety. The PRC Personal Information Protection Law requires, among other things, that (i) the processing of personal information should have a clear and reasonable purpose and should be directly related to its purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Entities processing personal information shall bear responsibility for their personal information handling activities, and adopt necessary measures to safeguard the security of the personal information they handle.

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Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”) which has come into effect on 1 January 2021, the personal information of natural persons is protected by law. Any organization or individual that needs to obtain personal information of others shall do so in accordance with the law and ensure information security, and shall not illegally collect, use, process, or transmit others’ personal information, nor illegally buy, sell, provide, or disclose others’ personal information.

On July 30, 2021, the State Council promulgated the Regulations on Critical Information Infrastructure Security Protection (《關鍵信息基礎設施安全保護條例》), which went into effect on September 1, 2021. The regulations provide that, among others, critical information infrastructure, or CII, means key network facilities or information systems of critical industries or sectors, such as public communications and information services, energy, transportation, water conservation, finance, public services, e-government affairs and national defense science, the damage, malfunction or data leakage of which may endanger national security, national economy and public interests. The CII operators, or the CIIOs, shall, based on a leveled system for cybersecurity protection, adopt technical protection and other necessary measures to respond to cybersecurity incidents, defend against cyber-attacks and other criminal activities, ensure the safe and stable operation of CII, and maintain data integrity, confidentiality and availability pursuant to relevant laws, regulations and the mandatory requirements under national standards. Relevant government authorities for each critical industry and sector shall be responsible for formulating eligibility criteria and determining the scope of CIIOs in the respective industry or sector, and such operators will be informed of the final determinations as to whether they are categorized as CIIOs.

On December 28, 2021 the CAC promulgated the Revised Cybersecurity Review Measures (《網絡安全審查辦法》), which became effective on February 15, 2022 and repeal the Cybersecurity Review Measures promulgated on April 13, 2020. The Revised Cybersecurity Review Measures provide that a CIIO purchasing network products and services and network platform operators engaging in data processing activities that affect or may affect national security shall be subject to cybersecurity review and that network platform operators that hold personal information of over one million users shall apply with the Cybersecurity Review Office for a cybersecurity review before listing abroad.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Outbound Data Transfer (《數據出境安全評估辦法》), which became effective on September 1, 2022. The Measures for the Security Assessment of Outbound Data Transfer clarify the security assessment procedures, supervision and management systems, compliance rectification requirements, and legal responsibilities of data processors providing important data and personal information collected and generated during their operations in the PRC to overseas entities. Furthermore, the Measures for the Security Assessment of Outbound Data Transfer stipulate that data processors must clearly define the responsibilities and obligations of data security protection in legal documents concluded with overseas recipients. Pursuant to the Guidelines on Application for Security Assessment of Outbound Data Transfer (Third Edition) (《數據出境安全評估申報指南(第三版)》) promulgated by the CAC, outbound data transfer means (i) a data processor transfers abroad the data collected or generated during its operation within the PRC, (ii) data collected and generated by a data processor is stored within the PRC while offshore institutions or individuals are able to inquire, retrieve, download and export such data; and (iii) other data processing activities, such as processing the personal information of domestic natural persons abroad under the circumstances specified in Article 3.2 of the PRC Personal Information Protection Law..

On 22 March 2024, the Cyberspace Administration of China promulgated the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》), effective on the same date. According to these Provisions, data processors providing data abroad that meet any of the following conditions shall apply for outbound security assessment to the CAC through the provincial-level cyberspace administration authority of the place where the data processor is located: (i) critical

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information infrastructure operators providing personal information or important data abroad; (ii) data processors other than critical information infrastructure operators providing important data abroad, or providing personal information (excluding sensitive personal information) of more than 1 million individuals or sensitive personal information of more than 10,000 individuals abroad cumulatively since 1 January of the current year. The provisions also clarify that if the data has not been informed or publicly announced as important data by relevant departments or regions, data processors are not required to apply for security assessment for outbound transfer of such data as important data. Furthermore, the provisions also stipulate the conditions for the outbound data transfer exempt from applying for security assessment, entering into a standard contract for outbound transfer of personal information, or passing authentication for protection of personal information.

On 8 December 2022, the MIIT issued the Measures for Data Security Administration in the Industry and Information Technology Field (for Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》), or the MIIT Measures for Data Security, which became effective on 1 January 2023. In accordance with the MIIT Measures for Data Security, data processors in the field of industry and information technology shall category and classify the data collected and processed by the data processors, and adopt the corresponding security measures which cover the full lifecycle of data. The provisions also stipulate provisions for the identification and recognition of important data and core data in the field of industry and information technology, data security monitoring, early warning and emergency management, data security testing, certification and assessment management.

Pursuant to the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) promulgated by the State Council on 24 September 2024, effective from 1 January 2025, the Regulations apply to network data processing activities and their security supervision and administration conducted within China. The Regulations stipulate that no individual or organization may use network data to engage in illegal activities, nor engage in illegal network data processing activities such as stealing or otherwise illegally obtaining network data, illegally selling or illegally providing network data to others. Network data processors shall, in accordance with the provisions of laws and administrative regulations and the mandatory requirements of national standards, strengthen network data security protection on the basis of the cybersecurity multi-level protection system, establish and improve network data security management systems, adopt technical measures such as encryption, backup, access control, and security certification, and other necessary measures to protect network data from tampering, destruction, leakage, or illegal acquisition or use, handle network data security incidents, and prevent illegal activities and crimes targeting or utilizing network data, and shall bear primary responsibility for the security of the network data they process.

REGULATIONS RELATED TO INTELLECTUAL PROPERTY

Copyright

Copyright in the PRC, including copyrighted computer software, is principally protected under the Copyright Law of the PRC (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and most recently amended on November 11, 2020 and effective as at June 1, 2021 and related rules and regulations. Under the Copyright Law of the PRC, the term of protection for copyrighted computer software is 50 years. The Regulation on the Protection of the Right to Communicate Works to the Public over Information Networks (《信息網絡傳播權保護條例》), as most recently amended by the State Council on January 30, 2013, provides specific rules on fair use, statutory license, and a safe harbor for use of copyrights and copyright management technology and specifies the liabilities of various entities for violations, including libraries and Internet service providers.

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The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》), promulgated by the National Copyright Administration on February 20, 2002 and amended on June 18, 2004 and effective on July 1, 2004, regulate registrations of software copyrights, exclusive licensing contracts for software copyrights and assignment agreements. The National Copyright Administration administers software copyright registration and the Copyright Protection Center of China is designated as the software registration authority. The Copyright Protection Center of China grants registration certificates to the computer software copyrights applicants which meet the relevant requirements.

Trademark

Registered trademarks are protected under the Trademark Law of the PRC (《中華人民共和國商標法》) promulgated by the SCNPC on August 23, 1982 and most recently revised on April 23, 2019 and effective as at November 1, 2019 and related rules and regulations. Trademarks are registered with the National Intellectual Property Administration Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of this trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

Patent

Patents in the PRC are principally protected under the Patent Law of the PRC (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984 and most recently amended on October 17, 2020 and effective as at June 1, 2021. The Chinese patent system adopts a first-to-file principle. To be patentable, an invention or a utility model must meet three criteria: novelty, inventiveness and practicability. The duration of a patent right is 10 years, 15 years or 20 years from the date of application, depending on the type of patent right.

Domain Name

Domain names are protected under the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology of the PRC on August 24, 2017 and effective as at November 1, 2017. Domain name registrations are handled through domain name service agencies established under the relevant regulations, and applicants become domain name holders upon successful registration.

REGULATIONS RELATED TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING FUND

Regulations on Employment

The major PRC laws and regulations that govern employment relationship are the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated by the SCNPC on July 5, 1994 and latest amended and effective on December 29, 2018, the Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated by the SCNPC on June 29, 2007 and latest amended on December 28, 2012 and effective on July 1, 2013, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated by the State Council and effective on September 18, 2008. Pursuant to the aforementioned laws and regulations, labor relationships between employers and employees must be executed in written form. The laws and regulations above impose requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. As prescribed under the laws and regulations, employers shall ensure their employees have the right to rest and the right to receive wages no lower than the local minimum wages. Employers must establish a system for labor safety and sanitation that strictly abides

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by state standards and provide relevant education to its employees. Violations of the Labor Contract Law of the PRC and the Labor Law of the PRC may result in the imposition of fines and other administrative liabilities and/or incur criminal liabilities in the case of serious violations.

Regulations on Social Insurance

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated by the SCNPC on October 28, 2010 and amended on December 29, 2018, enterprises and institutions in the PRC shall provide their employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, occupational injury insurance, medical insurance and other welfare plans. The employer shall apply to the local social insurance agency for social insurance registration within 30 days from the date of its establishment. And it shall, within 30 days from the date of employment, apply to the social insurance agency for social insurance registration for the employee. Any employer who violates the regulations above shall be ordered to make correction within a prescribed time limit; if the employer fails to rectify within the time limit, the employer and the person(s)-in-charge who is/are directly liable and other directly liable personnel will be fined. Meanwhile, the Interim Regulation on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and revised on March 24, 2019 prescribes the details concerning the collection and payment of social insurance.

On July 31, 2025, the PRC Supreme People's Court promulgated the Supreme People's Court's Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025. Article 19(1) thereof stipulates that if an employer and an employee agree or the employee undertakes that social insurance contributions need not be paid, the People's Court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay social insurance contributions in accordance with the law, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to Article 38(3) of the PRC Labor Contract Law, the People's Court shall support such claims in accordance with the law, which clarifies that employees are entitled to request termination of their labor contracts and receive corresponding economic compensation under the PRC Labor Contract Law if the employer fails to make social insurance contributions in accordance with the law.

Regulations on Housing Provident Fund

Pursuant to the Regulation on the Administration of Housing Provident Fund (《住房公積金管理條例》), which was implemented on April 3, 1999 and latest revised on March 24, 2019, any newly established entity shall make deposit registration at the housing accumulation fund management center within 30 days as at its establishment. After that, the entity shall open a housing accumulation fund account for its employees in an entrusted bank. Within 30 days as at the date an employee is recruited, the entity shall make deposit registration at the housing accumulation fund management center and go through the formalities of opening housing provident fund accounts on behalf of its employees. Any entity that fails to make deposit registration of the housing accumulation fund or fails to open a housing accumulation fund account for its employees shall be ordered to complete the relevant procedures within a prescribed time limit. Any entity failing to complete the relevant procedure within the time limit will be fined RMB10,000 to RMB50,000. Any entity that fails to make payment of housing provident fund within the time limit or has a shortfall in payment of housing provident fund will be ordered to make the payment or make up the shortfall within the prescribed time limit, otherwise, the housing provident management center is entitled to apply for compulsory enforcement with the People's Court.

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REGULATIONS RELATED TO CORPORATION

The establishment, operation and management of corporate entities in the PRC are governed by the Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “**PRC Company Law**”), which was promulgated by the SCNPC in December 1993 and further amended in December 1999, August 2004, October 2005, December 2013, October 2018, and December 2023 respectively. Pursuant to the latest amended PRC Company Law which took effective on July 1, 2024, companies are generally classified into limited liability companies and joint stock limited company. The PRC Company Law also applies to foreign-invested limited liability companies and joint stock limited company. Pursuant to the PRC Company Law, where laws on foreign investment have other stipulations, such stipulations shall prevail.

General

A “joint stock limited company” (the “**Joint Stock Company**”) refers to an enterprise legal person incorporated in China under the PRC Company Law with independent legal person properties and entitlements to such legal person properties and its registered capital can be divided into shares of equal par value, or shares without par value. The liability of the company for its own debts is limited to all the properties it owns and the liability of its shareholders for the company is limited to the extent of the shares they subscribe for.

General Meetings

Pursuant to the PRC Company Law, shareholder’s general meeting (the “**GM**”) of a Joint Stock Company shall be constituted by all the shareholders, which is the power body of the Joint Stock Company and shall exercise powers in accordance with the provisions the PRC Company Law.

Under the PRC Company Law, in general, GM shall be convened by the Board, the annual GM shall be convened once each year, and extraordinary GMs shall be convened within two months in case of certain events specified in the PRC Company Law. There are no specific provisions on the quorum of GM under the PRC Company Law, the shareholders may entrust the entrusted representative to attend the GM, and the power of attorney shall specify the scope of exercising the voting right.

Under the PRC Company Law, the shareholders present at a GM have one vote for each share they hold, save that the company’s shares held by the company are not entitled to any voting rights or the classified shares held by the shareholders. Under the Company Law, GM resolutions shall be passed by more than half of the voting rights held by shareholders present at the meeting (including those represented by the appointed representative), with the exception of matters relating to merger, division or dissolution of the company, increase or reduction of registered share capital, change of corporate form or amendments to the Articles of Association, which in each case shall be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting (including those represented by the appointed representative).

Transfer of Shares

Under the PRC Company Law, except that the articles of association otherwise restrict, shareholder of a Joint Stock Company may transfer his/her shares legally. A shareholder shall transfer his/her shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Registered shares shall be transferred by means of endorsement or other means prescribed by laws or administrative regulations; after the transfer, the company shall record the name and domicile of the transferee in the register of shareholders of the company. Within 20 days before the general meeting or within 5 days before the record date of dividend distribution determined by the company, the above-mentioned register of shareholders shall not be changed.

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Under the PRC Company Law, the shares of a Joint Stock Company issued prior to the public issuance of shares may not be transferred within one year of the date of the company’s listing on a stock exchange. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and any changes in such shareholdings. During their terms of office, they may transfer no more than 25% of the total number of shares they hold in the company every year, and they shall not transfer the shares they hold within one year of the date of the company’s listing on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

REGULATIONS RELATED TO TAXATION

Enterprise Income Tax

Pursuant to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) (the “**EIT Law**”), promulgated by the SCNPC on March 16, 2007, latest amended and effective on December 29, 2018, and the Implementation Regulations of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the “**EITIR**”) promulgated by the State Council on December 6, 2007, latest amended on December 6, 2024, the enterprise income tax of both domestic and foreign-invested enterprises is unified at 25% with certain exceptions. Enterprises are classified as “resident enterprises” and “non-resident enterprises”, resident enterprises typically pay an enterprise income tax at the rate of 25% while non-resident enterprises without any offices or premises in the PRC or the income of which derived or accrued has no de facto relationship with the office or premises established in the PRC should pay an enterprise income tax in connection with their income from the PRC at the reduced tax rate of 10%. Enterprises established under the law of foreign countries or regions whose “de facto management bodies” which is defined as the management bodies that exercise full and substantial control and overall management over the business, productions, personnel, accounts and properties of the enterprises are located in the PRC are considered as PRC tax resident enterprises, and will generally be subject to enterprise income tax at the rate of 25% of their global income. An enterprise income tax preference shall be granted to industries and projects strongly supported and encouraged by China; an enterprise income tax shall be levied on high-tech enterprises at a reduced rate of 15%.

Value-added Tax

Pursuant to the Value-added Tax Law of the PRC (“**VAT Law**”), which was promulgated by the SCNPC on 25 December 2024 and came into effect on January 1, 2026, entities and individuals (including individual industrial and commercial proprietors) selling goods, services, intangible assets, real estate and importing goods within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of the law. Unless stated otherwise, for payers who sell goods, and provide processing, repairs and replacement services and rental services of tangible movable assets as well as import goods, the tax rate shall be 13%, and be, in certain specified circumstances, 9%, 6% and 0%.

REGULATIONS RELATED TO FOREIGN EXCHANGE

Foreign exchange regulations in the PRC are primarily governed by the Administration Rules on the Foreign Exchange of the PRC (《外匯管理條例》) (the “**Exchange Rules**”) promulgated by the State Council on January 29, 1996, latest amended and became effective on August 5, 2008. Under the Exchange Rules, the Renminbi is freely convertible for current account items, including the distribution of dividends, interest and royalty payments, trade and service-related foreign exchange transactions provided that the transaction is true and legitimate. Conversion of Renminbi for capital account items,

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such as direct investment, loan, securities investment and repatriation of investment, however, is still subject to the approval or registration regulation of the State Administration of Foreign Exchange (the "SAFE").

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》), or the Foreign Exchange Administration Notice, promulgated by the SAFE on December 26, 2014, a domestic company shall, within 15 business days from completion of its overseas listing issuance, register the overseas listing with the SAFE's local branch at the place of its incorporation. The proceeds of a domestic company from an overseas listing may be remitted to a domestic account or deposited overseas, and the use of the proceeds must be consistent with the content of the Document and other disclosure documents. On December 24, 2025, the People's bank of China and the SAFE promulgated the Notice on Issues Concerning the Administration of Proceeds Raised by Domestic Enterprises Listed Overseas, or the Proceeds Administration Notice, which will be effective on April 1, 2026 and replace the aforesaid Foreign Exchange Administration Notice. Pursuant to the Proceeds Administration Notice, a domestic enterprise that lists overseas shall, within 30 working days from the first trading day of the overseas listing or the completion of the over-allotment option, apply to a bank within the province or the separately-listed municipality where it is registered for overseas listing registration, and the proceeds raised by domestic enterprises through overseas listings shall be remitted back to China in a timely manner. Where such proceeds are retained overseas for the conduct of overseas direct investment, overseas securities investment, overseas lending and other businesses, the domestic enterprise shall obtain the approval or filing documents from the competent authorities before the date of completion of the overseas issuance or the over-allotment option, and shall comply with relevant cross-border funds administration provisions. The use of proceeds raised through an overseas listing shall be consistent with the relevant contents set out in publicly disclosed documents, such as the document or offering circular.

On February 13, 2015, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Administration Policies on Direct Investments (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) (the "SAFE Circular 13"), which took effect on June 1, 2015. The SAFE Circular 13 specifies that the administrative examination and approval procedures with the SAFE or its local branches relating to the foreign exchange registration approval for domestic direct investments as well as overseas direct investments have been canceled, and qualified banks are delegated the power to directly conduct such foreign exchange registrations under the supervision of the SAFE or its local branches.

On March 30, 2015, the SAFE issued the Circular of the State Administration of Foreign Exchange on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本結匯管理方式的通知》) (the "SAFE Circular 19"), which took effect and replaced previous regulations from June 1, 2015. Pursuant to the SAFE Circular 19, up to 100% of foreign currency capital of a foreign-invested enterprise may be converted into RMB capital according to the actual operation of the enterprise within the business scope at its will and the RMB capital converted from foreign currency registered capital of a foreign-invested enterprise may be used for equity investments within the PRC provided that such usage shall fall into the business scope of the foreign-invested enterprise, which will be regarded as the reinvestment of foreign-invested enterprise. Although the SAFE Circular 19 allows for the use of RMB converted from the foreign currency-denominated capital for equity investments in the PRC, the restrictions continue to apply as to foreign-invested enterprises' use of the converted RMB for purposes beyond the business scope, for securities investments, for RMB entrusted loans or for inter-company RMB loans. On June 9, 2016, the SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "SAFE

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Circular 16”), which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-affiliated enterprises, excluding those explicitly permitted within the business scope.

In addition, SAFE promulgated the Circular Regarding Further Promotion of the Facilitation of Cross-Border Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》) (the “**SAFE Circular 28**”) on October 23, 2019, which expressly allows foreign invested enterprises that do not have equity investments in their approved business scope to use their capital obtained from foreign exchange settlement to make domestic equity investments as long as there is a truthful investment and such investment is in compliance with the foreign investment-related laws and regulations.

On April 10, 2020, the SAFE promulgated Notice of the State Administration of Foreign Exchange on Optimizing Foreign Exchange Administration to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the “**SAFE Circular 8**”), pursuant to which, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, enterprises which satisfy the criteria are allowed to use income under the capital account, such as capital funds, foreign debt and overseas listing, etc. for domestic payment, without prior provision of proof materials for veracity to the bank for each transaction.

REGULATIONS RELATED TO OVERSEAS SECURITIES OFFERING AND LISTING AND FULL CIRCULATION

Regulations on Overseas Securities Offering

On February 17, 2023, the CSRC promulgated six rules and regulations, including the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Trial Measures**”) and five supporting guidelines, which became effective on March 31, 2023. The Trial Measures adopt a filing and regulatory regime to regulate the direct and indirect overseas listing of securities of PRC enterprises. The Trial Measures also stipulate that in the event of any material events such as change of control, investigation or punishment by the overseas securities supervisory authority or relevant authorities, change of listing status or transfer of listing segment, or termination of listing on its own initiative or compulsory termination of listing after the issuer’s overseas listing, the issuer shall report the specific circumstances to the CSRC within three working days from the date of the announcement of the relevant event.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection and the National Archives Administration of China jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the “**Confidentiality and Archives Administration Provisions**”), which became effective on March 31, 2023. Pursuant to the Confidentiality and Archives Administration Provisions, if a domestic joint stock company with a direct overseas listing or a domestic operating entity with an indirect overseas listing provides or publicly discloses, or provides or publicly discloses through its overseas listed entity, documents or information involving state secrets or secrets of the work of state organs, or other documents or information the disclosure of which would adversely affect national security or public interests, the corresponding procedures shall be strictly complied with in accordance with the relevant state regulations.

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Regulations on Full Circulation

“Full Circulation” represents listing and circulating on the Stock Exchange of the domestic unlisted shares of an H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders.

On November 14, 2019, CSRC announced the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (“**Guidelines for the “Full Circulation”**”), which were amended on August 10, 2023. As regulated in the Guidelines for “Full Circulation,” shareholders of domestic unlisted shares have the flexibility to jointly decide the amount and proportion of shares that will be included in the circulation application. This decision should be reached through mutual consultation, ensuring compliance with relevant laws, regulations and policies governing state-owned asset administration, foreign investment and industry regulation. Meanwhile, the H-share listed company corresponding to these shares may be authorized to file for “full circulation” with the CSRC. An unlisted domestic joint stock company may file with the CSRC for “full circulation” at the time of its initial public offering and listing overseas. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China. Pursuant to the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC. Additionally, they are required to authorize the domestic company to submit the conversion application to the CSRC on their behalf.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share “Full Circulation” Business (《H股“全流通”業務實施細則》) (the “**Measures for Implementation**”). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc., in relation to the H-share “Full Circulation” business, are subject to these Measures for Implementation.

EU LAWS AND REGULATIONS

Directive 2014/35/EU (Low Voltage Directive)

The Directive 2014/35/EU, which came into effect on April 20, 2016, provides that all electrical equipment between 50 — 1000V AC and 75 — 1500V DC shall meet essential safety requirements as detailed in the directive. This Directive lays down, among others, the responsibilities of manufacturers, importers and distributors regarding the sale of electrical equipment designed for use within certain voltage limits: (i) all electrical equipment on sale in the EU must bear the CE conformity marking to show it meets all the essential safety requirements of EU legislation; (ii) before obtaining the CE marking, the manufacturer shall conduct a safety and conformity assessment, establish the technical documentation demonstrating the compliance of the equipment and issue and sign an EU declaration of conformity; (iii) importers shall check whether manufacturers have carried out the conformity assessment procedure correctly and inform the authority monitoring safety if they consider that equipment does not conform to the essential safety requirements; (iv) the EU declaration of conformity and the technical documentation shall be kept for 10 years; (v) instructions and safety information shall be written in a language easily understood by end users as determined by the national regulatory authority; and (vi) manufacturers and importers shall indicate their contact details on their electrical equipment.

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Regulation (EU) 2016/631 (Network Code Requirements on Generator Grid Connection)

The Regulation (EU) 2016/631, which came into effect on May 17, 2016, generally applies to, among others, power-generating modules and specifies the minimum periods during which a power-generating module must be capable of operating at different frequencies while deviating from a nominal value without disconnecting from the network. The grid operator applies the applicable standards to power-generating modules. These modules cannot connect to the grid unless they meet the Regulation's conditions. In addition, pursuant to this Regulation, inverters refer to type A power modules and approved type A modules are reflected in the grid operators' national network codes¹.

Regulation (EU) 2024/1252 (European Critical Raw Materials Act)

The Regulation (EU) 2024/1252, which was published on May 3, 2024, generally aims to, among others, improve the functioning of the internal market by establishing a framework to ensure the EU's access to a secure, resilient, and sustainable supply of critical raw materials, including by fostering efficiency and circularity throughout the value chain. This Regulation also aims to diversify the EU's imports of strategic raw materials (e.g., lithium, manganese, graphite, and nickel) to ensure that, by 2030, the EU's annual consumption of each strategic raw material at any relevant stage of processing can rely on imports from several third countries (e.g., China) and that no third country accounts for more than 65 % of the EU's annual consumption of such a strategic raw material.

Regulation (EU) 2023/1542 (European Battery Regulation)

Regulation (EU) 2023/1542 (European Battery Regulation), which came into effect on February 18, 2024, applies to all batteries, including industrial batteries, starting, lighting and ignition batteries, batteries for light means of transport (LMT), portable batteries and all-electric vehicle (EV) batteries. The Regulation also applies to energy storage systems. It sets targets for lithium recovery from waste batteries (i) 50% by the end of 2027 and (ii) 80% by the end of 2031, which may be amended to take into account market and technological developments and the availability of lithium. The Regulation also sets targets for the recovery of cobalt, copper, lead and nickel (i) 90% by the end of 2027 and (ii) 95% by the end of 2031.

This Regulation also prescribes minimum levels of recycled content for industrial batteries, starting, lighting and ignition batteries and EV batteries, being 16% for cobalt, 85% for lead, 6% for lithium and 6% for nickel from August 18, 2031. In addition, the Regulation sets out recycling efficiency targets, including, among others, 80% for nickel-cadmium batteries, 75% for lead-acid batteries, 65% for lithium-based batteries and 50% for other waste batteries, by the end of 2025. For lead-acid batteries and lithium-based batteries, additional higher targets are set from the end of 2030.

The Directive 2012/19/EU (Waste Electrical and Electronic Equipment Directive (WEEE))

The Directive 2012/19/EU (Waste Electrical and Electronic Equipment (WEEE)), which came into effect on August 13, 2012, aims to, among others, protect the environment and human health by encouraging sustainable production and consumption. This Directive generally applies to electrical equipment, which are on electric currents or electromagnetic fields to work properly and equipment for generating, transferring, and measuring such currents and fields, designed for use with a voltage rating not exceeding 1,000 volts for alternating current and 1,500 volts for direct current.

¹ For example, the Netherlands national organisation of grid operators, Netbeheer Nederland, publishes its list of approved modules here: <https://www.netbeheernederland.nl/publicatie/lijst-van-omvormers-rfg-type>.

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Pursuant to this Directive, distributors are responsible for ensuring that, upon the supply of a new product, the corresponding waste product may be returned to the distributor free of charge on a one-for-one basis, provided that the waste equipment is of an equivalent type and has performed the same functions as the supplied equipment. In addition, pursuant to this Directive, producers and/or distributors may be required to provide relevant information, including by way of user instructions, at the point of sale and through public awareness campaigns.

Directive (EU) 2014/30 (EMC-Directive)

The Directive (EU) 2014/30 (EMC-Directive), which came into effect on April 18, 2014, aims to, among others, ensure that electrical and electronic equipment complies with adequate electromagnetic compatibility in the EU. This Directive regulates the following obligations, among others: (i) the importers shall check whether manufacturers have conducted conformity assessments correctly and inform the national body responsible for market surveillance if they consider that the apparatus does not conform with the essential requirements. They must also ensure that the manufacturer has drawn up the technical documentation, that the apparatus bears the CE marking and that the required documents and information accompany it; (ii) the distributors shall verify that the apparatus bears the CE marking and is accompanied by the required documents and information; (iii) all necessary documentation shall be kept for 10 years; (iv) the manufacturers, importers and distributors must provide information and documentation to demonstrate conformity in a language easily understood by the competent national authority; (v) the manufacturers and importers shall indicate their postal address on the apparatus or, where that is not possible, on its packaging or in a document accompanying the apparatus.

Directive 2014/53 (Radio Equipment Directive)

The Directive 2014/53 (Radio Equipment Directive), which came into effect on June 13, 2016, established a regulatory framework for making radio equipment available on the EU market and putting it into service in the EU. The directive regulates radio equipment product safety. Pursuant to which, the products' Wi-Fi and 4G communication modules shall meet the essential requirements set out in this Directive and be constructed to operate by the frequency regulations of at least one member state.

Pursuant to this Directive, prior to placing radio equipment on the EU market, any relevant market participant shall ensure that the manufacturer has carried out the appropriate conformity assessment procedures and that the radio equipment is so constructed as to be capable of being operated in at least one EU member state without infringing the applicable requirements on the use of radio spectrum. They shall also ensure that the manufacturer has drawn up the requisite technical documentation, that the radio equipment bears the CE marking and is accompanied by the information and documents referred to in this Directive, and that the manufacturer has complied with the requirements set out therein. In addition, with effect from August 1, 2024, all communication modules are required to comply with the applicable cybersecurity requirements prescribed under this Directive, which further requires, among other things, that radio equipment shall not harm the network or its functioning, nor misuse network resources, thereby causing an unacceptable degradation of service.²

² As required per COMMISSION DELEGATED REGULATION (EU) 2022/30 of 29 October 2021 supplementing Directive 2014/53/EU of the European Parliament and of the Council with regard to the application of the essential requirements referred to in Article 3(3), points (d), (e) and (f), of that Directive.

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Regulation (EU) 2024/2847 (Cyber Resilience Act)

The Regulation (EU) 2024/2847 (Cyber Resilience Act), which shall be applied as of December 11, 2027, lays down, among the others, the followings: (i) rules for the making available on the market of products with digital elements to ensure the cybersecurity of such products; (ii) essential cybersecurity requirements for the design, development and production of products with digital elements and obligations for economic operators in relation to those products concerning cybersecurity; (iii) essential cybersecurity requirements for the vulnerability handling processes put in place by manufacturers to ensure the cybersecurity of products with digital elements during the time the products are expected to be in use, and obligations for economic operators in relation to those processes; and (iv) rules on market surveillance, including monitoring and enforcing the rules and requirements in this Regulation. Additionally, pursuant to this Regulation, "products with digital elements" refer to the software or hardware products that include remote data processing solutions (e.g., a mobile app and a back-end).

Regulation (EU) 2023/2854 (Data Act)

The Regulation (EU) 2023/2854 (Data Act), which came into effect on September 12, 2025, lays down, among the others, the followings: (i) the making available of product data and related service data to the user of the connected product or related service; (ii) the making available of data by data holders to data recipients; (iii) the making available of data by data holders to public sector bodies, the Commission, the European Central Bank and the EU bodies, where there is an exceptional need for those data for the performance of a specific task carried out in the public interest; (iv) facilitating switching between data processing services, introducing safeguards against unlawful third-party access to non-personal data, and (v) the development of interoperability standards for data to be accessed, transferred and used. Additionally, pursuant to this Regulation a "connected product" refers to an item that obtains, generates or collects data concerning its use or environment and that can communicate product data via an electronic communications service, physical connection or on-device access and whose primary function is not the storing, processing or transmission of data on behalf of any party other than the user.

Directive 2011/65/EU (RoHS) — Restriction of Hazardous Substances

The Directive 2011/65/EU (RoHS) lays down, among the others, the followings: (i) this Directive applies to electrical and electronic equipment (EEE) placed on the EU market. Ecactus Energy Storage Systems as EEE (e.g., BMS/PCS, control units) must satisfy RoHS, in the sense that the system and its individual components should not contain any of the hazardous substances listed in Annex 2 to the Directive; (ii) pursuant to this Directive, the hazardous substances generally include, among others, Pb, Hg, Cd, Cr(VI), PBB, PBDE, DEHP, BBP, DBP, DIBP (subject to applicable exemptions); (iii) a manufacturer shall also (a) conduct the applicable conformity assessment; (b) draw up and maintain the technical documentation; (c) issue the EU Declaration of Conformity; (d) affix the CE marking; and (e) retain the relevant documentation for a period of 10 years.

Regulation (EU) 2023/988 (General Product Safety Regulation — GPSR)

The Regulation (EU) 2023/988, which came into effect on December 13, 2024, primarily applies to non-harmonised consumer products and acts as a safety net alongside sectoral legislation. For home battery systems supplied to consumers, GPSR imposes obligations such as risk assessment, technical documentation, traceability, incident and recall management, and cooperation with market surveillance authorities.

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Directive 2009/98/EC (Waste)

This Directive (as amended) requires Member States to establish extended producer responsibility (EPR) schemes consistent with the relevant requirements. For manufacturers of home battery systems, the related EPR obligations apply from 18 August 2025. The Directive also includes end-of-life management requirements³.

Packaging & Packaging Waste — EPR obligations

Packaging placed on the EU market shall comply with applicable EU packaging legislation and any extended producer responsibility (EPR) requirements implemented by the relevant Member State(s). The regime has historically been governed by Directive 94/62/EC. In 2025, Regulation (EU) 2025/40 (the Packaging and Packaging Waste Regulation, or PPWR) was adopted and will apply on a staged basis from August 12, 2026, introducing harmonized requirements on, among other things, packaging design, recyclability, recycled-content targets, labelling and EPR.

CENELEC HD 60364

CENELEC HD 60364 is a European harmonisation document relating to low-voltage electrical installations in residential buildings, which is implemented through national standards in the relevant Member States. Aligning the design and installation of a home battery system with the applicable national implementation of HD 60364 may facilitate integration into residential electrical installations and may support market acceptance⁴.

³ In the Netherlands the implementation of the change of the directive has been delayed: <https://www.stichting-open.org/en/producers-importers/current-status-of-batteries-regulation-implementation/>. No collective EPR scheme is in place yet for home battery systems in the Netherlands. This means that Ecactus for now needs to individually comply with its EPR obligations. This includes amongst other things a notification obligation to the LMA: <https://lma.nl/melden-lma/>.

⁴ <https://www.cenelec.eu/areas-of-work/cenelec-sectors/low-voltage-electrical-equipment-and-installations/>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading provider of digital and intelligent C&I energy storage solutions, offering advanced energy storage solutions to customers worldwide. Our Company was initially established on July 4, 2017 in the PRC as a limited liability company. Mr. Sun, our executive Director and chairman of the Board, has led the overall technological roadmap and industrial strategy of our Group since the establishment of our Group in July 2017. For more details of the experience and qualifications of Mr. Sun, see “Directors and Senior Management” in this document.

KEY DEVELOPMENT MILESTONES

The following table illustrates the key milestones of our business development since our establishment and up to the Latest Practicable Date:

Year	Milestone
2017	We were established as a limited liability company under the name of Jiangsu Weiheng Intelligent Technology Co., Ltd. (江蘇為恒智能科技有限公司)
2021	- We obtained strategic investment from our Controlling Shareholder, Reorient Investments Limited - Our Wuxi headquarter officially commenced operation - Our residential energy storage solutions expanded into the Oceania and Southeast Asia markets
2022	- Our Australian headquarter and European headquarter were established - We carried out Series Pre-A Financing raising RMB105,950,000
2023	- We were awarded the First Prize for Scientific and Technological Progress in Shanghai - Our C&I energy storage solutions were first applied in an overseas energy storage station - We carried out Series A Financing raising RMB178,360,000
2024	- Our VPP project, fast frequency regulation project, and off-grid energy project have been implemented - We won the Geneva International Invention Exhibition Gold Medal - We carried out Series A+ Financing raising RMB30,000,000
2025	- We were rated as Bloomberg Tier 1 Global Energy Storage Manufacturer, Dun & Bradstreet 4AA1 High Credit Rating - We were accredited as one of “The National Key Specialized, Refined, Distinctive and Innovative ‘Little Giant’ Enterprises” (國家重點專精特新“小巨人”企業) - We carried out Series B Financing raising RMB128,000,000 - Our industrial and commercial storage products have obtained the North American UL1741 certification
2026	- We were converted into a joint stock limited company and under the name of Weiheng Intelligent Technology Co., Ltd. (為恒智能科技股份有限公司) - We carried out Series B+ Financing raising RMB80,000,000

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OUR MAJOR SUBSIDIARIES

The principal activities and date of incorporation of each of our major subsidiaries are shown below:

<u>Name of major subsidiary</u>	<u>Date of incorporation</u>	<u>Place of incorporation</u>	<u>Equity interest attributable to the Group</u>	<u>Principal activities</u>
Weiheng Shanghai	January 24, 2022	PRC	100%	R&D, Sale of Products
Weiheng Fujin	November 10, 2022	PRC	51%	Sale of Products
Gansu Hengchu	July 19, 2023	PRC	100%	Sale of Products
Xi'an Weiheng	March 31, 2023	PRC	100%	R&D
Xi'an Weidun	September 8, 2025	PRC	100%	Operations & Maintenance Services
Anhui Weiheng	November 14, 2024	PRC	100%	Sale of Products
Zhejiang Weiheng	August 1, 2025	PRC	100%	Production and manufacturing
ECACTUS LIMITED	October 24, 2022	Hong Kong	100%	Sale of products
Wei Heng Intelligent	August 13, 2021	Hong Kong	100%	Sale of products
Ecactus B.V.	December 9, 2022	Netherlands	100%	Sale of products

MAJOR SHAREHOLDING CHANGES IN OUR COMPANY

1. Establishment of our Company

Our Company was established in the PRC on July 4, 2017 as a limited liability company with an initial registered capital of RMB35 million. Upon establishment, our Company was owned as to 42.86% by Weiheng New Energy, 28.57% by Yangzhong Jingcheng Jingmao Industrial Co., Ltd.* (揚中市京城經貿實業有限公司)⁽¹⁾ (“**Jingcheng Jingmao**”) and 28.57% by Fudan Science Park Yangzhong Co., Ltd. (復旦科技園揚中有限公司) (“**Fudan Yangzhong**”), respectively.

Weiheng New Energy, Jingcheng Jingmao and Fudan Yangzhong are limited liability companies incorporated under the laws of the PRC. At the time of the establishment of the Company, Weiheng New Energy was owned as to 95.00% by Ms. Hu Lihua (胡麗華), an Independent Third Party, and 5.00% by Mr. Qian Minhua (錢敏華), a former Director of our Company⁽²⁾. Jingcheng Jingmao was indirectly wholly owned by Yangzhong Municipal People’s Government; and Fudan Yangzhong was owned as to 90% by Susanna International Trade (Shanghai) Co., Ltd.* (蘇珊娜國際貿易(上海)有限公司), which was then owned as to 50% by Mr. Gu Yang (顧楊) and 50% by Mr. Du Jun (杜軍), and 10% by Shanghai Fudan Science Park Co., Ltd.* (上海復旦科技園股份有限公司), each an Independent Third Party, respectively.

Note:

- (1) Formerly known as Yangzhong Jingcheng Jingmao Industrial Corporation* (揚中市京城經貿實業總公司).
- (2) Mr. Qian Minhua was a key R&D personnel of our Company and served as our executive Director since the establishment of our Company until his resignation in April 2024 due to personal arrangement.

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2. Equity transfer in June 2021

On June 30, 2021, Reorient Investments Limited entered into an equity transfer agreement with Fudan Yangzhong, pursuant to which Fudan Yangzhong agreed to transfer the 28.57% of its then equity interest in our Company to Reorient Investments Limited at the consideration of RMB10,000,000, representing the corresponding registered capital subscribed for.

Immediately following the completion of the above share transfer on June 30, 2021, our Company was then owned as to 42.86% by Weiheng New Energy, 28.57% by Jingcheng Jingmao and 28.57% by Reorient Investments Limited, respectively.

3. Equity transfer in September 2021

In September 2021, The Yangzhong Municipal People’s Government approved Jingcheng Jingmao to publicly transfer its 28.57% equity interest in our Company through the Zhenjiang Public Resource Trading Center (鎮江市公共資源交易中心), and Reorient Investments Limited won the bid for the 28.57% equity interest in our Company at a bidding price of RMB10,000,000.

On September 29, 2021, Jingcheng Jingmao, Reorient Investments Limited and our Company entered into an equity transfer agreement, pursuant to which Jingcheng Jingmao agreed to transfer the 28.57% of its then equity interest in our Company to Reorient Investments Limited at the consideration of RMB10,000,000.

Immediately following the completion of the above share transfer on September 30, 2021, our Company was then owned as to 57.14% by Reorient Investments Limited and 42.86% by Weiheng New Energy, respectively.

4. Capital increase in November 2021

On October 21, 2021, our Company entered into a capital increase agreement with Weiheng New Energy, Reorient Investments Limited and Wuxi Weiheng, pursuant to which Wuxi Weiheng agreed to invest and subscribe for the registered capital of RMB12,800,000 of our Company, representing 26.78% equity interest in our Company. The consideration was determined based on arm’s length negotiation among the parties with reference to the historical financial performance and prospect of our Group. The registration of the capital increase was completed on November 9, 2021.

Immediately following the completion of the above capital increase, our Company was then owned as to 41.84% by Reorient Investments Limited, 31.38% by Weiheng New Energy and 26.78% by Wuxi Weiheng, respectively.

5. Capital increase in December 2021

On December 6, 2021, our Company entered into a capital increase agreement with Weiheng New Energy, Reorient Investments Limited and Wuxi Weiheng, pursuant to which Wuxi Weiheng agreed to invest RMB12,800,000 to our Company, among which RMB4,080,000 were contributed to the registered capital of our Company, and RMB8,720,000 were credited into our Company’s capital reserve. The consideration was determined based on arm’s length negotiation among the parties with reference to the historical financial performance and prospect of our Group. The registration of the capital increase was completed on December 9, 2021.

Immediately following the completion of the above capital increase, our Company was then owned as to 38.55% by Reorient Investments Limited, 32.54% by Wuxi Weiheng and 28.91% by Weiheng New Energy, respectively.

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6. Capital increase in March 2022

On February 28, 2022, our Company entered into a capital increase agreement with Weiheng New Energy, Reorient Investments Limited and Wuxi Weiheng, pursuant to which Wuxi Weiheng agreed to invest RMB37,000,000 to our Company, among which RMB11,790,000 were contributed to the registered capital of our Company, and RMB25,210,000 were credited into our Company’s capital reserve. The consideration was determined based on arm’s length negotiation among the parties with reference to the historical financial performance and prospect of our Group. The registration of the capital increase was completed on March 15, 2022.

Immediately following the completion of the above capital increase, our Company was then owned as to 45.03% by Wuxi Weiheng, 31.41% by Reorient Investments Limited and 23.56% by Weiheng New Energy, respectively.

7. Capital increase in October 2022

Pursuant to the shareholders’ resolution of our Company dated September 30, 2022, the then Shareholders agreed to adopt an employee incentive plan (the “**2022 Employee Incentive Plan**”) and establish an employee incentive shareholding platform. Under the 2022 Employee Incentive Plan, eligible participants were granted partnership interests in Shanghai Juhengxin. Pursuant to the shareholders’ resolution of our Company dated October 2, 2022, the then Shareholders agreed to increase RMB17,590,941 to the share capital of our Company, and Shanghai Juhengxin agreed to subscribe for the increased registered share capital of RMB17,590,941 at the consideration of RMB29,851,827, among which RMB12,260,886 were credited into our Company’s capital reserve. The consideration was determined based on arm’s length negotiation among the parties with reference to the weighted average cost of capital from previous capital increased by Reorient Investments Limited and Wuxi Weiheng. The registration of the capital increase was completed on October 28, 2022.

The terms of the 2022 Employee Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of share options or awards by our Company after the [REDACTED]. Given the Shares underlying all the awards under the 2022 Employee Incentive Plan have already been issued to Shanghai Juhengxin, there will not be any dilutive effect to the issued Shares as a result of the operation of the 2022 Employee Incentive Plan. As of the Latest Practicable Date, all of our Shares held by Shanghai Juhengxin have been granted to the participants and have been vested. For more details of Shanghai Juhengxin, see “— Employee Shareholding Platforms” in the document.

Immediately following the completion of the above capital increase, our Company was then owned as to 35.28 % by Wuxi Weiheng, 24.61% by Reorient Investments Limited, 21.65% by Shanghai Juhengxin and 18.46 % by Weiheng New Energy, respectively.

8. Capital increase in November 2022

On October 3, 2022, our Company entered into a capital increase agreement with Hainan Jinpan Smart Technology Co., Ltd. (海南金盤智能科技股份有限公司) (“**Jinpan Technology**”), Wuxi Weiheng, Reorient Investments Limited, Weiheng New Energy and Shanghai Juhengxin, pursuant to which Jinpan Technology agreed to invest RMB21,000,000 to our Company, among which RMB6,693,700 were contributed to the registered capital of our Company, and RMB14,306,300 were credited into our Company’s capital reserve. The consideration was determined based on arm’s length negotiation among the parties with reference to the historical financial performance and prospect of our Group. The registration of the capital increase was completed on November 10, 2022.

Immediately following the completion of the above capital increase, our Company was then owned as to 32.60% by Wuxi Weiheng, 22.74% by Reorient Investments Limited, 20.00% by Shanghai Juhengxin, 17.05% by Weiheng New Energy and 7.61% by Jinpan Technology, respectively.

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9. Series Pre-A Financing in December 2022

On November 14, 2022, our Company, among others, entered into a capital increase agreement with Jinpan Technology, Yibin Lvneng Equity Investment Partnership (Limited Partnership)* (宜賓綠能股權投資合夥企業(有限合夥)) (“**Yibin Lvneng**”), Shenzhen Inovance Technology Co., Ltd.* (深圳市匯川技術股份有限公司)* (“**Inovance Technology**”), Shanghai Yuanhengchu New Energy Technology Partnership (Limited Partnership)* (上海源恒儲新能源科技合夥企業(有限合夥)) (“**Shanghai Yuanhengchu**”), Ningbo Meishan Bonded Port Area Thriving Capital Partnership (Limited Partnership)* (寧波梅山保稅港區超興創業投資合夥企業(有限合夥)) (“**Thriving Capital**”) and Beijing Rongbao Tianzhuo Energy Technology Co., Ltd.* (北京榕寶天卓能源科技有限公司) (“**Rongbao Tianzhuo**”) (together, the “**Series Pre-A Investors**”), pursuant to which the Series Pre-A Investors subscribed for the registered capital of RMB9,318,381 of our Company in the following manner, at a total consideration of RMB105,950,000 (the “**Series Pre-A Financing**”), which was determined after arm’s length negotiations with reference to the pre-money valuation of our Company agreed by the parties to the investment agreement after taking into consideration the timing of the investments and the status of our business and operating activities:

Name of Series Pre-A Investors ⁽¹⁾	Registered capital subscribed for (RMB)	Equity interest percentage on enlarged basis ⁽²⁾ (%)	Consideration (RMB)	Date on which the consideration was fully settled
Yibin Lvneng	3,166,227	3.26	36,000,000	November 22, 2022
Inovance Technology	879,507	0.90	10,000,000	November 21, 2022
Shanghai Yuanhengchu	2,282,322	2.35	25,950,000	August 3, 2023
Thriving Capital	351,803	0.36	4,000,000	November 22, 2022
Rongbao Tianzhuo	879,507	0.90	10,000,000	November 21, 2022
Jinpan Technology	1,759,015	1.81	20,000,000	November 15, 2022

Notes:

- (1) Please refer to the subsection headed “Pre-[REDACTED] Investments — Information on Our Pre-[REDACTED] Investors” in this section for details of the Series Pre-A Investors.
- (2) Please refer to the subsection headed “— Pre-[REDACTED] Investments” in this section for the shareholding details of the Series Pre-A Investors as of the Latest Practicable Date.

The equity structure of our Company immediately following the completion of the Series Pre-A Financing was as follows:

Shareholders	Registered capital subscribed for (RMB)	Equity interest percentage (%)
Wuxi Weiheng	28,670,000	29.47
Reorient Investments Limited	20,000,000	20.56
Shanghai Juhengxin	17,590,941	18.08
Weiheng New Energy	15,000,000	15.42
Jinpan Technology	8,452,715	8.69
Yibin Lvneng	3,166,227	3.26
Shanghai Yuanhengchu	2,282,322	2.35
Inovance Technology	879,507	0.90
Rongbao Tianzhuo	879,507	0.90
Thriving Capital	351,803	0.36
Total	97,273,022	100.00

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10. Series A Financing in December 2023

On November 16, 2023, our Company, among others, entered into a capital increase agreement with Yibin Lvneng, Jiangsu Jiequan Green Industry Equity Investment Fund (Limited Partnership)* (江蘇連泉綠色產業股權投資基金(有限合夥)) (“**Jiangsu Jiequan**”), Fuchuang Green Venture Capital Fund (Taizhou) Partnership Enterprise (Limited Partnership)* (複創綠色創業投資基金(台州)合夥企業(有限合夥)) (“**Fuchuang Green**”), Wuhu Waterwood Shen’an Equity Investment Fund (Limited Partnership)* (蕪湖水木深安股權投資基金(有限合夥)) (“**Waterwood Shen’an**”), Zhuhai Waterwood Xinyu Equity Investment Fund (Limited Partnership)* (珠海水木新語股權投資基金(有限合夥)) (“**Waterwood Xinyu**”), Shanghai Debai Mingteng Enterprise Management Center (Limited Partnership)* (上海得百銘騰企業管理中心(有限合夥)) (“**Debai Mingteng**”), Wuxi Jintou Lianying Industrial Investment Partnership (Limited Partnership)* (無錫金投聯盈產業投資合夥企業(有限合夥)) (“**Jintou Lianying**”), Wuxi Jinyi Hongda Consulting Service Partnership (Limited Partnership)* (無錫金易弘達諮詢服務合夥企業(有限合夥)) (“**Jinyi Hongda**”) and Shanghai Hengyingchu New Energy Technology Partnership (Limited Partnership) (上海恒盈儲新能源科技合夥企業(有限合夥)) (“**Shanghai Hengyingchu**”) (together, the “**Series A Investors**”), pursuant to which the Series A Investors subscribed for registered capital of RMB8,675,099 of our Company in the following manner, at a total consideration of RMB178,360,000 (the “**Series A Financing**”), which was determined after arm’s length negotiations with reference to the pre-money valuation of our Company agreed by the parties to the investment agreement after taking into consideration the timing of the investments and the status of our business and operating activities:

Name of Series A Investors ⁽¹⁾	Registered capital subscribed for (RMB)	Equity interest percentage on enlarged basis ⁽²⁾ (%)	Consideration (RMB)	Date on which the consideration was fully settled (%)
Yibin Lvneng	2,431,907	2.30	50,000,000	December 7, 2023
Jiangsu Jiequan	2,431,907	2.30	50,000,000	December 13, 2023
Fuchuang Green	1,459,144	1.38	30,000,000	December 11, 2023
Waterwood Shen’an	972,763	0.92	20,000,000	December 21, 2023
Waterwood Xinyu	9,728	0.01	200,000	December 21, 2023
Debai Mingteng	145,914	0.14	3,000,000	December 15, 2023
Jintou Lianying	972,763	0.92	20,000,000	December 21, 2023
Jinyi Hongda	7,782	0.01	160,000	April 23, 2024
Shanghai Hengyingchu	243,191	0.23	5,000,000	December 28, 2023

Notes:

- (1) Please refer to the subsection headed “Pre-[REDACTED] Investments — Information on Our Pre-[REDACTED] Investors” in this section for details of the Series A Investors.
- (2) Please refer to the subsection headed “— Pre-[REDACTED] Investments” in this section for the shareholding details of the Series A Investors as of the Latest Practicable Date.

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The equity structure of our Company immediately following the completion of the Series A Financing was as follows:

Shareholders	Registered capital subscribed for	Equity interest percentage
	<i>(RMB)</i>	<i>(%)</i>
Wuxi Weiheng	28,670,000	27.06
Reorient Investments Limited	20,000,000	18.88
Shanghai Juhengxin	17,590,941	16.60
Weiheng New Energy	15,000,000	14.16
Jinpan Technology	8,452,715	7.98
Yibin Lvneng	5,598,134	5.28
Jiangsu Jiequan	2,431,907	2.30
Shanghai Yuanhengchu	2,282,322	2.15
Fuchuang Green	1,459,144	1.38
Jintou Lianying	972,763	0.92
Waterwood Shen'an	972,763	0.92
Rongbao Tianzhuo	879,507	0.83
Inovance Technology	879,507	0.83
Thriving Capital	351,803	0.33
Shanghai Hengyingchu	243,191	0.23
Debai Mingteng	145,914	0.14
Waterwood Xinyu	9,728	0.01
Jinyi Hongda	7,782	0.01
Total	105,948,121	100.00

11. Series A+ Financing in September 2025

On November 7, 2024, our Company entered into a capital increase agreement, among others, with Waterwood Shen'an (the “**Series A+ Investor**”), pursuant to which Waterwood Shen'an agreed to subscribe for the registered capital of our Company of RMB1,459,144 at the consideration of RMB30,000,000 (the “**Series A+ Financing**”). The consideration was determined based on arm's length negotiation among the parties with reference to the pre-money valuation of our Company agreed by Waterwood Shen'an after taking into consideration the timing of the investments and the status of our business and operating activities. The registration of the capital increase was completed on September 17, 2025.

Name of Series A+ Investors⁽¹⁾	Registered capital subscribed for	Equity interest percentage on enlarged basis⁽²⁾	Consideration	Date on which the consideration was fully settled
	<i>(RMB)</i>	<i>(%)</i>	<i>(RMB)</i>	
Waterwood Shen'an	1,459,144	1.36	30,000,000	December 3, 2024

Notes:

- (1) Please refer to the subsection headed “Pre-[REDACTED] Investments — Information on Our Pre-[REDACTED] Investors” in this section for details of the Series A+ Investor.
- (2) Please refer to the subsection headed “— Pre-[REDACTED] Investments” in this section for the shareholding details of the Series A+ Investors as of the Latest Practicable Date.

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The equity structure of our Company immediately following the completion of the Series A+ Financing was as follows:

Shareholders	Registered capital subscribed for	Equity interest percentage
	(RMB)	(%)
Wuxi Weiheng	28,670,000	26.69
Reorient Investments Limited	20,000,000	18.62
Shanghai Juhengxin	17,590,941	16.38
Weiheng New Energy	15,000,000	13.97
Jinpan Technology	8,452,715	7.87
Yibin Lvneng	5,598,134	5.21
Jiangsu Jiequan	2,431,907	2.26
Shanghai Yuanhengchu	2,282,322	2.12
Fuchuang Green	1,459,144	1.36
Jintou Lianying	972,763	0.91
Waterwood Shen'an	2,431,907	2.26
Rongbao Tianzhuo	879,507	0.82
Inovance Technology	879,507	0.82
Thriving Capital	351,803	0.33
Shanghai Hengyingchu	243,191	0.23
Debai Mingteng	145,914	0.14
Waterwood Xinyu	9,728	0.01
Jinyi Hongda	7,782	0.01
Total	107,407,265	100.00

12. Series B Financing in November 2025

From September 2025 to November 2025, our Company, among others, entered into a series of investment agreements with Ms. Chen Yuchang (陳玉嫦), Virtue Power (HK) Limited (德源香港有限公司) (“**Virtue Power**”), Jinpan Technology, Suzhou Jingxin Textile Technology Co., Ltd.* (蘇州京信紡織科技有限公司) (“**Jingxin Textile**”), Anshen (ChangZhou)Energy Technology Co., Ltd.* (岸深(常州)能源科技有限公司) (“**Anshen Technology**”) and Zhongdian Electric Holdings Co., Ltd.* (中電電氣控股有限公司) (“**Zhongdian Electric**”) (together, the “**Series B Investors**”), respectively. Pursuant to the above agreements, the Series B Investors subscribed for registered capital of our Company of RMB5,498,282 in the following manner, at a total consideration of RMB128,000,000 (the “**Series B Financing**”), which was determined after arm’s length negotiations with reference to the pre-money valuation of our Company agreed by the parties to the investment agreements after taking into consideration the timing of the investments and the status of our business and operating activities:

Name of Series B Investors ⁽¹⁾	Registered capital subscribed for	Equity interest percentage on enlarged basis ⁽²⁾	Consideration	Date on which the consideration was fully settled
	(RMB)	(%)	(RMB)	
Virtue Power	4,295,533	3.80	100,000,000	October 29, 2025
Ms. Chen Yuchang	429,553	0.38	10,000,000	October 31, 2025
Jinpan Technology	429,553	0.38	10,000,000	November 21, 2025
Jingxin Textile	128,866	0.11	3,000,000	November 10, 2025
Anshen Technology	85,911	0.08	2,000,000	November 14, 2025
Zhongdian Electric	128,866	0.11	3,000,000	November 11, 2025

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Notes:

- (1) Please refer to the subsection headed “Pre-[REDACTED] Investments — Information on Our Pre-[REDACTED] Investors” in this section for details of the Series B Investors.
- (2) Please refer to the subsection headed “— Pre-[REDACTED] Investments” in this section for the shareholding details of the Series B Investors as of the Latest Practicable Date.

The equity structure of our Company immediately following the completion of the Series B Financing was as follows:

<u>Shareholders</u>	<u>Registered capital subscribed for</u>	<u>Equity interest percentage</u>
	<i>(RMB)</i>	<i>(%)</i>
Wuxi Weiheng	28,670,000	25.39
Reorient Investments Limited	20,000,000	17.71
Shanghai Juhengxin	17,590,941	15.58
Weiheng New Energy	15,000,000	13.29
Jinpan Technology	8,882,268	7.87
Yibin Lvneng	5,598,134	4.96
Virtue Power	4,295,533	3.80
Waterwood Shen’an	2,431,907	2.15
Jiangsu Jiequan	2,431,907	2.15
Shanghai Yuanhengchu	2,282,322	2.02
Fuchuang Green	1,459,144	1.29
Jintou Lianying	972,763	0.86
Inovance Technology	879,507	0.78
Rongbao Tianzhuo	879,507	0.78
Ms. Chen Yuchang	429,553	0.38
Thriving Capital	351,803	0.31
Shanghai Hengyingchu	243,191	0.22
Debai Mingteng	145,914	0.13
Jingxin Textile	128,866	0.11
Zhongdian Electric	128,866	0.11
Anshen Technology	85,911	0.08
Waterwood Xinyu	9,728	0.01
Jinyi Hongda	7,782	0.01
Total	112,905,547	100.00

13. Conversion into Joint Stock Limited Company in January 2026

In view of the [REDACTED], pursuant to the shareholders’ resolutions on January 6, 2026 and the promoters’ agreement dated January 6, 2026 (the “**Promoters’ Agreement**”), the then Shareholders agreed to convert our Company into a joint stock limited liability company with a registered capital of RMB112,905,547. Pursuant to the Promoters’ Agreement, the net asset value of our Company as of November 30, 2025 amounted to RMB411,152,912.70, of which RMB112,905,547 was converted into 112,905,547 Shares of par value of RMB1.00 each, which were subscribed by and issued to the then Shareholders in proportion to their respective equity interest in our Company, and RMB298,247,365.70 were credited into our Company’s capital reserve. On January 22, 2026, our Company (then known as Jiangsu Weiheng Intelligent Technology Co., Ltd. (江蘇為恒智能科技有限公司)) was converted into a joint stock limited company and renamed as Weiheng Intelligent Technology Co., Ltd. (為恒智能科技股份有限公司) with a registered capital of RMB112,905,547.

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14. Series B+ Financing in January 2026

On January 23, 2026, our Company entered into a capital increase agreement, among others, with Wuhu Waterwood Shen’an Phase II Equity Investment Fund Partnership (Limited Partnership)* (蕪湖水木深安二期股權投資基金合伙企業(有限合伙)) (“**Waterwood Shen’an II**”) (the “**Series B+ Investor**”), pursuant to which Waterwood Shen’an II agreed to subscribe for 3,436,426 Shares of our Company at the consideration of RMB80,000,000 (the “**Series B+ Financing**”). The consideration was determined based on arm’s length negotiation among the parties with reference to the pre-money valuation of our Company agreed by Waterwood Shen’an II after taking into consideration the timing of the investments and the status of our business. The registration of the capital increase was completed on February 2, 2026.

<u>Name of Series B+ Investors⁽¹⁾</u>	<u>Shares subscribed for</u>	<u>Equity interest percentage on enlarged basis⁽²⁾</u> (%)	<u>Consideration</u> (RMB)	<u>Date on which the consideration was fully settled</u>

Waterwood Shen’an II	3,436,426	2.95	80,000,000	January 23, 2026

Note:

- (1) Please refer to the subsection headed “Pre-[REDACTED] Investments — Information on Our Pre-[REDACTED] Investors” in this section for details of the Series B+ Investors.
- (2) Please refer to the subsection headed “— Pre-[REDACTED] Investments” in this section for the shareholding details of the Series B+ Investors as of the Latest Practicable Date.

The equity structure of our Company immediately following the completion of the Series B+ Financing and as of the Latest Practicable Date was as follows:

<u>Shareholders</u>	<u>As of the Latest Practicable Date</u>		<u>Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the Share Subdivision is completed and no exercise of the [REDACTED])</u>	
	<u>Number of Shares</u>	<u>Percentage of shareholding in the total issued share capital</u> (%)	<u>Number of Shares</u>	<u>Percentage of shareholding in the total issued share capital</u> (%)
Wuxi Weiheng	28,670,000	24.64	[REDACTED]	[REDACTED]
Reorient Investments Limited	20,000,000	17.19	[REDACTED]	[REDACTED]
Shanghai Juhengxin	17,590,941	15.12	[REDACTED]	[REDACTED]
Weiheng New Energy	15,000,000	12.89	[REDACTED]	[REDACTED]
Jinpan Technology	8,882,268	7.63	[REDACTED]	[REDACTED]
Yibin Lvneng	5,598,134	4.81	[REDACTED]	[REDACTED]
Virtue Power	4,295,533	3.69	[REDACTED]	[REDACTED]
Waterwood Shen’an II	3,436,426	2.95	[REDACTED]	[REDACTED]
Waterwood Shen’an	2,431,907	2.09	[REDACTED]	[REDACTED]
Jiangsu Jiequan	2,431,907	2.09	[REDACTED]	[REDACTED]
Shanghai Yuanhengchu	2,282,322	1.96	[REDACTED]	[REDACTED]
Fuchuang Green	1,459,144	1.25	[REDACTED]	[REDACTED]
Jintou Lianying	972,763	0.84	[REDACTED]	[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the Share Subdivision is completed and no exercise of the [REDACTED])	
	Number of Shares	Percentage of shareholding in the total issued share capital (%)	Number of Shares	Percentage of shareholding in the total issued share capital (%)
Inovance Technology	879,507	0.76	[REDACTED]	[REDACTED]
Rongbao Tianzhuo	879,507	0.76	[REDACTED]	[REDACTED]
Ms. Chen Yuchang	429,553	0.37	[REDACTED]	[REDACTED]
Thriving Capital	351,803	0.30	[REDACTED]	[REDACTED]
Shanghai Hengyingchu	243,191	0.21	[REDACTED]	[REDACTED]
Debai Mingteng	145,914	0.13	[REDACTED]	[REDACTED]
Jingxin Textile	128,866	0.11	[REDACTED]	[REDACTED]
Zhongdian Electric	128,866	0.11	[REDACTED]	[REDACTED]
Anshen Technology	85,911	0.07	[REDACTED]	[REDACTED]
Waterwood Xinyu	9,728	0.01	[REDACTED]	[REDACTED]
Jinyi Hongda	7,782	0.01	[REDACTED]	[REDACTED]
Total	116,341,973	100%	[REDACTED]	[REDACTED]

PRC REGULATIONS COMPLIANCE

As advised by our PRC Legal Advisor, we have obtained the requisite legal approvals from relevant government authorities, if any, and completed requisite governmental registrations with relevant Administration Department for Market Regulation in the PRC with respect to all the aforesaid establishment, conversion, capital increases and equity transfers (including the Pre-[REDACTED] Investments) in all material aspects.

EMPLOYEE SHAREHOLDING PLATFORMS

In recognition of the contributions of our employees and to incentivize them to further promote our development, our Company passed a resolution on the shareholders’ meeting on September 30, 2021, pursuant to which, part of our Company’s equity held by Weiheng New Energy was utilized for the purpose of implementation of equity incentive arrangement. We also adopted an employee incentive plan, pursuant to which Shanghai Juhengxin was established under the laws of PRC on October 10, 2022 as our employee shareholding platform (the “**Employee Shareholding Platforms**”).

Weiheng New Energy

Weiheng New Energy is a limited liability company established under the laws of the PRC on June 5, 2012 and was owned as to 41.00% by Mr. Sun Yaojie (our executive Director and Chairman of the Board), 32.40% by Shanghai Huanjing New Energy Technology Co., Ltd.* (上海環清新能源科技有限公司) (“**Shanghai Huanjing**”), 25.67% by Ms. Hu Lihua (胡麗華) and 0.93% by Ms. Pan Cuiying (潘翠英) as of the Latest Practicable Date. Shanghai Huanjing is owned by 8 individuals, including Mr. Sun Pengfei and Mr. Wu Yu (both being our senior management), each holding 6.17% and 10.29% interest therein, respectively, and none of the individuals held more than 30% interest in Shanghai Huanjin as of the Latest Practicable Date. According to an acting in concert arrangement between Mr. Sun Yaojie and Shanghai Huanjing, Mr. Sun Yaojie controlled an aggregate of 73.40% voting rights in Weiheng New Energy.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As of the Latest Practicable Date, Weiheng New Energy directly held approximately 12.89% equity interest in our Company.

Shanghai Juhengxin

Shanghai Juhengxin is a limited partnership established under the laws of the PRC on October 10, 2022 and managed by its general partner, Ruinao Shanghai, which is ultimately wholly owned by Mr. Ko, our Controlling Shareholder and held a nominal capital contribution of RMB1 in the registered capital as of the Latest Practicable Date.

As of the Latest Practicable Date, the limited partnership interests of Shanghai Juhengxin were held by Shanghai Hengju Storage New Energy Partnership Enterprise (Limited Partnership)* (上海恒聚儲新能源合夥企業(有限合夥)) (“**Shanghai Hengju**”) as to 11.35%, Shanghai Juheng Energy Storage Co., Ltd.* (上海聚恒儲新能源有限公司) (“**Shanghai Juheng**”) as to 6.60% (which is directly owned as to 34.87% by Ms. Ko Wing Yan, Samantha (高穎欣) (our non-executive Director), 34.87% by Mr. Pan Kai Cheung (潘啟祥), our former director, and 30.25% by Mr. John Susa), Shanghai Juyuan Weichu New Energy Partnership (Limited Partnership)* (上海聚源為儲新能源合夥企業(有限合夥)) (“**Shanghai Juyuan**”) as to 4.42% and other 42 individual limited partners as to 77.64%, including (i) 9 core management of our Company, namely Mr. Sun Yaojie (our executive Director and Chairman of the Board), Mr. Xu Yuanyuan (our executive Director and general manager), Mr. Guo Ce (our executive director), Mr. Yang Shu, Mr. Wang Yuanyuan, Mr. Lin Sitong, Ms. Wang Ying, Mr. Sun Pengfei and Mr. Wu Yu (all being our senior management), who held approximately 12.25%, 10.71%, 3.25%, 5.11%, 4.38%, 3.31%, 3.30%, 1.91% and 1.90% partnership interests in Shanghai Juhengxin, respectively; and (ii) 33 other employees who held in aggregate approximately 31.50% partnership interests in Shanghai Juhengxin and none of whom is a connected person of our Company or hold more than one third of interest in Shanghai Juhengxin. Each of Shanghai Hengju and Shanghai Juyuan was controlled by Ruinao Shanghai as its general partner, and none of their limited partners held more than one third of interest therein.

As of the Latest Practicable Date, Shanghai Juhengxin directly held approximately 15.12% equity interest in our Company.

PRE-[REDACTED] INVESTMENTS

Overview

We have received several rounds of Pre-[REDACTED] Investments since our establishment, which are summarized below:

	<u>Series Pre-A Financing</u>	<u>Series A Financing</u>	<u>Series A+ Financing</u>	<u>Series B Financing</u>	<u>Series B+ Financing</u>
Date(s) of agreement	November 14, 2022	November 16, 2023	November 7, 2024	September 19, 2025 September 24, 2025 October 21, 2025 October 27, 2025 October 31, 2025 November 10, 2025	January 23, 2026
Name of Investors	Jinpan Technology, Yibin Lyneng, Inovance Technology, Shanghai Yuanhengchu, Thriving Capital, Rongbao Tianzhuo	Yibin Lyneng, Jiangsu Jiequan, Fuchuang Green, Waterwood Shen'an, Waterwood Xinyu, Debai Mingteng, Jintou Lianying, Jinyi Hongda, Shanghai Hengyingchu	Waterwood Shen'an	Virtue Power, Ms. Chen Yuchang, Jinpan Technology, Jingxin Textile, Anshen Technology, Zhongdian Electric	Waterwood Shen'an II

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	<u>Series Pre-A Financing</u>	<u>Series A Financing</u>	<u>Series A+ Financing</u>	<u>Series B Financing</u>	<u>Series B+ Financing</u>
Full settlement date	August 3, 2023	April 23, 2024	December 3, 2024	November 21, 2025	January 23, 2026
Registered capital/ Shares subscribed for	RMB9,318,381	RMB8,675,099	RMB1,459,144	RMB5,498,282	3,436,426 Shares
Total consideration paid	RMB105,950,000	RMB178,360,000	RMB30,000,000	RMB128,000,000	RMB80,000,000
Approximate cost per Share	RMB11.37	RMB20.56	RMB20.56	RMB23.28	RMB23.28
Discount to the [REDACTED]⁽¹⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Implied pre-money valuation⁽²⁾	RMB1,000,000,000	RMB2,000,000,000	RMB2,178,360,000	RMB2,500,000,000	RMB2,628,000,000
Implied post-money valuation⁽³⁾	RMB1,105,950,000	RMB2,178,360,000	RMB2,208,360,000	RMB2,628,000,000	RMB2,708,000,000
Basis of consideration	The considerations for the Pre-[REDACTED] Investments were determined based on arm’s length negotiation amongst the respective Pre-[REDACTED] Investors and our Group after taking into consideration of the timing of the investments, the status of our business operations and the prospects of our Company.				
Use of Proceeds from the Pre- [REDACTED] Investments	We utilized the proceeds from the Pre-[REDACTED] Investments for R&D, marketing and daily operation of our Company. As of the Latest Practicable Date, approximately 79% of the net proceeds from the Pre-[REDACTED] Investments had been utilized.				
Strategic benefits to our Company	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-[REDACTED] Investments in our Group, insights for industry, advice on business expansion and strategic direction, upstream and downstream resources that the Pre-[REDACTED] Investors bring to our Company, and the knowledge and experience of the Pre-[REDACTED] Investors. Their investments also demonstrated their confidence in our Group’s operations and served as an endorsement of our Group’s performance, strengths and prospects.				
Lock-up period	Pursuant to the applicable PRC laws and regulations, within the 12 months following the [REDACTED], no existing Shareholders (including the Pre-[REDACTED] Investors) may dispose of any of the Shares held by them.				

Notes:

- (1) The discount to the [REDACTED] is calculated based on (i) the assumption that the [REDACTED] is HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]; and (ii) the Share Subdivision is completed;
- (2) The implied pre-money valuation is calculated based on (i) the cost per share paid to the Company for the corresponding round of Pre-[REDACTED] Investment, and (ii) the registered/issued share capital of the Company immediately prior to the corresponding round of Pre-[REDACTED] Investment;
- (3) The implied post-money valuation is calculated based on (i) the pre-money valuation for the corresponding round of Pre-[REDACTED] Investment, and (ii) the total funds received by the Company from the corresponding round of Pre-[REDACTED] Investment.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Special Rights

The Pre-[REDACTED] Investors had been granted certain special rights, including but not limited to the information right, pre-emptive right, transfer restrictions, right of first refusal, anti-dilution right, redemption right, tag-along right and no favorable terms as well as liquidation preference right. As of the Latest Practicable Date, our Company has entered into supplemental agreements with the Shareholders, pursuant to which such special rights would be terminated one day prior to our Company’s submission of [REDACTED] application or one day prior to the [REDACTED] (as the case may be), provided that the special rights so terminated shall resume to be exercisable automatically upon the earliest of the occurrence of the following events: (i) the [REDACTED] application is withdrawn; (ii) the [REDACTED] application is not accepted or approved, rejected, returned, or fails to pass the review, registration or filing with the regulatory authorities or the Stock Exchange as a conclusive decision; (iii) our Company fails to re-submit the [REDACTED] application within six months from the date when the [REDACTED] application is lapsed; (iv) our Company fails to submit the [REDACTED] application within six months from the date of the supplemental agreements; and (v) the [REDACTED] does not take place within 18 months from the date of the supplemental agreements.

Information relating to our Principal Pre-[REDACTED] Investors

Below sets out information of our principal Pre-[REDACTED] Investors, being investors each holding 1% or more of our total issued Shares as at the date of this document. To the best knowledge of our Directors, save as disclosed below, each of our Pre-[REDACTED] Investors and where applicable, their respective general partner(s), limited partner(s) and ultimate beneficial owner(s) is an Independent Third Party.

1. Jinpan Technology

Jinpan Technology is a joint stock limited company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 688676.SH). Jinpan Technology is principally engaged in manufacturing and sales of power equipment. The largest shareholder of Jinpan Technology is Hainan Yuanyu Intelligent Technology Investment Co., Ltd.* (海南元宇智能科技投資有限公司) holding approximately 40.21% of the shares of Jinpan Technology as of the Latest Practicable Date, and is owned as to 99% by Mr. Li Zhiyuan (李志遠). To the best knowledge of the Company, Mr. Li Zhiyuan is an Independent Third Party.

2. Yibin Lvneng

Yibin Lvneng is a limited partnership established in the PRC which mainly engaged in equity investment. As of the Latest Practicable Date, Yibin Lvneng was held as to 99.98% by 8 limited partners who are Independent Third Parties, and 0.02% by its general partner Chendao Capital LLP* (寧波梅山保稅港區晨道投資合夥企業(有限合夥)) (“**Chendao Capital**”). To the best knowledge of the Company, other than Yibin Development Venture Capital Co., Ltd.* (宜賓發展創投有限公司) (“**Yibin Development**”) holding 46.50% of the partnership interest in Yibin Lvneng, no other limited partners of Yibin Lvneng held more than one-third of partnership interest therein. As of the Latest Practicable Date, Yibin Development was ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Yibin Municipality (宜賓市政府國有資產監督管理委員會). Chendao Capital was held as to 99% by its limited partner Mr. Guan Chaoyu (關朝餘) and 1% by its general partner Ningbo Yitian Investment Co., Ltd. (寧波梅山保稅港區倚天投資有限公司, “**Ningbo Yitian**”), which was in turn ultimately controlled by Mr. Guan Chaoyu. To the best knowledge of the Company, each of Chendao Capital, Yibin Development, Ningbo Yitian and Mr. Guan Chaoyu is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

3. Virtue Power

Virtue Power is a limited liability company established in Hong Kong and was wholly owned by Ms. Jin, Teresa as of the Latest Practicable Date. To the best knowledge of the Company, Ms. Jin, Teresa is an Independent Third Party.

4. Waterwood Investment

Each of Waterwood Shen'an, Waterwood Shen'an II and Waterwood Xinyu (together, “**Waterwood Investment**”) is ultimately controlled by Beijing Waterwood Tongde Investment Management Consultation Co., Ltd.* (北京水木同德投資管理諮詢有限公司) (“**Waterwood Tongde**”).

Waterwood Shen'an is a limited partnership established in the PRC which mainly engaged in equity investment. As of the Latest Practicable Date, Waterwood Shen'an was held as to 99.00% by 7 limited partners who are Independent Third Parties and 1.00% by its general partner Zhuhai Hengqin Waterwood Shen'an Private Equity Fund Management Co., Ltd.* (珠海橫琴水木深安私募基金管理有限公司) (“**Hengqin Waterwood**”). To the best knowledge of the Company, other than Shenzhen Anhui Industrial Investment Co., Ltd.* (深圳安徽實業有限公司) (“**Anhui Industrial**”) holding 49.00% of the partnership interest in Waterwood Shen'an, no other limited partners of Waterwood Shen'an held more than one-third of partnership interest therein. As of the Latest Practicable Date, Anhui Industrial was ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (安徽省人民政府國有資產監督管理委員會). Hengqin Waterwood was held as to 30% by Anhui Industrial and 70% by Beijing Waterwood Xinchuang Equity Investment Center (Limited Partnership)* (北京水木新創股權投資中心(有限合夥)), which was held as to 98.67% by Ms. Mao Jian (毛健) and managed by its general partner, Waterwood Tongde.

Waterwood Shen'an II is a limited partnership established in the PRC which mainly engaged in equity investment. As of the Latest Practicable Date, Waterwood Shen'an II was held as to 98.71% by 5 limited partners who are Independent Third Parties and 1.29% by its general partner, Hengqin Waterwood. To the best knowledge of our Company, none of the limited partners of Waterwood Shen'an II held more than one-third of partnership interest therein.

Waterwood Xinyu is a limited partnership established in the PRC which mainly engaged in equity investment. As of the Latest Practicable Date, Waterwood Xinyu was held as to 80.00% by Mr. Zhou Wendong (周文棟) as its limited partner and 20.00% by Zhuhai Hengqin Shuimu Tongde Equity Investment Fund Management Enterprise (Limited Partnership)* (珠海橫琴水木同德股權投資基金管理企業(有限合夥)) as its general partner, which was in turn managed by Shuimu Tongde.

As of the Latest Practicable Date, Waterwood Tongde was held as to 99.00% by Ms. Mao Jian (毛健). To the best knowledge of the Company, Ms. Mao Jian (毛健) is an Independent Third Party.

5. Jiangsu Jiequan

Jiangsu Jiequan is a limited partnership established in the PRC which mainly engaged in equity investment. As of the Latest Practicable Date, Jiangsu Jiequan was held as to 99.00% by five limited partners who are Independent Third Parties and 1.00% by its general partner China Industrial Investment (Beijing) Capital Management Limited* (興投(北京)資本管理有限公司), which is in turn wholly owned by CIIT Asset Management Co., Ltd. (興業國信資產管理有限公司) (“**CIIT Asset Management**”). To the best knowledge of the Company, other than CIIT Asset Management holding 40% of the partnership interest in Jiangsu Jiequan, no other limited partners of Jiangsu Jiequan held more than one-third of partnership interest therein. As of the Latest Practicable Date, CIIT Asset Management was ultimately controlled by Industrial Bank Co., Ltd. (興業銀行股份有限公司), the shares of which are listed on the Shanghai Stock Exchange (stock code: 601166.SH).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

6. Shanghai Yuanhengchu

Shanghai Yuanhengchu is a limited partnership established under the laws of the PRC and managed by its general partner, Mr. Xu Yuanyuan, our executive Director and general manager, and held a nominal capital contribution of RMB1 in the registered capital as of the Latest Practicable Date.

As of the Latest Practicable Date, the limited partnership interests of Shanghai Yuanhengchu were held by 31 individual limited partners, among which, apart from Ms. Lin Liqin (林麗琴), who held 38.46% partnership interest therein, none of whom held more than one third of interest in Shanghai Yuanhengchu. To the best knowledge of the Company, apart from Mr. Xu Yuanyuan, each of other limited partners of Shanghai Yuanhengchu was an Independent Third Party.

7. Fuchuang Green

Fuchuang Green is a limited partnership established in the PRC which mainly engaged in equity investment. As of the Latest Practicable Date, Fuchuang Green was held as to 1.18% by its general partner Shanghai Furong Investment Co., Ltd.* (上海複容投資有限公司) (“Shanghai Furong”), and 98.82% by 13 limited partners who are Independent Third Parties, none of which held more than one third of interest therein. As of the Latest Practicable Date, none of the limited partners of Shanghai Furong held more than one third of interests therein. To the best knowledge of our Company, each of Shanghai Furong and its ultimate beneficial owners is an Independent Third Party.

Compliance with the Guide for New Listing Applicants on Pre-[REDACTED] Investment

On the basis that the consideration for the Pre-[REDACTED] Investments was settled no less than 120 clear days before the [REDACTED] and all special rights shall cease to be effective and be discontinued upon [REDACTED] (save for the redemption rights which have been terminated before our Company’s submission of [REDACTED] application to the Stock Exchange for its [REDACTED] of H Shares on the Stock Exchange), the Joint Sponsors confirmed that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

SHARE SUBDIVISION

We expect to conduct the Share Subdivision immediately prior to the [REDACTED], pursuant to which each of our Share with par value of RMB1.00 will be subdivided into [two] Shares with par value of RMB[0.50] each. Upon completion of such Share Subdivision, the registered capital of our Company, which is RMB116,341,973, will be divided into [232,683,946] Shares with par value of RMB[0.50] per Share, which will be subscribed by all our then Shareholders in proportion to their respective equity interests in our Company immediately before the [REDACTED], and the number of our issued Shares will be [232,683,946], without taking into consideration the new Shares to be issued for the [REDACTED].

PUBLIC FLOAT

Our Company has applied for H-share full circulation to convert [REDACTED] of the Unlisted Shares into H Shares. The conversion of Unlisted Shares into H Shares will involve all of our [REDACTED] Unlisted Shares held by 24 existing Shareholders, representing approximately [REDACTED]% of total issued Share capital of our Company upon completion of the conversion of Unlisted Shares into H Shares and the [REDACTED] (assuming the Share Subdivision is completed and the [REDACTED] is not exercised). For further details, see “Share Capital” in this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares (assuming the Share Subdivision is completed and the [REDACTED] is not exercised), our Company will have [REDACTED] H Shares, among which, the [REDACTED] H Shares aggregately held by our Shareholders who are core connected persons of our Company will not be counted towards the public float, comprising (i) a total of [REDACTED] H Shares held by Wuxi Weiheng, Reorient Investments Limited and Shanghai Juhengxin, being our Controlling Shareholders, (ii) the [REDACTED] H Shares held by Weiheng New Energy, which is controlled as to 73.40% by Mr. Sun Yaojie (our executive Director and Chairman of the Board); (iii) the [REDACTED] H Shares held by Shanghai Yuanhengchu, the general partner of which is Mr. Xu Yuanyuan (our executive Director and general manager); and (iv) the [REDACTED] H Shares held by Shanghai Hengyingchu, the general partner of which is Mr. Guo Ce (our executive Director).

As a result of the foregoing, to the best of our Directors' knowledge, information and belief and having made all reasonable inquiries, immediately upon the completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, an aggregate of [REDACTED] H Shares (including issue of [REDACTED] H Shares pursuant to the [REDACTED]) representing approximately [REDACTED]% of our total issued Shares will be counted towards the public float, which is higher than the prescribed percentage of H Shares required to be held in public hands of 25% with the expected market value of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] under Rule 19A.13A of the Listing Rules based on the indicative [REDACTED] range of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per H Share. As such, our Directors are of the view that our Company will be able to satisfy the public float requirement under Rule 19A.13A of the Listing Rules.

FREE FLOAT

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

To the best knowledge of our Directors, the [REDACTED] H Shares to be issued pursuant to the [REDACTED] are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on a minimum [REDACTED] of HK\$[REDACTED] per Offer Share, our Company will satisfy the free float requirements under Rule 19A.13C of the Listing Rules.

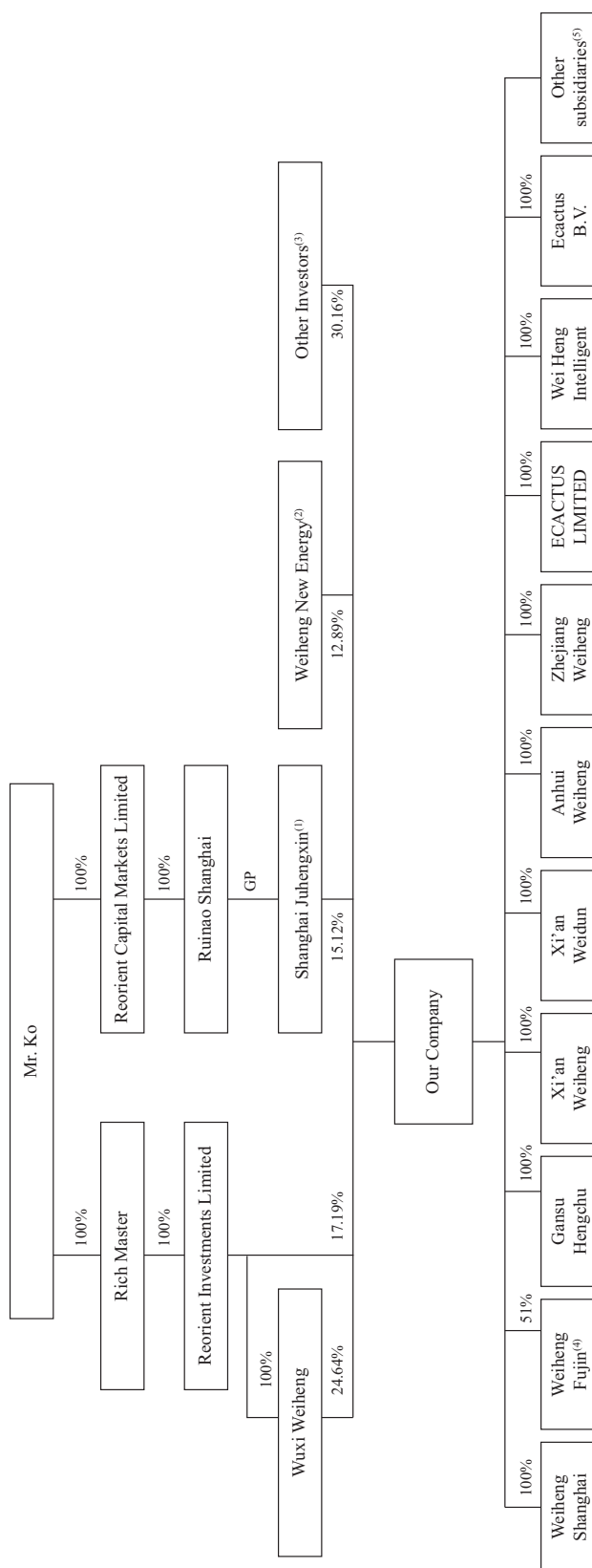
MAJOR ACQUISITIONS AND DISPOSALS

We had not conducted any other major acquisition, disposal or merger during the Track Record Period and up to the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately prior to the [REDACTED]

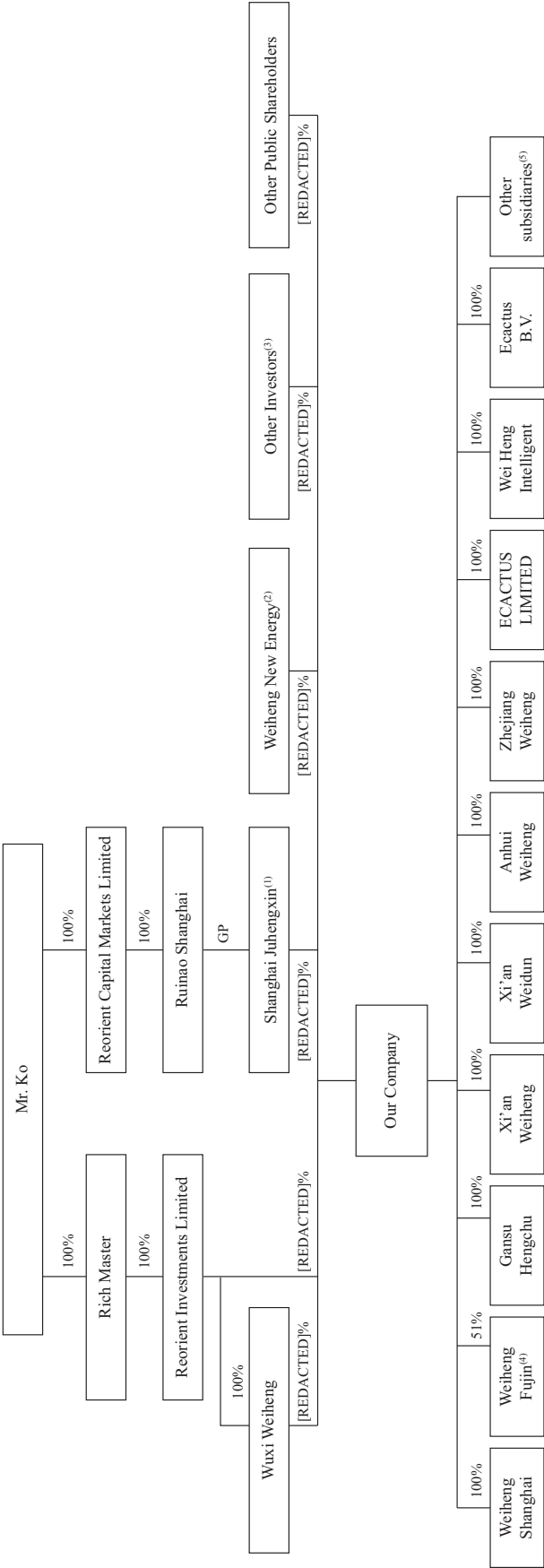


Notes:

- (1) Shanghai Juhengxin is managed by its general partner, Ruinao Shanghai, which held a nominal capital contribution of RMB1 in the registered capital as of the Latest Practicable Date. For details, see “— Employee Shareholding Platforms”.
- (2) Weiheng New Energy is a limited liability company established in the PRC and was owned as to 41.00% by Mr. Sun Yaojie (our executive Director and Chairman of the Board), 32.40% by Shanghai Huanjing New Energy Technology Co., Ltd.* (上海環靖新能源科技有限公司) (“Shanghai Huanjing”), 25.57% by Ms. Hu Lihua (胡麗華) and 0.93% by Ms. Pan Cuiying (潘翠英) as of the Latest Practicable Date. Weiheng New Energy was controlled by Mr. Sun as to 73.40%, taking into the account the acting in concert arrangement between Mr. Sun and Shanghai Huanjing. For details, see “— Employee Shareholding Platforms”.
- (3) Please see “— Pre-[REDACTED] Investments” in this section for further details.
- (4) The remaining 49% interest of Weiheng Fujin is held by Guangdong Fujin New Energy Technology Co., Ltd.* (廣東複金新能源科技有限公司), which is ultimately controlled by Mr. Huang Shaojun (黃少軍), an Independent Third Party.
- (5) As of the Latest Practicable Date, our Company have 59 subsidiaries other than our major subsidiaries.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately upon Completion of the [REDACTED] (assuming the [REDACTED] is not exercised)



Notes (1) to (5): see “— Shareholding and Corporate Structure Immediately prior to the [REDACTED]”.

BUSINESS

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:

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

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
(GWh, except for percentages)					
Lithium-ion battery energy storage market					
Global	14.2	230.0	100.6%	804.5	23.2%
Chinese Mainland	5.4	118.5	116.4%	386.7	21.8%
C&I energy storage segment					
Global	0.6	15.0	123.6%	68.0	28.6%
Chinese Mainland	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:

			CAGR of revenue from 2020 to 2024		CAGR of revenue from 2024 to 2030E
	2020	2024		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:

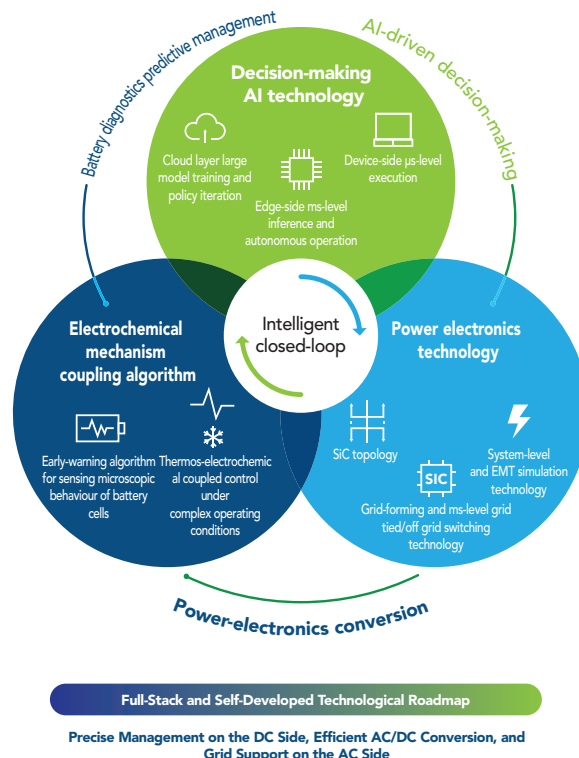
	C&I & Utility Energy Storage Solutions		Residential Energy Storage Solutions	
Functions	Strategy Optimization O&M Management Fault Prediction		Deployment Management Centralized Monitoring Remote Operation and Maintenance	Daily Monitoring Operating Mode Management Intelligent Strategy Application
Software	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	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(unaudited)		(unaudited)	
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⁾	56	0.0	2,697	1.0	683	0.6	3,794	0.8
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	• 100kW/233kWh • Global C&I scenarios	• 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	• 62.5-250kW/500kWh • Overseas C&I scenarios • 2-, 4- and 8-hour energy storage scenarios	• 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	• 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	• 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	• 125kW/261kWh • Domestic C&I scenarios	• 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	• 418kW/836kWh • Domestic C&I scenarios • 10kV/20kV large-scale industrial and energy-intensive scenarios	• 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	• 125kW/522kWh • Domestic C&I scenarios • 4-hour energy storage scenarios	• 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	744-1,488kW/1,490-2,980kWh - Global large-scale C&I scenarios - Global utility scenarios	- 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	1.5MW-6.25MW - Domestic utility scenarios	- 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	3MWh-5MWh - Domestic utility scenarios	- 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.

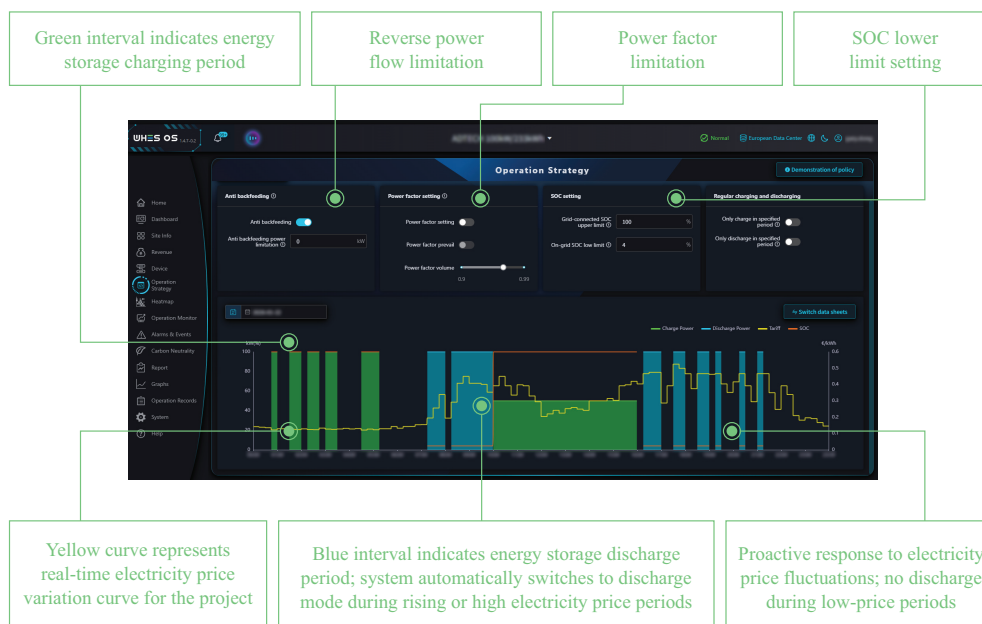
The following diagram illustrates a typical maximum demand control scenario. During the operation of our energy storage system, when both the current load and tariff of use are at low levels, the system schedules its charging based on the difference between the maximum demand control target and the real-time 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 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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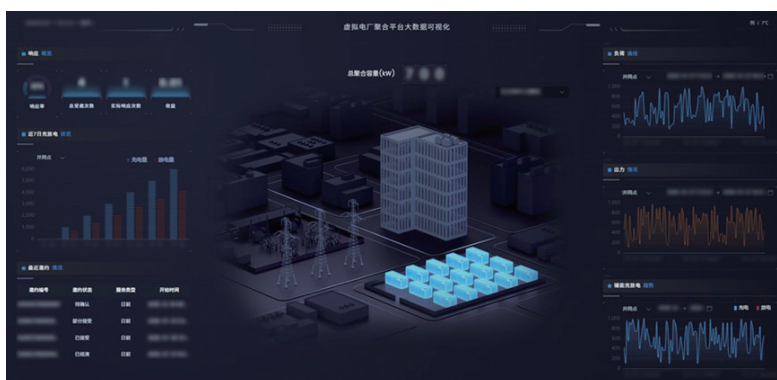
WHES VPP

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:

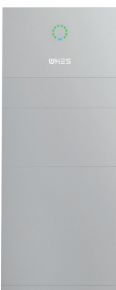


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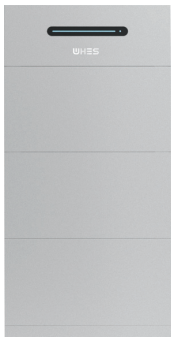
Residential Energy Storage Solution

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
 PP-T1 Three-Phase All-in-One Residential Energy Storage System	5-13kW/9.98-29.9kWh - Global residential scenarios	- 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
 PP-S2 Single-Phase All-in-One Residential Energy Storage System	3.6-10kW/4.99-19.9kWh - Global residential scenarios	- 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
 Hybrid Inverter Three-Phase Energy Storage Inverter	5-13kW - Global residential scenarios	- 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
 Battery Box High-Voltage Battery Pack	• 4.99-29.9kWh • Global residential scenarios	• 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

Software — Digital Energy Solutions

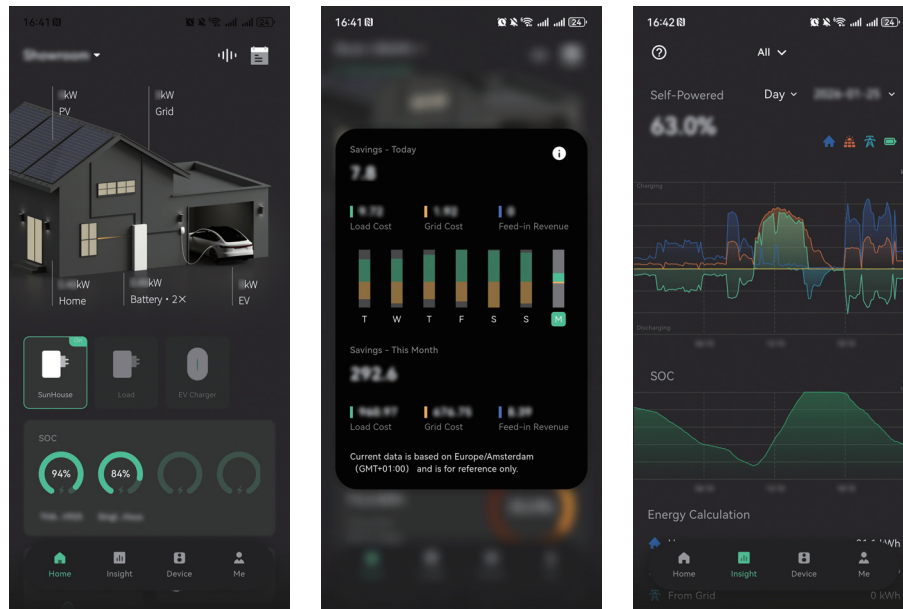
ECOS Mobile Application

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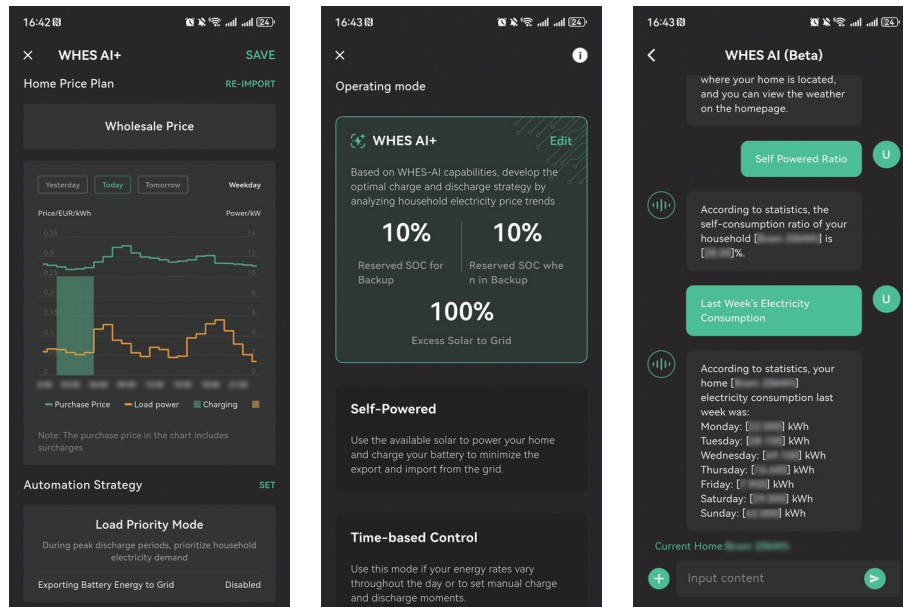
From left to right, the following illustrations show (i) the overall household energy flow diagram; (ii) the monthly electricity cost savings from the photovoltaic and energy storage systems; and (iii) the household's electricity consumption data and the historical data curves of the photovoltaic and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



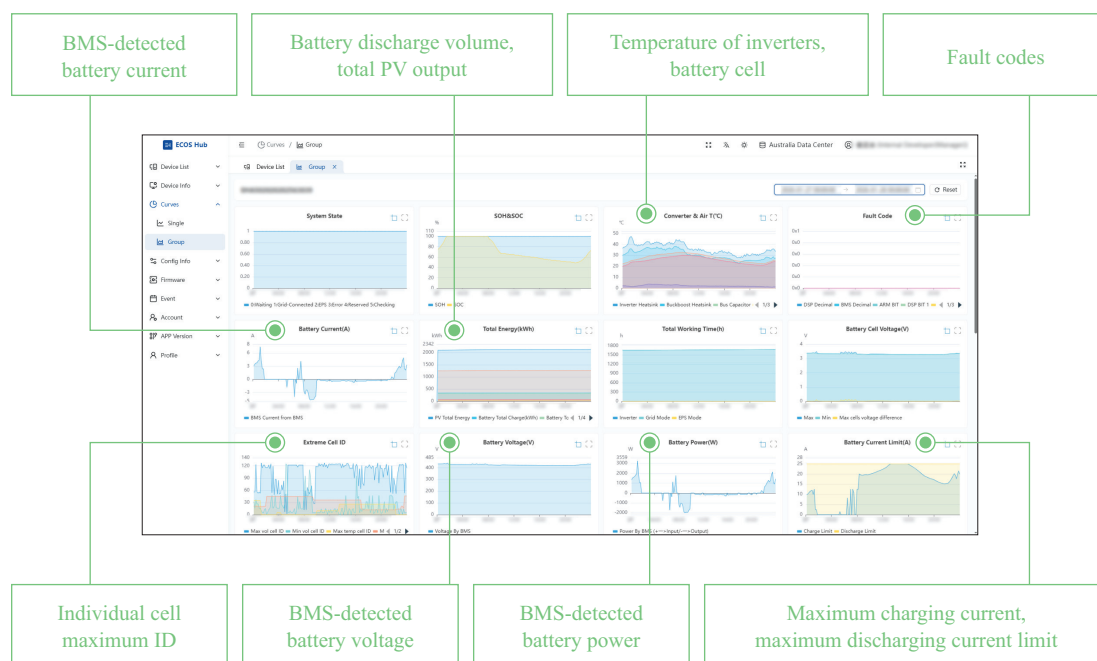
ECOS Hub Mobile and PC Applications

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:

Field	Technology	Features
Electrochemical mechanism coupling algorithm	High-Precision Battery State Estimation Algorithm	• 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	• 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	• 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	• 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	• 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	• 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	• 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	• The ability to design flexible power systems that can be configured in multiple ways using efficient, modular components
	Efficient Thermal Management & Device Parallel Connection	• Suitable for a wide range of power needs
		• 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	• 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	• 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	• 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
Decision-making AI technology	Smart DC Arc Fault Protection	• 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	• 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	• 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
	User-side Multi-energy Coordination and Complex Scenario Control Technology	• 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	• Ensures continued system operation in the event of critical component failures
	High-Speed EMS Communication Technology	• 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	• 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.

<u>Name</u>	<u>Location</u>	<u>Gross Floor Area</u> (sq.m.)	<u>Main Function</u>
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⁾	Actual production	Utilization rate ⁽²⁾	Designed production capacity ⁽¹⁾	Actual production	Utilization rate ⁽²⁾	Designed production capacity ⁽¹⁾	Actual production	Utilization rate ⁽²⁾	Designed production capacity ⁽¹⁾	Actual production	Utilization rate ⁽²⁾
	(MWh)	(MWh)	(%)	(MWh)	(MWh)	(%)	(MWh)	(MWh)	(%)	(MWh)	(MWh)	(%)
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

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 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	<u>201,039</u>	<u>75.3</u>				

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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	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
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	266,835	100.0	268,275	100.0	124,885	100.0	476,389	100.0

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.

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- **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.

BUSINESS

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	11
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.

BUSINESS

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 (RMB'000)	Percentage of total purchase (%)	Background and principal business	Major products/ services purchased	Year of commencement of business relationship	Credit terms (days)	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 (RMB'000)	Percentage of total purchase (%)	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	166,099	41.1					

For the nine months ended September 30, 2025

Supplier	Purchase amount (RMB'000)	Percentage of total purchase (%)	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	231,019	50.1					

BUSINESS

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.

BUSINESS

- **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.

BUSINESS

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.

BUSINESS

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.”

BUSINESS

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.

BUSINESS

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.

BUSINESS

- 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.

		Nine months ended September 30,		
Indicators	Unit	2023	2024	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.

		Nine months ended September 30,		
Indicators	Unit	2023	2024	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
				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.

BUSINESS

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	- Depreciation of fixed assets, loss of labor, and instability in production - Negative impacts on the workforce	- 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	- Rising compliance costs driven by mandatory climate-related disclosures - Anticipated change in energy efficiency standards	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	Rising consumer preference for green solutions, amplified by government home and commercial storage subsidies	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.

Metric	Unit	As of December 31,		As of September 30,
		2023	2024	2025
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* (《信息安全管理辦法》), 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

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, Mr. Ko controlled an aggregate of approximately 56.95% of the voting rights of our Company, comprising (i) 28,670,000 Shares, representing approximately 24.64% of the voting rights held by Wuxi Weiheng, which is wholly owned by Reorient Investments Limited. Reorient Investments Limited is in turn wholly owned by Rich Master, a company wholly owned by Mr. Ko; (ii) 20,000,000 Shares, representing approximately 17.19% of the voting rights held by Reorient Investments Limited; and (iii) 17,590,941 Shares, approximately 15.12% of the voting rights held by Shanghai Juhengxin, the general partner of which is Ruinao Shanghai. Ruinao Shanghai is in turn wholly owned by Reorient Capital Markets Limited, a company wholly owned by Mr. Ko.

Upon completion of the [REDACTED] (assuming the Share Subdivision is completed and the [REDACTED] is not exercised), Mr. Ko will control [REDACTED]% of the voting rights of our Company. Therefore, Mr. Ko, Rich Master, Reorient Investments Limited, Wuxi Weiheng, Reorient Capital Markets Limited, Ruinao Shanghai and Shanghai Juhengxin will remain as a group of Controlling Shareholders upon [REDACTED].

COMPETING INTERESTS

Our Controlling Shareholders have confirmed that as of the Latest Practicable Date, none of them or any of their respective close associates has any interest in a business, apart from the business of our Group, that competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independent from the Controlling Shareholders and their close associates after the [REDACTED].

Operational independence

Our Company has full rights to make all decisions on, and to carry out, our own business operations independently. We have established our own organizational structure, and each department is assigned to specific areas of responsibilities. Our Group holds or enjoys the benefits of material relevant licenses and intellectual properties and research and development facilities necessary to carry on our business. We have our own facilities, equipment and employees to operate our business independent from our Controlling Shareholders. We also have independent access to our customers and suppliers.

There was no business transaction between our Group and our Controlling Shareholders and/or their respective close associates during the Track Record Period.

Having considered the above, our Directors consider that our Group will be able to function and operate independently from our Controlling Shareholders and their respective close associates.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Management independence

Our business is primarily managed and conducted by our Board and senior management. Upon [REDACTED], our Board will consist of eight Directors, comprising three executive Directors, two non-executive directors and three independent non-executive Directors. For more information, see “Directors and Senior Management.” Our Directors are of the view that our Board and management team are able to manage our business independently from the Controlling Shareholders and their close associates for the following reasons:

- Mr. Sun Yaojie and Mr. Xu Yuanyuan (both being our executive Directors) and Ms. Ko Wing Yan, Samantha (our non-executive Director) also hold directorships in Wuxi Weiheng, which is established for the purpose for holding shares in our Company, and has no actual operation activities as of the Latest Practicable Date. Saved for the above, our executive Directors and senior management members do not hold any other role as an executive director or member of senior management in any close associates of our Controlling Shareholders (other than our Group).
- Our daily operational and management activities are made collectively by all our executive Directors and senior management, all of whom have substantial experience in the industry in which we are engaged and will be able to make business decisions that are in the best interest of our Group. For details of the industry experience of our senior management, please see “Directors and Senior Management” in this document.
- Each Director is aware of his/her fiduciary duties as a Director of our Company which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest.
- In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors and/or their respective close associates, the interested Director(s) and his/her/their respective close associates shall abstain from voting at the relevant board meetings of our Company in respect of such transactions.
- Our independent non-executive Directors have been appointed in compliance with the requirements under the Listing Rules to ensure that the decisions of our Board will be made only after due and careful consideration of independent and impartial opinions. Our Directors believe that the presence of independent non-executive Directors provides a balance of views and opinions and will bring independent judgement to the decision-making process of the Board.
- Members of our management team are independent from our Controlling Shareholders and their respective close associates. They have relevant industry expertise and substantial experience to implement our Group’s policies and strategies and can discharge their duties independently.

Having considered the above factors, our Directors are of the view that our Group is capable of managing its business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Financial independence

Our Group has an independent financial system and makes financial decisions according to our Group's own business needs. We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control function of our Group, which is independent from our Controlling Shareholders and their respective close associates. We are able to make financial decisions independent from our Controlling Shareholders and their respective close associates, and they do not intervene with our use of funds.

During the Track Record Period, our Controlling Shareholders and/or their close associate had provided loans (which has been settled as of the Latest Practicable Date) or guarantees for certain of our bank borrowings. See Note 28 to the Accountant's Report in Appendix I to this document for details. As of the Latest Practicable Date, certain of our bank facilities and/or bank borrowings were secured by guarantees provided by the Controlling Shareholders and/or their close associates. As confirmed by our Directors, the discussions with the relevant banks regarding the release or replacement (as applicable) of all such guarantees were ongoing, and that all such guarantees will be released or replaced prior to the [REDACTED]. Save as disclosed above, none of our Controlling Shareholders or their respective close associates financed our operations during the Track Record Period.

Having considered the above, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates after [REDACTED].

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. We would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Controlling Shareholders:

- (a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Shareholders or any of their respective associates has a material interest, the interested Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (b) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provides that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (c) our Company has established internal control mechanisms to identify connected transactions. Upon [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders and their respective close associates, our Company will comply with the applicable Listing Rules;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (d) our Board is committed to the view that our Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element in our Board which can effectively exercise independent judgement. Our Company has appointed three independent non-executive Directors. Our Directors believe that our independent non-executive Directors are of sufficient experiences, are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide impartial and professional advice to protect the interests of the minority Shareholders;
- (e) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transactions annually and confirm in our annual report that such transactions which have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from Independent Third Parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole;
- (f) in the event that our independent non-executive Directors are requested to review any conflict of interests circumstances between our Group, on one hand, and our Controlling Shareholders and/or our Directors, on the other hand, our Controlling Shareholders and/or our Directors shall provide our independent non-executive Directors with all necessary information for consideration. Where our independent non-executive Directors reasonably request the advice of independent professionals, such as financial advisers, to help them make the judgement, the appointment of such independent professionals will be made at the expense of our Company; and
- (g) our Company has appointed Maxa Capital Limited as our Compliance Advisor, which will provide advice and guidance to our Company in respect of compliance with applicable laws and the Listing Rules including various requirements relating to directors' duties and internal control.

Based on the above, our Directors consider that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders to protect minority Shareholders' interests after the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board comprises eight Directors, including three executive Directors, two non-executive directors and three independent non-executive Directors.

The following table sets forth certain information regarding the Directors:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>	<u>Date of joining our Group</u>	<u>Date of appointment as a Director</u>	<u>Responsibilities</u>	<u>Relationship with other Directors and senior management and Controlling Shareholders</u>
<i>Executive Directors</i>						
Mr. Sun Yaojie (孫耀傑)	56	Executive Director and chairman of the Board	September 1, 2017	September 1, 2017	Responsible for the overall technological roadmap and industrial strategy for the development of our Group	N/A
Mr. Xu Yuanyuan (徐源遠)	41	Executive Director and general manager	July 1, 2021	July 1, 2021	Responsible for the overall business management of our Group	N/A
Mr. Guo Ce (郭策)	31	Executive Director and general legal counsel	July 1, 2021	February 4, 2026 (with effect from the date of this document)	Responsible for the overall legal and compliance management, risk control and ESG strategy of our Group	N/A
<i>Non-executive Directors</i>						
Ms. Ko Wing Yan, Samantha (高穎欣)	46	Non-executive Director	August 10, 2021	August 10, 2021	Responsible for providing strategic advice on the operations and management of our Group	Daughter of Mr. Ko, our Controlling Shareholder
Mr. Chan Kam Kwan, Jason (陳錦坤)	52	Non-executive Director	February 4, 2026	February 4, 2026 (with effect from the date of this document)	Responsible for providing strategic advice on the operations and management of our Group	N/A
<i>Independent non-executive Directors</i>						
Ms. Ko Kit Man, Liza (高潔雯)	46	Independent non-executive Director	February 4, 2026	February 4, 2026 (with effect from the date of this document)	Responsible for providing independent advice to the Board	N/A
Mr. Wong Tak Ho, Justin (黃德豪)	45	Independent non-executive Director	February 4, 2026	February 4, 2026 (with effect from the date of this document)	Responsible for providing independent advice to the Board	N/A
Mr. He Hao (何浩)	50	Independent non-executive Director	February 4, 2026	February 4, 2026 (with effect from the date of this document)	Responsible for providing independent advice to the Board	N/A

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Sun Yaojie (孫耀傑), aged 56, joined our Group in September 2017 and has been serving as the chairman of our Board and an executive Director of our Company since then. He is primarily responsible for the overall technological roadmap and industrial strategy for the development of our Group. Mr. Sun currently also holds directorships at our various subsidiaries, including Weiheng Shanghai since January 2022.

Mr. Sun has over 33 years of experience in the electronic engineering and energy industry. Prior to joining our Group, from July 1992 to March 1999, he served as an engineer at the inertial navigation gyroscope specialist group of AVIC Xi'an Flight Automatic Control Research Institute (中國航空工業集團公司西安飛行自動控制研究所). From November 2003 to January 2005, he served as a lecturer of department of mechanical electronics engineering of school of mechanical engineering at Xi'an Jiaotong University (西安交通大學), and was primarily responsible for teaching and research. From February 2007 to February 2014, he served as a director and the chief technical officer of Jiangsu Zhaofu New Energy Co., Ltd.* (江蘇兆伏新能源有限公司), a company principally engaged in research, development, manufacturing and sales of photovoltaic inverters, and was primarily responsible for research and technology development. Mr. Sun has been serving as a lecturer of Fudan University (復旦大學) since January 2005 and currently holds the position of a professor at the college of intelligent robotics and advanced manufacturing.

Mr. Sun also holds various social positions, including (i) the standing council member of China Power Supply Society (中國電源學會) since 2013; (ii) the vice chairman of the Shanghai Power Supply Society (上海電源學會) since 2018; (iii) the Vice Chair of IEEE PELS-CPSS Shanghai Joint Chapter (IEEE PELS-CPSS 上海聯合分會) since 2018; (iv) a member of the Grid-Connected Power Generation Working Group under the Photovoltaic Power Generation and Industrialisation Standards Promotion Group (光伏發電及產業化標準推進組下設的併網發電工作組) since November 2012; and (v) the director of 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) since December 2021.

Mr. Sun obtained his bachelor's degree in mechatronics engineering and master's degree in navigation and guidance control from Northwestern Polytechnical University (西北工業大學) in Xi'an, PRC in July 1992 and April 1999, respectively. He further obtained his doctoral degree from Xi'an Jiaotong University (西安交通大學) in Xi'an, PRC in November 2003. Mr. Sun has been certified as a senior engineer by the Department of Human Resources and Social Security of Shaanxi Province (陝西省人力資源和社會保障廳) since December 2004. Mr. Sun was also awarded various honors and prizes, including the first prize of 2022 Shanghai Science and Technology Progress Award (2022年度上海市科技進步獎一等獎) in April 2023 and the gold medal at the Geneva International Exhibition of Inventions (日內瓦國際發明展金獎) in April 2024.

Mr. Xu Yuanyuan (徐源遠), aged 41, joined our Group in July 2021 and has served as the general manager and an executive Director of our Company since then. He is primarily responsible for the overall business management of our Group. Mr. Xu currently also holds directorships at our various subsidiaries, including ECACTUS LIMITED since July 2024, Wei Heng Intelligent since July 2024, and Weiheng Shanghai since January 2022.

Mr. Xu has over 17 years of experience in financing and investment. Prior to joining our Group, from January 2008 to September 2012, he successively served as a manager of audit department and a senior manager of the China business department of DELOITTE & TOUCHE LLP in Toronto, Canada. From November 2013 to November 2018, he served as the assistant general manager of alternative investments division of Taiping Asset Management Co., Ltd. (太平資產管理有限公司(上海)), a company principally engaged in insurance asset management, and he was mainly responsible for undertaking alternative investment project acquisition work, including insurance debt plans, equity plans,

DIRECTORS AND SENIOR MANAGEMENT

and asset-backed plans. From December 2018 to July 2021, he served as the head of mainland China area of Reorient Group Limited, and was mainly responsible for expanding investment projects, empowering existing investments, and introducing resources across the Chinese Mainland.

Mr. Xu obtained his bachelor's degree in accounting from University of Manitoba in Canada in June 2008. He further obtained his master's degree in finance from Queen's University in Canada in June 2013.

Mr. Guo Ce (郭策), aged 31, joined our Group in July 2021 and has served as the general legal counsel since then. He was appointed as an executive Director of our Company on February 4, 2026, with effect from the date of this document. He is primarily responsible for the overall legal and compliance management, risk control and ESG strategy of our Group. Mr. Guo currently also holds directorships or supervisory positions in our various subsidiaries, including (i) the supervisor of Weiheng Shanghai since January 2022; (ii) the supervisor of Xi'an Weiheng since March 2023; (iii) the supervisor of Anhui Weiheng since November 2024; and (iv) the supervisor of Xi'an Weidun since September 2025.

Prior to joining our Group, from June 2019 to July 2021, Mr. Guo served as a senior investment manager of Ruinao Shanghai, a wholly-owned subsidiary of Reorient Capital Markets Limited, and he was responsible for seeking and evaluating investment opportunities in Chinese Mainland. From September 2020 to July 2021, he also served as the risk control director of Minmetals Energy Technology Co., Ltd.* (五礦能源科技有限公司), a company principally engaged in development and sales of natural graphite and was voluntarily dissolved in October 2023.

Mr. Guo obtained his bachelor's degree in international politics from Fudan University (復旦大學) in Shanghai, PRC in June 2016 and further obtained his master's degree in international trade and investment policy from The George Washington University in Washington, U.S. in May 2018. Mr. Guo was certified as a chartered financial analyst by the CFA Institute in July 2022. He also obtained the certificate of legal professional qualification of China from the Ministry of Justice of the People's Republic of China (中華人民共和國司法部) in March 2024.

Non-executive Directors

Ms. Ko Wing Yan, Samantha (高穎欣), aged 46, joined our Group in August 2021 and has served as a non-executive Director of our Company since then. She has also served as a strategy consultant of our Company since November 2022. She is primarily responsible for providing strategic advice on the operations and management of our Group. Ms. Ko currently also holds non-executive directorships at our various subsidiaries, including ECACTUS LIMITED since December 2025 and Wei Heng Intelligent since August 2021.

Ms. Ko has over 23 years of extensive experience in corporate management and investment. Prior to joining our Group, she served at London office of J.P. Morgan from January 2003 to June 2005, with her last position being an associate; an associate in Hong Kong office of Morgan Stanley from August 2005 to August 2006; a director in global markets — structured credit and fund solutions at HSBC from September 2006 to August 2009. From October 2009 to June 2015, she served as the executive director of Concord New Energy Group Limited, a company listed on the Hong Kong Stock Exchange (stock code: 182, formerly known as China Wind Power Group Limited). From August 2011 to November 2015, she served as the executive director of Yunfeng Financial Group Limited (stock code: 376, formerly known as Asia TeleMedia Limited). From October 2014 to December 2018, she served as the chief executive officer and executive director of Varitronix International Limited, a company listed on the Hong Kong Stock Exchange (stock code: 710, now known as BOE Varitronix Limited). From February 2020 to December 2023, she served as a consultant of BC Technology Group Limited, a company listed on the Hong Kong Stock Exchange (stock code: 863). Ms. Ko has also been serving as

DIRECTORS AND SENIOR MANAGEMENT

(i) a vice chairlady of BOE Varitronix Limited since January 2019; (ii) the chief executive officer of Reorient Group Limited since January 2019; (iii) an independent non-executive director of Ainnovation Technology Group Co., Ltd., a company listed on the Hong Kong Stock Exchange (stock code: 2121) since May 2021; and (iv) the executive director of NEON GROUP LIMITED, a company previously listed on the Singapore Exchange Limited (stock code: 5HJ) since April 2019.

Ms. Ko obtained her bachelor's degree in economics and mathematics from Mount Holyoke College in the USA in May 2001. She further obtained her master's degree in finance from the Imperial College of Science, Technology and Medicine of the University of London in the UK in November 2002. Ms. Ko also won the Hong Kong Young Industrialist Award (香港青年工業家獎) awarded by the Federation of Hong Kong Industries (香港工業總會) in 2024.

Mr. Chan Kam Kwan, Jason (陳錦坤), aged 52, joined our Group in February 2026 and was appointed as a non-executive Director of our Company on February 4, 2026, with effect from the date of this document. He is primarily responsible for providing strategic advice on the operations and management of our Group.

Mr. Chan has over 28 years of experience in corporate management. Prior to joining our Group, Mr. Chan held directorships in various companies listed on the Hong Kong Stock Exchange, including Canvest Environmental Protection Group Company Limited (former stock code: 1381) as independent non-executive director from December 2014 to June 2025 and 1957&Co., (Hospitality) Limited (stock code: 8495) as independent non-executive director from November 2017 to August 2022. Mr. Chan currently also serves as an executive director of Concord New Energy Group Limited (stock code: 182) which is principally engaged in renewable energy business since April 2024 and Brockman Mining Limited (stock code: 159 and ASX stock code: BCK) which is principally engaged in mining business since January 2008. Mr. Chan currently serves as a managing director in Reorient Group Limited.

Mr. Chan has extensive experience in company secretarial matters. Since 2007, he has served as the company secretary of Concord New Energy Group Limited (stock code: 182), Brockman Mining Limited, a company listed on both the Hong Kong Stock Exchange (stock code: 159) and the Australian Securities Exchange Limited (stock code: BCK) and Frontier Services Group Limited (stock code: 500) which is principally engaged in security and logistics businesses, respectively.

Mr. Chan obtained his bachelor's degree in commerce from University of British Columbia in Canada in May 1995. He obtained the certificate of certified public accountants from the Washington State Board of Accountancy in the U.S. in 1999.

Independent Non-executive Directors

Ms. Ko Kit Man, Liza (高潔雯), aged 46, joined our Group in February 2026 and was appointed as an independent non-executive Director of our Company on February 4, 2026, with effect from the date of this document. She will be primarily responsible for providing independent advice to the Board.

Ms. Ko has ample experience in global capital market, financial management and listing compliance. She served as an auditor of KPMG Services Pte. Ltd. from August 2002 to July 2012. From September 2012 to September 2021, she worked at the Hong Kong Stock Exchange with her last position being vice president of the listing division. Ms. Ko has been serving as (i) the chief financial officer of MingMed Biotechnology Co., Ltd since September 2021; (ii) an independent non-executive

DIRECTORS AND SENIOR MANAGEMENT

director of Brockman Mining Limited (stock code: 159 and ASX stock code: BCK) since October 2024; and (iii) an independent non-executive director of OSL Group Limited, a company listed on the Hong Kong Stock Exchange (stock code: 863) since January 2026.

Ms. Ko obtained her bachelor's degree in accountancy from Nanyang Technological University in Singapore in June 2002. She has been a certified public accountant in Singapore since May 2006 and in Hong Kong since January 2015.

Mr. Wong Tak Ho, Justin (黃德豪), aged 45, joined our Group in February 2026 and was appointed as an independent non-executive Director of our Company on February 4, 2026, with effect from the date of this document. He will be primarily responsible for providing independent advice to the Board.

Mr. Wong has over 20 years of experience in corporate financing and investment. Prior to joining our Group, he was as a business development manager at Silver Spring Networks, a U.S.- based smart grid technology company providing advanced energy management solutions to utility companies, from September 2009 to March 2011. During his tenure, he was responsible for the business development activities in Greater China, Japan and Southeast Asia, Mr. Wong was also employed at the group companies of Morgan Stanley Asia Limited in different capacities between 2002 to 2012, including as an associate in the Investment Banking Division in Hong Kong from August 2011 to May 2012. He was principally involved in advising power and utilities companies, power equipment manufacturers and renewable energy companies in Asia on financing transactions, mergers and acquisitions, and corporate restructuring projects. Mr. Wong currently also holds the position of (i) managing director of Hing Yip Finance & Investment Co., Ltd., an investment holding company with a property portfolio in Hong Kong and Canada since July 2012; and (ii) executive director and general manager of S28 Asset Management Limited, a fund management company since October 2017.

Mr. Wong also holds various social positions, including serving as a member of the Council of the City University of Hong Kong since January 2022, and being elected as a Member of the Standing Committee of the 13th Jiangmen Municipal Committee of the Chinese People's Political Consultative Conference (政協第十三屆江門市委員會常委會委員) since January 2020.

Mr. Wong obtained his bachelor of science degree from Duke University in the state of North Carolina in May 2002 and further obtained his master of business administration degree from Stanford University in the state of California in June 2009.

Mr. He Hao (何浩), aged 50, joined our Group in February 2026 and was appointed as an independent non-executive Director of our Company, on February 4, 2026, with effect from the date of this document. He will be primarily responsible for providing independent advice to the Board.

Mr. He has ample experience in investment banking and financing. Prior to joining our Group, from August 2012 to April 2018, he served at China Merchants Securities International Company Limited and his last position was an executive director, and head of TMT & healthcare team. From April 2018 to October 2021, he served as the managing director and head of TMT at CLSA Limited. From January 2022 to January 2024, he served as the managing director and head of China TMT at UBS AG. Hong Kong Branch. Mr. He currently also serves as an adjunct associate professor at the University of Hong Kong since September 2024.

Mr. He obtained his bachelor of commerce degree from the University of Toronto in Canada in June 2001 and further obtained his master's degree in economics from the University of Waterloo in Canada in June 2003. He also obtained his master of business administration degree from the University of Chicago Booth School of Business in the U.S. in March 2018.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management comprises seven members and is responsible for the day-to-day management of our business.

The following table sets forth the key information about our senior management:

Name	Age	Position(s)	Date of joining our Group	Date of appointment as a member of senior management	Responsibilities	Relationship with other Directors and senior management and Controlling Shareholders
Mr. Xu Yuanyuan (徐源遠)	41	Executive Director and general manager	July 1, 2021	July 1, 2021	Responsible for the overall business management of our Group	N/A
Mr. Wu Yu (吳煜)	37	Vice general manager	February 1, 2020	September 1, 2024	Responsible for overseeing the marketing, product and R&D of our Group	N/A
Mr. Lin Sitong (林思潼)	33	Chief financial officer	July 1, 2021	July 1, 2021	Responsible for financial accounting, financial budgeting, financial analysis, debt and equity financing and cash flow management of our Group	N/A
Mr. Wang Yuanyuan (王元元)	40	Vice general manager	January 17, 2022	January 17, 2022	Responsible for the investment, financing and strategic development of our Group	N/A
Mr. Yang Shu (楊樹)	40	Vice general manager	July 1, 2021	July 1, 2021	Responsible for the domestic marketing and sales of our Group	N/A
Mr. Sun Pengfei (孫鵬飛)	39	Vice general manager	April 1, 2021	April 1, 2021	Responsible for the overseas marketing and sales of our Group	N/A
Ms. Wang Ying (王瑩)	39	Board secretary	September 1, 2022	September 1, 2025	Responsible for the corporate governance, information disclosure and other capital market issues of our Group	N/A

For the biographical details of Mr. Xu Yuanyuan (徐源遠), please refer to the section headed “Board of Directors — Executive Directors” above.

Mr. Lin Sitong (林思潼), aged 33, joined our Group in July 2021 and has served as the chief financial officer of our Company since then. He is responsible for financial accounting, financial budgeting, financial analysis, debt and equity financing and cash flow management of our Group. Mr. Lin currently also serves as the finance responsible person of one of our major subsidiaries, Weiheng Shanghai since April 2022.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, from October 2015 to April 2017, Mr. Lin served as an auditor of PricewaterhouseCoopers ZhongTian LLP. From April 2017 to December 2018, he served as an investment manager of Taiping Guo Fa (Suzhou) Capital Management Co., Ltd. (太平國發(蘇州)資本管理有限公司). From January 2019 to September 2021, he served as the senior investment manager of Ruinao Shanghai. Mr. Lin also serves as the supervisor of Zhuhai Aoxin Industrial Co., Ltd.* (珠海市傲信實業有限公司) since September 2022.

Mr. Lin obtained his bachelor's degree in auditing from Guangdong University of Foreign Studies (廣東外語外貿大學) in Guangzhou, PRC in June 2015. He further obtained his master's degree in finance from Renmin University of China (中國人民大學) in Beijing, PRC in December 2023. Mr. Lin has been certified as a certified public accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since March 2021, and has been certified as a certified tax agent by the China Certified Tax Agents Association (中國註冊稅務師協會) since November 2022.

Mr. Wu Yu (吳煜), aged 37, joined our Group in February 2020 and has served as an executive Director of our Company from April 2024 to December 2025 and the vice general manager of our Company since 1 September 2024. He is primarily responsible for overseeing the marketing, product and R&D of our Group.

Mr. Wu has over 11 years of experience in energy storage industry. Prior to joining our Group, he served as a research assistant of Fudan University from November 2015 to May 2016 and was responsible for the development of energy storage programs. From September 2016 to July 2018, he served as a product manager of Shanghai Fenghe Investment Management Co., Ltd.* (上海峰和投資管理有限公司), a company principally engaged in R&D, manufacturing, and sales of photovoltaic power stations and energy storage systems, and he was mainly responsible for the construction of energy storage data center. From August 2018 to April 2019, he worked at Shanghai Fudan Planning and Architectural Design Research Co., Ltd.* (上海復旦規劃建築設計研究有限公司). From May 2019 to January 2020, he worked at Shanghai Fudan Fenglin Science Park Co., Ltd.* (上海復旦楓林科技園有限公司).

Mr. Wu obtained his bachelor's degree in electrical engineering and automation and his master's degree in optoelectronic information and control technology from Fudan University (復旦大學) in Shanghai, PRC in July 2011 and June 2014, respectively.

Mr. Wang Yuanyuan (王元元), aged 40, joined our Group in January 2022 and has served as the vice general manager of our Company since then. He is responsible for the investment, financing and strategic development of our Group. Mr. Wang currently also serves as the responsible person of our Beijing branch since November 2023 and the director and general manager of Anhui Weiheng since November 2024.

Prior to joining our Group, from July 2010 to January 2011, Mr. Wang served as a project manager of China Universal Leasing Co., Ltd (中國環球租賃股份有限公司) and principally engaged in investment and financial leasing business. From August 2011 to January 2019, he successively served as vice general manager of Jinmei Financial Leasing Co., Ltd.* (金美融資租賃有限公司), a company principally engaged in investment and financial leasing business and the vice general manager of Zhongjianshangxin Beijing Fund Management Co., Ltd.* (中建上信(北京)基金管理有限公司), a company principally engaged in investment management, asset management and private equity investments. From January 2019 to September 2020, he served as the managing director of investment bank department of Pacific Securities Co., Ltd. (太平洋證券股份有限公司), a comprehensive securities company listed on the Shanghai Stock Exchange (stock code: 601099). From September 2020 to January 2022, he served as the managing director of investment bank department of Huaying Securities Limited

DIRECTORS AND SENIOR MANAGEMENT

(華英證券有限責任公司), a company principally engaged in underwriting and sponsorship services, as well as financial advisory services. Mr. Wang has also serves as the supervisor of Beijing Detai Yufeng Investment Management Co., Ltd. * (北京德泰裕豐投資管理有限公司) since January 2016.

Mr. Wang obtained his bachelor's degree in mechanical engineering from Harbin Institute of Technology (哈爾濱工業大學) in Harbin, PRC in July 2007. He further obtained his master's degree in precision instruments and mechanics from Tsinghua University in Beijing, PRC in July 2010.

Mr. Yang Shu (楊樹), aged 40, joined our Group in July 2021 and has served as the vice general manager of our Company since then. He is responsible for the domestic marketing and sales of our Group. Mr. Yang currently also holds directorships and/or other senior management positions at our various subsidiaries, including the general manager of Gansu Hengchu since July 2023 and a director of Weiheng Fujin since November 2022.

Prior to joining our Group, from July 2019 to July 2021, Mr. Yang served as an assistant researcher of Xi'an Branch of Chinese Academy of Sciences (中國科學院西安分院).

Mr. Yang obtained his bachelor's degree in biology from Shaanxi Normal University (陝西師範大學) in Xi'an, PRC in July 2008 and his master's degree in molecular genetics from Beijing Normal University (北京師範大學) in Beijing PRC in July 2011. He further obtained his PhD degree in botany from Shaanxi Normal University (陝西師範大學) in June 2019.

Mr. Sun Pengfei (孫鵬飛), aged 39, joined our Group in April 2021 and has served as the vice general manager of our Company since then. He is responsible for the overseas marketing and sales of our Group. Mr. Sun currently also serves as executive directors in our various subsidiaries, including Wuxi Weiheng Energy Storage Technology Co., Ltd. (無錫為恒儲能科技有限公司) since August 2022 and ECACTUS B.V. since December 2022.

Prior to joining our Group, from July 2009 to July 2012, Mr. Sun served as a trainee of Guangzhou Blue Moon Industrial Co., Ltd. (廣州藍月亮實業有限公司), a company principally engaged in consumer industry. From October 2011 to October 2014, he served as a sales manager of SOHO China Limited (SOHO中國有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 410) and principally engaged in real estate development investment. From January 2015 to April 2021, he served as the general manager of Jiuyu (Shanghai) Investment Co., Ltd.* (久域(上海)投資有限公司), a company principally engaged in consulting services, investment management and trade services.

Mr. Sun obtained his bachelor's degree in human resource management from South-Central University for Nationalities (中南民族大學) in Wuhan, PRC in June 2009.

Ms. Wang Ying (王瑩), aged 39, joined our Group in September 2022 and has served as the Board secretary since September 2025. She is primarily responsible for the corporate governance, information disclosure and other capital market issues of our Group. Ms. Wang has also served as a director of Weiheng Shanghai, one of our major subsidiaries, since November 2022.

Prior to joining our Group, from July 2012 to May 2021, Ms. Wang served as senior vice president of fixed income division of Shanghai International Trust Co., Ltd. (上海國際信託有限公司), a company principally engaged in trust and investment funds. From June 2021 to August 2022, she worked at Chang An International Trust Co., Ltd. (長安國際信託股份有限公司), a company principally engaged in trust and fund management.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Wang obtained her bachelor’s degree in science and economics and her master’s degree in management from University of Science and Technology of China (中國科學技術大學) in Hefei, PRC in June 2009 and June 2012, respectively.

Save as disclosed above and the sections headed “Appendix IV — Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — Disclosure of Interests” in this document, each of our Directors confirms with respect to himself or herself that he or she (1) did not hold other long positions or short positions in the Shares, underlying Shares, debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) as of the Latest Practicable Date; (2) had no other relationship with any Directors, senior management, substantial shareholders or Controlling Shareholders of our Company as of the Latest Practicable Date; (3) did not hold any other directorships in the three years prior to the Latest Practicable Date in any public companies of which the securities are listed on any securities market in Hong Kong and/or overseas; and (4) there are no other matters concerning our Directors’ appointment that need to be brought to the attention of our Shareholders and the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

CONFIRMATION FROM THE DIRECTORS

Rule 3.09D and Rule 3.13 Confirmation

Each of our Directors confirms with respect to himself or herself that (1) he or she obtained the legal advice referred to under Rule 3.09D of the Listing Rules on January 29, 2026, and (2) he or she understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (1) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (2) he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (3) that there are no other factors that may affect his or her independence at the time of appointments.

Competing Interests

Each of our Directors confirms that he/she or his/her respective close associates do not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

JOINT COMPANY SECRETARIES

Each of Mr. Chan Kam Kwan, Jason (陳錦坤) and Ms. Wang Ying (王瑩) was appointed as one of the joint company secretaries of our Company with effect from February 4, 2026, for their biographies, see “— Non-executive Directors” and “— Senior Management” above.

BOARD COMMITTEES

Our Company has established three committees under the Board of Directors, namely the Audit Committee, the Remuneration Committee and the Nomination Committee.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We [have established] the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Audit Committee consists of four Directors, namely Ms. Ko Kit Man, Liza, Mr. Chan Kam Kwan, Jason, Mr. Wong Tak Ho, Justin and Mr. He Hao, with Ms. Ko Kit Man, Liza currently serving as the chairperson of the Audit Committee. Ms. Ko has the appropriate professional qualification and experience as required under Rules 3.10(2) and 3.21 of the Listing Rules. The Audit Committee is mainly responsible for reviewing and overseeing the financial reporting procedure, risk management and internal control system of our Group.

Remuneration Committee

We [have established] the Remuneration Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Remuneration Committee consists of five Directors, namely Mr. Wong Tak Ho, Justin, Mr. Xu Yuanyuan, Ms. Ko Wing Yan, Samantha, Ms. Ko Kit Man, Liza and Mr. He Hao, with Mr. Wong Tak Ho, Justin serving as the chairperson of the Remuneration Committee. The Remuneration Committee is mainly responsible for evaluating the remuneration policies for Directors and senior management of our Group and making recommendations thereon to the Board of Directors.

Nomination Committee

We [have established] the Nomination Committee in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of five Directors, namely Mr. He Hao, Mr. Xu Yuanyuan, Ms. Ko Wing Yan, Samantha, Ms. Ko Kit Man, Liza and Mr. Wong Tak Ho, Justin, with Mr. He Hao currently serving as the chairperson of the Nomination Committee. The Nomination Committee is mainly responsible for identifying, screening and recommending to the Board of Directors qualified candidates to serve as the Directors and senior management and monitoring the procedures for evaluating the performance of the Board of Directors.

DIVERSITY POLICY OF THE BOARD OF DIRECTORS

The Board of Directors has adopted a board diversity policy (the “**Board Diversity Policy**”) in order to enhance the effectiveness of our Board of Directors and to maintain high standard of corporate governance. The Board Diversity Policy sets out the criteria in selecting candidates to our Board of Directors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board of Directors.

Our Directors have a balanced mixed of gender, knowledge and skills, including but not limited to overall business management, finance and accounting and chemical biology. Two of our Directors are female Directors and two of our members of the Nomination Committee are also female Directors. Our Directors obtained degrees in diversified majors including business administration, economics and accounting. In addition, our Board of Directors has a wide range of age. Our Board is of the view that our Board of Directors satisfies the Board Diversity Policy. Our Board will also ensure that appropriate balance of gender diversity is achieved with reference to investors’ expectation, and international and local recommended best practices.

DIRECTORS AND SENIOR MANAGEMENT

The Nomination Committee is responsible for reviewing the diversity of our Board. After the [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

We will continue to improve the gender diversity at the Board level after the [REDACTED]. We will continue to apply the principle of appointments based on merits with reference to our diversity policy as a whole. Our Company is committed to board diversity and will maintain at least one Director of different gender in our Board and Nomination Committee after the [REDACTED]. In addition, our Board will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will take into consideration of gender diversity when recruit staff at mid to senior level management and continue to emphasize training of female talent and providing long-term development opportunities for our female staff. Our Board and the Nomination Committee will also conduct annual review on our gender diversity and will take into consideration of gender diversity when recommending and appoint new board members to further enhance the gender diversity in our Board after the [REDACTED].

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The compensation and remuneration of the Directors and members of the senior management of our Company are determined by the Shareholders' meetings and our Board as appropriate in the form of salaries and bonuses. Our Company also reimburses them for expenses which are necessary and reasonably incurred in providing services to our Company or discharging their duties in relation to the operations of our Company. When reviewing and determining the specific remuneration packages for our Directors and members of the senior management of our Company, the Shareholders' meetings and our Board take into account factors such as salaries paid by comparable companies, time commitment, level of responsibilities, employment elsewhere in our Group and desirability of performance-based remuneration. As required by the relevant PRC laws and regulations, our Company also participates in various defined contribution plans organized by relevant provincial and municipal government authorities and welfare schemes for employees of our Company, including medical insurance, injury insurance, unemployment insurance, pension insurance, maternity insurance and housing provident fund.

Our Company offers Directors and senior management members compensation in the form of salaries, bonuses, social security plans, housing provident fund plans and other benefits in kind.

The aggregate amounts of remuneration paid to the Directors for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, were RMB26.62 million, RMB44.02 million and RMB1.60 million, respectively.

During each of the Track Record Period, there were two Directors among the five highest paid individuals. The aggregate amounts of remuneration paid to the remaining three individuals among the five highest paid individuals for the years ended December 31, 2023 and 2024 and the nine months ended September 30, 2025, were RMB11.30 million, RMB15.33 million and RMB1.52 million, respectively.

It is estimated that remuneration equivalent to approximately RMB2.64 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2025, based on the arrangements in force as of the date of the document.

DIRECTORS AND SENIOR MANAGEMENT

No remuneration was paid by our Company to the Directors or the five highest paid individuals as inducement to join or upon joining our Company or as compensation for loss of office during the Track Record Period. Furthermore, none of the Directors waived or agreed to waive any remuneration during the Track Record Period.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability. Our Company intends to comply with all code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the [REDACTED].

COMPLIANCE ADVISOR

Our Company appointed Maxa Capital Limited as the compliance advisor pursuant to Rule 3A.19 of the Listing Rules, and the compliance advisor will advise our Company in the following circumstances.

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (iii) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner that is different from that detailed in this document or where our business activities, developments or results deviate from any forecasts, estimates or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry of our Company pursuant to Rule 13.10 of the Listing Rules.

Meanwhile, pursuant to Rule 3A.24 of the Listing Rules, the compliance advisor shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The compliance advisor shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

The terms of the appointment of the compliance advisor will commence on the [REDACTED] and end on the date when our Company distributes the annual report of its financial results for the first full financial year commencing after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the Share Subdivision is completed and the [REDACTED] is not exercised), the following persons will have interests and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of interest	Description of Shares	As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares (assuming the Share Subdivision is completed and the [REDACTED] is not exercised)		
			Number ⁽¹⁾	Approximate percentage of interest in our Company	Number ⁽¹⁾	Approximate percentage of interest in the Unlisted Shares or H Shares (as appropriate)	Approximate percentage of interest in our Company ⁽²⁾
Mr. Ko	Interest in controlled corporation ⁽³⁾	Unlisted Shares	48,670,000	43.11%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation ⁽⁴⁾	Unlisted Shares	17,590,941	15.58%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Rich Master	Interest in controlled corporation ⁽³⁾	Unlisted Shares	48,670,000	43.11%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Reorient Investments Limited	Beneficial owner	Unlisted Shares	20,000,000	17.71%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation ⁽³⁾	Unlisted Shares	28,670,000	25.39%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Wuxi Weiheng	Beneficial owner	Unlisted Shares	28,670,000	25.39%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Reorient Capital Markets Limited	Interest in controlled corporation ⁽⁴⁾	Unlisted Shares	17,590,941	15.58%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Ruinao Shanghai	Interest in controlled corporation ⁽⁴⁾	Unlisted Shares	17,590,941	15.58%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Shanghai Juhengxin	Beneficial owner	Unlisted Shares	17,590,941	15.58%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Sun Yaojie	Interest in controlled corporation ⁽⁵⁾	Unlisted Shares	15,000,000	13.29%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Shanghai Huanjing	Interest in controlled corporation ⁽⁵⁾	Unlisted Shares	15,000,000	13.29%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Weiheng New Energy	Beneficial owner	Unlisted Shares	15,000,000	13.29%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) All interests are long positions.
- (2) The calculation is based on the total number of [REDACTED] H Shares in issue upon [REDACTED] comprising (i) an aggregate of [REDACTED] H Shares to be converted from the Unlisted Shares and (ii) [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming that the Share Subdivision is completed and the [REDACTED] is not exercised).
- (3) As at the Latest Practicable Date, Wuxi Weiheng directly held 28,670,000 Shares in our Company and Reorient Investments Limited directly held 20,000,000 Shares of our Company. Wuxi Weiheng is wholly owned by Reorient Investments Limited, a company incorporated in Hong Kong and wholly owned by Rich Master, a company incorporated in BVI and wholly owned by Mr. Ko. As such, Mr. Ko is deemed to be interested in the 48,670,000 Shares in our Company under the SFO.
- (4) As at the Latest Practicable Date, Shanghai Juhengxin directly held 17,590,941 Shares in our Company, and it is controlled by Ruinao Shanghai as its general partner. Ruinao Shanghai is wholly owned by Reorient Capital Markets Limited, a company incorporated in Hong Kong and wholly owned by Mr. Ko. As such, Mr. Ko is deemed to be interested in the 17,590,941 Shares in our Company under the SFO.
- (5) As at the Latest Practicable Date, Weiheng New Energy directly held 15,000,000 Shares in our Company. Weiheng New Energy is owned as to 41.00% by Mr. Sun Yaojie and 32.40% by Shanghai Huanjing. According to an acting in concert arrangement between Mr. Sun Yaojie and Shanghai Huanjing, Mr. Sun Yaojie controlled an aggregate of 73.40% voting rights in Weiheng New Energy. Mr. Sun Yaojie is deemed to be interested in the 15,000,000 Shares in our Company under the SFO.

SHARE CAPITAL

This section presents certain information regarding our share capital prior to and upon the completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the total issued share capital of our Company was RMB116,341,973 comprising 116,341,973 Unlisted Shares with a nominal value of RMB1.00 each.

We expect to conduct the Share Subdivision immediately prior to the [REDACTED], pursuant to which each of our Shares with par value of RMB1.00 will be subdivided into [two] Shares with par value of RMB[0.50] each. See “History, Development and Corporate Structure — Share Subdivision” for details.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, assuming the Share Subdivision is completed and the [REDACTED] is not exercised, the share capital of our Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of the total share capital</u>
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be issued under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>[100]%</u>

Immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares, assuming the Share Subdivision is completed and the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

<u>Description of Shares</u>	<u>Number of Shares</u>	<u>Approximate percentage of the total share capital</u>
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares	[REDACTED]	[REDACTED]%
H Shares to be issued under the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>[100]%</u>

SHARE CLASSES

Upon completion of the [REDACTED] and conversion of [REDACTED] Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are regarded as one class of shares under our Articles of Association, and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Other than cash, dividends could also be paid in the form of shares or a combination of cash and shares.

SHARE CAPITAL

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

As of the Latest Practicable Date, all our Unlisted Shares are not listed or traded on any stock exchange. The holders of our Unlisted Shares may, at their own option, authorize us to apply to the CSRC for conversion of their respective Unlisted Shares into H Shares. After the conversion of Unlisted Shares, such converted Shares may be [REDACTED] or [REDACTED] on an overseas stock exchange, provided that such conversion shall have gone through any requisite internal approval process and complied with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and the filing procedure with the CSRC shall have been completed. The [REDACTED] of such converted Shares on the Stock Exchange will also require the approval of the Stock Exchange. Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the [REDACTED]. As any [REDACTED] of additional Shares after our initial [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our initial [REDACTED] in Hong Kong.

No voting of class shareholder is required for the [REDACTED] and [REDACTED] of the converted Shares on the Stock Exchange. Any application for [REDACTED] of the converted Shares on the Stock Exchange after our initial [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion. After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Unlisted Shares will be withdrawn from the Domestic Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our [REDACTED] will be conditional on (a) our [REDACTED] lodging with the Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] and the due dispatch of H Share certificates; and (b) the admission of the H Shares to trade on the Stock Exchange in compliance with the Listing Rules, the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted shares are re-registered on our [REDACTED], such Shares would not be [REDACTED] as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within 12 months from the [REDACTED].

REGISTRATION OF SHARES NOT LISTED ON THE OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) announced by the CSRC, the domestic shareholders of our Shares shall handle share transfer registration business in accordance with the relevant business rules of the China Securities Depository and Clearing Corporation Limited. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the China Securities Depository and Clearing Corporation Limited of such shares involved in the application is completed.

SHAREHOLDERS’ APPROVAL FOR THE [REDACTED]

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. For details of circumstances under which our Shareholders’ general meeting is required, see section headed “Appendix III — Summary of Articles of Association of the Company” of this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our audited consolidated financial information as of and for the year ended December 31, 2023 and 2024 and the nine months ended September 30, 2025 included in the Accountant’s Report set out in Appendix I to this document, together with the accompanying notes. Our consolidated financial information has been prepared in accordance with HKFRSs, which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and interpretations, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. In evaluating our business, you should carefully consider the information provided in the “Risk Factors,” “Forward-Looking Statements” and “Business” section in this document. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties.

The following discussion and analysis also contain certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

OVERVIEW

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 have consistently pursued a global strategy and are one of the first movers among the Chinese enterprises to break in the overseas C&I energy storage markets.

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.

Our major awards and recognitions include being designated as 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 2025, winning 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 and winning a gold medal at the Geneva International Invention Exhibition in both 2024 and 2025.

FINANCIAL INFORMATION

After years of dedicated efforts, we have achieved rapid growth during the Track Record Period. Our revenue was RMB266.8 million and RMB268.3 million in 2023 and 2024, respectively. Our revenue increased significantly from RMB124.9 million for the nine months ended September 30, 2024 to RMB476.4 million for 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 from RMB18.5 million for the nine months ended September 30, 2024 to RMB90.8 million for 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.

BASIS OF PREPARATION OF OUR FINANCIAL INFORMATION

Our historical financial information has been prepared in accordance with principal accounting policies in accordance with HKFRSs issued by the HKICPA. The principal accounting policies have been consistently applied to all the years and periods presented, unless otherwise stated. The consolidated financial statements of our Group for the year ended December 31, 2023 and 2024 were audited by our Reporting Accountant, and the consolidated financial statements of our Group for the nine months ended September 30, 2025 were reviewed by our Reporting Accountant in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA. The historical financial information is presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our operating results have been and will continue to be affected, directly and indirectly, by a number of factors. The following factors are not exhaustive and our business and financial condition and operating results may also be affected by the risk factors set forth in the “Risk Factors” in this document.

Development Trends and Market Competition in the Global and Chinese Mainland’s Lithium-ion Battery Energy Storage System Industry

The development trajectory of the global and Chinese lithium-ion battery energy storage system industry, including the commercial and industrial (“C&I”) segment, represents a key factor influencing our financial performance.

According to Frost & Sullivan, the global lithium-ion battery energy storage system market is undergoing rapid expansion driven by accelerating renewable energy adoption, improvements in overall system performance and rising demand for energy autonomy on the user side. The 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%, indicating sustained market expansion. Notably, overseas markets, particularly Europe, show strong structural growth potential, with total shipment volume for lithium-ion battery energy storage systems and the C&I segment forecast to reach 88.9GWh and 9.4GWh, by 2030, growing at CAGRs of 20.0% and 30.5% between 2024 and 2030, respectively.

In the Chinese Mainland, the lithium-ion battery energy storage system market as well as C&I segment are simultaneously experiencing high-speed expansion and intensified competition. The entry of new players and aggressive pricing strategies adopted by large-scale industry players have accelerated declines in average selling prices and compressed margin across the sector. These dynamics have reinforced competitive pressures, particularly in the domestic market.

FINANCIAL INFORMATION

While in the nine months ended September 30, 2025, we ranked eighth and third among Chinese lithium-battery energy storage system integrators, respectively, in terms of the shipment volume of C&I energy storage systems globally and in the overseas markets (outside the Chinese Mainland), we continue to face competitive challenges, including the scale advantage and pricing power of other players, as well as continued price pressure from emerging entrants. Nevertheless, overseas markets exhibit structurally stronger demand growth, supported by (i) accelerated grid-modernization needs arising from increasing deployment of renewable energy, coupled with weak grid infrastructure, calling for better energy storage solutions; and (ii) rising demand for C&I and residential energy storage solutions driven by industrial development across overseas markets.

Reflecting these trends, our overseas revenue contribution has increased throughout the Track Record Period, amounting to RMB38.6 million, RMB135.7 million, RMB60.9 million and RMB212.8 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, accounting for 14.5%, 50.6%, 48.8% and 44.7% of our total revenue, respectively. We expect overseas sales, particularly in Europe and Asia-Pacific, to remain a key driver of our future growth. To capture this momentum, we intend to continue focusing on high-end overseas markets that emphasize product safety, system reliability and lifecycle performance, while expanding value-added services such as energy management software, virtual power plant (“VPP”) platforms and other intelligent operation solutions to strengthen customer stickiness, create new revenue streams and enhance long-term profitability.

Overall, the interplay between rapid market expansion, intensifying competition and evolving customer demand, both in the Chinese Mainland and overseas, remains a key factor influencing our pricing strategy, margin profile and product mix evolution, and will continue to have a material impact on our financial performance going forward.

Supply Chain Management and Fluctuations in Raw Material Prices

Our profitability depends partly on our ability to effectively manage and optimize our costs. During the Track Record Period, our raw material costs were the largest component of our cost of sales. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our raw material costs were RMB227.3 million, RMB194.2 million, RMB89.1 million and RMB355.9 million, accounting for 92.8%, 88.4%, 83.7% and 92.3%, respectively, of our total cost of sales for the same periods. As these raw materials are primarily priced based on market conditions and our bargaining position with suppliers, changes in their prices directly influence our gross profit margins.

To hedge against the risks of price fluctuations in raw materials, we (i) strategically maintain several months of safety stock for critical materials such as core electronic components and battery cells; (ii) engage in ongoing communication and long-term strategic cooperation with suppliers; and (iii) enter into framework procurement agreements that specify procurement prices with certain of our suppliers to manage potential cost increases. Furthermore, our tiered product portfolio allows us to balance cost pressures while responding to different customer price expectations.

Despite these mitigation efforts, we cannot assure you that volatility in raw material prices or supply chain disruptions will not recur in the future, or that we will always be able to pass increased costs through to customers, obtain alternative sourcing in a timely manner, or maintain stable gross profit margins under adverse market conditions. See “Risk Factors — Risks Relating to Our Business And Industry — Price fluctuations and inadequate or interrupted supply for our materials and components could adversely affect our business operation, financial condition and future prospects.” As such, the management of raw material cost fluctuations and supply chain stability remains a key factor affecting our results of operations.

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Investment in Technological Innovation and Product Development Capabilities

Our results of operations are significantly influenced by our continued investment in technological innovation and product development, which underpins our competitiveness in the rapidly evolving energy storage industry. As the market transitions from pure hardware competition towards integrated, software-driven system intelligence, the ability to combine high-efficiency and high-reliability hardware with advanced software algorithms, intelligent control systems and data-driven operational platforms has become a critical differentiator.

During the Track Record Period, we primarily derived our revenue from the sales of C&I, utility and residential energy storage solutions, centered on our proprietary hardware and software technologies. See “Business — Research and Development — Our Solutions.” We have been continuously investing in R&D to maintain and advance our technological capabilities. Our R&D expenses amounted to RMB46.3 million, RMB47.4 million, RMB32.7 million and RMB38.3 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, accounting for 17.3%, 17.7%, 26.2% and 8.0% of our total revenue for the same periods, respectively. In the nine months ended September 30, 2024 and 2025, our R&D expenses as a percentage of our total revenue dropped from 26.2% to 8.0%, primarily as our revenue significantly increased during the period.

Leveraging our proprietary energy storage system integration technologies and our intelligent energy management software, we deliver solutions that improve system security, reliability and full lifecycle operation efficiency. These technological advantages position us to compete effectively in complex C&I application scenarios, where customers increasingly demand not only high-performing hardware but also intelligent, interoperable and grid-responsive capabilities. In turn, this helps build customer trust and further strengthen customer stickiness.

Furthermore, supportive national policies in the Chinese Mainland have emphasized the importance of technological advancement and standardized management for next-generation energy storage technologies, driving innovation across the industry. In line with these trends, we are increasing strategic investment in frontier areas such as intelligent energy-management software and VPP aggregation technologies, which enable customers to optimize energy usage and economic returns.

These R&D efforts not only enhance our current product offerings but also create new business models and recurring revenue streams. As the complexity and intelligence required of energy solutions continue to rise, the scalability of our software-driven architecture and system-level design capabilities will play an increasingly important role in customer value proposition and long-term financial performance. Consequently, sustained investment in technological innovation remains a key factor affecting our results of operations.

Sales and Distribution Networks and Customer Structure

Our results of operations are significantly affected by the structure, coverage and effectiveness of our sales and distribution networks, as well as the composition and stability of our customer base. The energy storage industry remains relatively fragmented, with diverse application scenarios across regions and sectors. While certain customers in different countries or vertical industries may require certain customized functions, product specifications within a given geographic region are generally standardized. As such, broad sales coverage, deep market penetration and responsive after-sales capabilities are critical to customer acquisition and retention. 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.

FINANCIAL INFORMATION

In particular, order visibility and stability from key customers directly influence our revenue planning and operational forecasts. In a fragmented global energy storage market, reliance on a limited number of strategic customers could increase exposure to fluctuations in order volumes. To mitigate such risks and enhance network resilience, we have strengthened our sales and distribution networks, which allows us to expand market reach in both the Chinese Mainland and overseas and engage closely with customers. 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. Furthermore, in overseas markets, we have established strategic partnerships with our distributors. This approach enables us to (i) accelerate 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) diversify market exposure and improve revenue stability; and (iii) strengthen liquidity management and ease the pressure on cash flow through full-payment or prepayment arrangements required from our distributors.

During the Track Record Period, we did not encounter the termination of any material contract with key customers or suppliers, nor did we experience significant abnormal pricing fluctuations arising from commercial disputes or concentration risks. Our diversified customer structure, combined with a balanced mix of direct sales and distribution network, has contributed to the resilience of our revenue base and contributed to the stability of our business performance. Continued expansion and optimization of our domestic and overseas sales networks, as well as maintaining strong long-term relationships with key customers and distributors, remain key factors affecting our results of operations.

Seasonality

According to Frost & Sullivan, the sales of our energy storage solutions exhibit 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. See "Business — Seasonality." As a result, our financial condition and results of operations are subject to periodic fluctuations attributable to sales volume variations resulted from seasonality.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments by our management relating to accounting items. The estimates and associated assumptions are based on our historical experience and various other relevant factors that we believe are reasonable under the circumstances. Actual results may differ from these estimates. Our management continually evaluates such estimates, assumptions and judgements based on historical experience and other assumptions which our management believes to be reasonable under the circumstances. There has not been any material deviation between our management's estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future. Our material accounting policies and estimates, which are important for understanding our financial condition and results of operations, are set out in the Accountant's Report in Appendix I to this document, including notes 2, 4, 5(d), 16(a), 22, 34 and 37 therein.

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DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of comprehensive income for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
Revenue	266,835	100.0	268,275	100.0	124,885	100.0	476,389	100.0
Cost of sales	(244,800)	(91.7)	(219,764)	(81.9)	(106,378)	(85.2)	(385,615)	(80.9)
Gross profit	22,035	8.3	48,511	18.1	18,507	14.8	90,774	19.1
Other income	2,047	0.8	5,973	2.2	4,429	3.5	2,677	0.6
Other gains/(losses), net	777	0.3	(1,435)	(0.5)	853	0.7	5,054	1.1
Selling and marketing expenses	(37,846)	(14.2)	(67,086)	(25.0)	(47,244)	(37.8)	(47,194)	(9.9)
Research and development expenses	(46,259)	(17.3)	(47,377)	(17.7)	(32,749)	(26.2)	(38,270)	(8.0)
Administrative expenses	(87,691)	(32.9)	(137,113)	(51.1)	(108,888)	(87.2)	(45,161)	(9.5)
(Provision for)/reversal of impairment of financial assets and contract assets	(5,456)	(2.0)	(1,806)	(0.7)	2,331	1.9	(4,130)	(0.9)
Operating losses	(152,393)	(57.1)	(200,333)	(74.7)	(162,761)	(130.3)	(36,250)	(7.6)
Finance income	87	0.0	679	0.3	499	0.4	335	0.1
Finance costs	(1,424)	(0.5)	(3,814)	(1.4)	(2,568)	(2.1)	(4,365)	(0.9)
Finance costs, net	(1,337)	(0.5)	(3,135)	(1.2)	(2,069)	(1.7)	(4,030)	(0.8)
Share of results of associates	—	—	(5)	(0.0)	—	—	—	—
Loss before income tax	(153,730)	(57.6)	(203,473)	(75.8)	(164,830)	(132.0)	(40,280)	(8.5)
Income tax expense	—	—	(1,073)	(0.4)	(410)	(0.3)	(118)	(0.0)
Loss for the year/period	(153,730)	(57.6)	(204,546)	(76.2)	(165,240)	(132.3)	(40,398)	(8.5)

Revenue

During the Track Record Period, we primarily generated revenue from the sales of C&I, utility and residential energy storage solutions. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue was RMB266.8 million, RMB268.3 million, RMB124.9 million and RMB476.4 million, respectively.

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Revenue by Business Segment

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 hardware products, their corresponding software platforms that are customizable for the specific needs of customers and after-sales services. We have built a complete business closed loop featuring global market coverage, differentiated sales channels, standardized delivery and payment collection in installments. See “Business — Our Business Segments and Models.” We also generated revenue from others, which primarily represented revenue from (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.

Our revenues in substantially all business segments increased during the Track Record Period, primarily driven by (i) increasing demand for our solutions; and (ii) our growing customer base especially in overseas markets supported by our accumulated insights into customer needs.

The table below sets forth a breakdown of our revenue by business segment for the periods indicated:

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

Revenue by Geographical Location

During the Track Record Period, we successfully established market presence in the Chinese Mainland and overseas, primarily in Europe, Asia-Pacific (including Australia and Southeast Asia) and the Middle East.

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The following table sets forth a breakdown of our revenue by geographical location (based on location of customers) for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
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	6,276	2.4	21,603	8.1	13,234	10.6	44,476	9.3
Total	266,835	100.0	268,275	100.0	124,885	100.0	476,389	100.0

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, revenue from the Chinese Mainland amounted to RMB228.3 million, RMB132.6 million, RMB64.0 million and RMB263.6 million, respectively. Our revenue from the Chinese Mainland was relatively high in 2023 as compared to 2024, primarily because we delivered a large-scale utility energy storage solution order in 2023. In the nine months ended September 30, 2025, we witnessed a significant increase in our revenue from the Chinese Mainland as compared to the same period in 2024, primarily due to (i) our increased sales of C&I energy storage solutions; and (ii) the revenue recognition of utility energy storage solution orders in 2025 which were initiated in previous years. Such revenue recognition was subject to overall delivery progress.

Such notable growth in our revenue from both Europe and other countries and regions throughout the Track Record Period primarily resulted from (i) our sales and distribution network expansion and optimization, branding and promotion efforts as well as our established local sales network including pre- and after-sales services; (ii) mounting demand for energy stability, spiking C&I electricity prices as well as electricity price spread volatility which in turn fueled demand for our solutions. According to Frost & Sullivan, such demand features (a) accelerating grid-modernization initiatives, which stems from increasing deployment of renewable energy, coupled with weak grid infrastructure, calling for better energy storage solutions; and (b) rising demand for C&I and residential energy storage solutions, which came from industrial development across overseas markets; and (iii) recognition of our solutions widely earned among customers.

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Sales Volume and Average Selling Price

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	
	<i>Sales Volume</i>	<i>ASP</i>	<i>Sales Volume</i>	<i>ASP</i>	<i>Sales Volume</i>	<i>ASP</i>	<i>Sales Volume</i>	<i>ASP</i>
	<i>(Sales Volume in kWh, ASP in RMB/Wh)</i>							
C&I energy storage solutions	52,791	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

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

The ASP of our energy storage solutions decreased between 2023 and 2024 as well as the nine months ended September 30, 2024 and 2025. Such decreases were primarily due to a reduction in battery prices, which had driven down overall costs and therefore the pricing industry-wide. 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.

Revenue by Sales Channel

Based on the characteristics of different markets, we adopt differentiated sales channels to ensure that our energy storage solutions reach our target customers efficiently. For customers in Chinese Mainland, we implement a direct sales model to reduce intermediate costs and ensure the accuracy of demand transmission as well as our timeliness of service response. For customers in overseas markets, we adopt both direct sales and distribution models to better and more quickly adapt to the market environments, policies and regulations as well as customer habits in different countries and regions.

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The following table sets forth a breakdown of our revenue by sales channel, including direct sales and distributors, for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
Direct sales	253,433	95.0	237,700	88.6	116,210	93.0	434,003	91.1
Distributors	13,402	5.0	30,575	11.4	8,675	7.0	42,386	8.9
Total	266,835	100.0	268,275	100.0	124,885	100.0	476,389	100.0

Our revenue from distributors consistently increased throughout the Track Record Period due to our overseas expansion efforts.

Cost of Sales

During the Track Record Period, our cost of sales primarily consisted of (i) raw material costs, which primarily represent costs of vendors of batteries and accessories, transformers, power modules and sheet metal components; (ii) direct labor costs; and (iii) production costs, which primarily represent indirect labor costs, depreciation and amortization of our production equipment and machinery, transportation costs and utilities.

The following table sets forth a breakdown of our cost of sales for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
Raw material costs	227,296	92.8	194,228	88.4	89,078	83.7	355,855	92.3
Direct labor costs	1,785	0.7	5,143	2.3	2,900	2.7	4,360	1.1
Production costs	15,729	6.5	20,393	9.3	14,400	13.6	25,400	6.6
Total	244,800	100.0	219,764	100.0	106,378	100.0	385,615	100.0

During the Track Record Period, our raw material costs was the largest component of our cost of sales, among which, the procurement costs of vendors of batteries and accessories represented a significant portion of our raw material costs. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our raw material costs were RMB227.3 million, RMB194.2 million, RMB89.1 million and RMB355.9 million, accounting for 92.8%, 88.4%, 83.7% and 92.3%, respectively. Our cost of sales decreased slightly from RMB244.8 million in 2023 to RMB219.8 million in 2024, primarily due to decreased raw material costs in 2024 as compared to 2023 due to a higher amount of utility energy storage solution orders in 2023, which entailed a large amount of raw materials. Our raw material costs as a percentage of our total cost of sales were slightly lower in the nine months ended September 30, 2024 as we did not record revenue from our utility energy storage solutions which entailed a large amount of raw materials. Our cost of sales increased significantly from RMB106.4 million for the nine months ended September 30, 2024 to RMB385.6 million for the nine months ended September 30, 2025, primarily attributable to increased raw material costs as a result of increased sales of energy storage solutions.

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Gross Profit and Gross Profit Margin

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our gross profit was RMB22.0 million, RMB48.5 million, RMB18.5 million and RMB90.8 million, respectively. The notable increases were primarily because our revenue recorded notable growth during the Track Record Period. 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. Such increases in gross profit margin throughout the Track Record Period were primarily driven by higher contribution of higher-margin energy storage solutions as we scaled down less profit-making business both in the Chinese Mainland and overseas.

The following table sets forth a breakdown of our gross profit and gross profit margin by business segment for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	GP	GPM	GP	GPM	GP	GPM	GP	GPM
(RMB in thousands, except for GPM in percentages)								
					(Unaudited)		(Unaudited)	
C&I energy storage solutions	3,637	4.1	52,565	23.7	22,461	20.9	77,723	23.5
Utility energy storage solutions	16,209	10.2	1,807	12.4	—	—	7,774	8.3
Residential energy storage solutions	2,139	11.0	(8,006)	(27.3)	(4,256)	(25.7)	2,408	5.0
Others ⁽¹⁾	50	89.3	2,145	79.5	303	44.3	2,869	75.6
Overall/Total	22,035	8.3	48,511	18.1	18,508	14.8	90,774	19.1

Note:

- (1) Others primarily referred to gross profit and gross profit margin from (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.

The following table sets forth a breakdown of our gross profit and gross profit margin by geographical location (based on location of customers) for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	GP	GPM	GP	GPM	GP	GPM	GP	GPM
(RMB in thousands, except for GPM in percentages)								
					(Unaudited)		(Unaudited)	
Chinese Mainland	13,211	5.8	15,853	12.0	6,082	9.5	38,923	14.8
Europe	8,619	26.7	33,597	29.5	13,313	27.9	44,587	26.5
Others ⁽¹⁾	205	3.3	(939)	(4.4)	(887)	(6.7)	7,264	16.3
Overall/Total	22,035	8.3	48,511	18.1	18,508	14.8	90,774	19.1

Note:

- (1) Others primarily included gross profit and gross profit margin in Asia-Pacific (including Australia and Southeast Asia) and the Middle East.

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In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our gross profit from the Chinese Mainland amounted to RMB13.2 million, RMB15.9 million, RMB6.1 million and RMB38.9 million, primarily due to increasing sales of our energy storage solutions during the period. The corresponding gross profit margins were 5.8%, 12.0%, 9.5% and 14.8%, respectively, primarily due to increasing sales of our C&I energy storage solutions which had a higher profit margin.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our gross profit from Europe amounted to RMB8.6 million, RMB33.6 million, RMB13.3 million and RMB44.6 million, respectively, primarily due to increasing sales as a result of surging demand for our energy storage solutions during the period. The corresponding gross profit margins increased from 26.7% in 2023 to 29.5% in 2024, primarily due to favorable overseas pricing position following our expansion into Europe as one of the first movers. Our gross profit margin from Europe decreased from 27.9% for the nine months ended September 30, 2024 to 26.5% for the nine months ended September 30, 2025, primarily due to increased sales of residential energy storage solutions while we consumed previous battery inventories with higher costs.

In 2023, 2024 and the nine months ended September 30, 2024 and 2025, we recorded gross profit from other regions of RMB0.2 million, gross loss of RMB0.9 million, gross loss of RMB0.9 million and gross profit of RMB7.3 million, with gross profit margin of 3.3%, gross loss margin of 4.4%, gross loss margin of 6.7% and gross profit margin of 16.3%, respectively. Such changes were primarily due to (i) favorable overseas pricing position following our expansion into other regions in 2023 as one of the first movers; (ii) our increased sales in residential energy storage solutions in Australia as we consumed previous battery inventories with higher costs in 2024; and (iii) our continuous improvements in operational and production efficiency and increased sales in C&I energy storage solutions with higher profit margin in the Middle East in 2025.

Other Income

During the Track Record Period, other income mainly consisted of government grants relating to subsidies and awards in recognition of our technological advancement which amounted to RMB1.8 million, RMB6.0 million, RMB4.4 million and RMB2.1 million in 2023, 2024 and the nine months ended September 30, 2024, and 2025, representing 86.7%, 100.0%, 100.0% and 79.8% of our total other income in the respective periods, respectively.

Other Gains/(Losses), Net

During the Track Record Period, other gains/(losses), net primarily consisted of exchange gains/(losses), arising mainly from fluctuations in foreign currency exchange rates that affect our international transactions and foreign-currency-denominated balances in our ordinary course of business. See note 8 to the Accountant's Report in Appendix I to this document.

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) staff costs, comprising employee benefit expenses and share-based payment expenses; (ii) advertising and exhibition expenses; (iii) travelling and business development expenses; and (iv) service fees mainly relating to rental fees and professional consultancy fees.

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The following table sets forth a breakdown of our selling and marketing expenses for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
Staff costs	18,704	49.4	30,964	46.2	21,385	45.3	18,559	39.3
Advertising and exhibition expenses	5,851	15.5	9,540	16.8	6,627	14.0	9,111	19.3
Travelling and business development expenses	6,958	18.4	11,261	16.6	8,397	17.8	8,702	18.4
Service fees	3,624	9.6	11,137	14.2	7,472	15.8	7,543	16.0
Others ⁽¹⁾	2,709	7.1	4,184	6.2	3,363	7.1	3,279	7.0
Total	37,846	100.0	67,086	100.0	47,244	100.0	47,194	100.0

Note:

(1) Primarily included complimentary prototype and office expenses.

Research and Development Expenses

During the Track Record Period, our research and development expenses mainly consisted of (i) staff costs, comprising employee benefits expenses and share-based payment expenses; (ii) service fees, mainly relating to product certification; and (iii) materials for our research and development.

The following table sets forth a breakdown of our research and development expenses for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
Staff costs	37,699	81.5	34,944	73.8	24,322	74.3	26,155	68.3
Service fees	689	1.5	1,754	3.7	1,373	4.2	4,915	12.8
Materials	5,834	12.6	7,128	4.3	4,741	14.5	4,357	11.4
Depreciation and amortization	1,401	3.0	2,059	15.0	1,517	4.6	1,693	4.4
Others ⁽¹⁾	636	1.4	1,492	3.2	796	2.4	1,150	3.1
Total	46,259	100.0	47,377	100.0	32,749	100.0	38,270	100.0

Note:

(1) Primarily included office expenses and travelling expenses.

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Administrative Expenses

During the Track Record Period, our administrative expenses primarily consisted of (i) staff costs, comprising employee benefit expenses and share-based payment expenses; (ii) depreciation and amortization; and (iii) service fees mainly relating to professional consultancy fees.

The following table sets forth a breakdown of our administrative expenses for the periods indicated:

	Year ended December 31,				Nine months ended September 30,			
	2023		2024		2024		2025	
	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except for percentages)				(Unaudited)		(Unaudited)	
Staff costs	66,381	75.7	112,211	81.8	91,233	83.8	24,541	54.3
Depreciation and amortization	4,411	5.0	8,156	6.0	5,970	5.5	7,686	17.0
Service fees	5,770	6.6	6,927	5.0	4,819	4.4	5,223	11.6
Office and travelling expenses	4,514	5.1	3,664	2.7	2,497	2.3	4,228	9.4
Others ⁽¹⁾	6,615	7.6	6,155	4.5	4,369	4.0	3,483	7.7
Total	87,691	100.0	137,113	100.0	108,888	100.0	45,161	100.0

Note:

(1) Primarily included business development expenses and insurance expenses.

(Provision for)/Reversal of Impairment of Financial Assets and Contract Assets

Our (provision for)/reversal of impairment of financial assets and contract assets represented the expected credit losses or reversal of the expected credit loss on our financial assets and contract assets. Provision for impairment of financial assets and contract assets amounted to RMB5.5 million, RMB1.8 million and RMB4.1 million in 2023, 2024 and the nine months ended September 30, 2025, respectively, and we recorded reversal of impairment of financial assets and contract assets of RMB2.3 million for the nine months ended September 30, 2024.

Finance Costs, Net

During the Track Record Period, our finance costs, net comprised (i) finance income, relating to interest income from bank deposits; and (ii) finance costs comprising interest expense on bank and other borrowings and lease liabilities.

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The following table sets forth a breakdown of our finance costs, net for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Finance income				
Interest income from bank deposits	87	679	499	335
Finance costs				
Interest expense on bank and other borrowings	(1,371)	(3,417)	(2,282)	(4,006)
Interest expense on lease liabilities	(53)	(397)	(286)	(359)
Subtotal	(1,424)	(3,814)	(2,568)	(4,365)
Finance costs, net	(1,337)	(3,135)	(2,069)	(4,030)

Income Tax Expense

We recorded income tax expenses of nil, RMB1.1 million, RMB0.4 million and RMB0.1 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively.

Pursuant to the Corporate Income Tax Law of the PRC effective from January 1, 2008 (the “**CIT Law**”), companies in the Chinese Mainland are subject to income tax of 25% unless preferential rate is applicable. We are subject to a tax rate of 15% during the Track Record Period as we were eligible for the tax concession granted by the PRC government as a high-tech enterprise (the “**High and New Tech Enterprise**”) up to October 2025, subject to renewal upon expiry. As of the Latest Practicable Date, we had applied for renewal of the High and New Tech Enterprise certification and the renewal procedures were in progress, and we had not had any material dispute with any tax authority.

No Hong Kong and overseas profits tax has been provided during the Track Record Period since there was no tax assessable profit generated from Hong Kong and overseas.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Nine Months Ended September 30, 2025 Compared with Nine Months Ended September 30, 2024

Revenue

Revenue increased significantly from RMB124.9 million for the nine months ended September 30, 2024 to RMB476.4 million for the nine months ended September 30, 2025, primarily due to the increased sales of our C&I and residential energy storage solutions, driven by increasing demand for our energy storage solutions and the growth of our customer base especially in overseas markets.

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Revenue by Business Segments

Revenue generated from our C&I energy storage solutions increased significantly from RMB107.7 million for the nine months ended September 30, 2024 to RMB330.5 million for the nine months ended September 30, 2025, due to increased sales both in the Chinese Mainland and overseas. Such increased sales overseas were primarily driven by (i) our sales and distribution network expansion and optimization, branding and promotion efforts as well as our established local sales network including pre- and after-sales services; (ii) mounting demand for energy stability, spiking C&I electricity prices as well as electricity price spread volatility which in turn fueled demand for our solutions; and (iii) recognition of our solutions widely earned among customers. In the Chinese Mainland, such increased sales were primarily driven by (i) decreased average selling prices industry-wide resulted from downward battery procurement costs; and (ii) improved performance and competitiveness of our solutions.

Revenue generated from our utility energy storage solutions increased significantly from nil for the nine months ended September 30, 2024 to RMB94.1 million for the nine months ended September 30, 2025, primarily due to the revenue recognition of utility energy solution orders in 2025 which were initiated in previous years.

Revenue generated from our residential energy storage solutions increased significantly from RMB16.5 million for the nine months ended September 30, 2024 to RMB48.0 million for the nine months ended September 30, 2025, mainly driven by increased sales overseas. Such increase was primarily driven by (i) our sales and distribution network expansion and optimization, branding and promotion efforts as well as our established local sales network including pre- and after-sales services; (ii) mounting demand for energy stability, spiking electricity prices as well as electricity price spread volatility which in turn fueled demand for our solutions; and (iii) recognition of our solutions widely earned among customers.

Cost of sales

Our cost of sales increased significantly from RMB106.4 million for the nine months ended September 30, 2024 to RMB385.6 million for the nine months ended September 30, 2025, primarily due to the increase in raw material costs and production costs, which were generally in line with our increased revenue and production capacity.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased significantly from RMB18.5 million for the nine months ended September 30, 2024 to RMB90.8 million for the nine months ended September 30, 2025. Our gross profit margin increased from 14.8% for the nine months ended September 30, 2024 to 19.1% for the nine months ended September 30, 2025, primarily due to increased sales of C&I energy storage solutions with higher profit margin.

We recorded gross profit from our C&I energy storage solutions of RMB22.5 million and RMB77.7 million in the nine months ended September 30, 2024 and 2025, respectively. The gross profit margin of our C&I energy storage solutions increased from 20.9% for the nine months ended September 30, 2024 to 23.5% for the nine months ended September 30, 2025, primarily due to growth in our overseas business which typically has a higher profit margin as a result of favorable overseas pricing position as one of the first movers.

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We recorded gross profit from our utility energy storage solutions of nil and RMB7.8 million for the nine months ended September 30, 2024 and 2025. The corresponding gross profit margins were nil and 8.3%, respectively.

We recorded gross loss from our residential energy storage solutions of RMB4.3 million and gross profit of RMB2.4 million for the nine months ended September 30, 2024 and 2025 with gross loss margin of 25.7% and gross profit margin of 5.0%, respectively, primarily due to increasing sales of our newly launched residential products with higher profit margin in 2025.

Other income

Our other income decreased by 39.6% from RMB4.4 million for the nine months ended September 30, 2024 to RMB2.7 million for the nine months ended September 30, 2025, primarily due to a decrease in government grants.

Selling and marketing expenses

Our selling and marketing expenses remained relatively stable at RMB47.2 million and RMB47.2 million for the nine months ended September 30, 2024 and 2025, respectively. The reason why our selling and marketing expenses remained relatively stable as our revenue increased during the same period was that we accelerated the grant of awards in 2024, resulting in decreased share-based payments in 2025.

Research and development expenses

Our research and development expenses increased by 16.9% from RMB32.7 million for the nine months ended September 30, 2024 to RMB38.3 million for the nine months ended September 30, 2025, primarily due to an increase in service fees mainly relating to certification fees as we expanded our product certifications overseas.

Administrative expenses

Our administrative expenses decreased by 58.5% from RMB108.9 million for the nine months ended September 30, 2024 to RMB45.2 million for the nine months ended September 30, 2025, primarily due to a decrease in staff costs in relation to share-based payment expenses attributable to accelerated grant of awards in 2024 to incentivize our key administrative personnel.

(Provision for)/Reversal of impairment of financial assets and contract assets

We recorded reversal of impairment of financial assets and contract assets of RMB2.3 million for the nine months ended September 30, 2024 and recorded provision for impairment of financial assets and contract assets of RMB4.1 million for the nine months ended September 30, 2025, primarily due to the increase in trade and bills receivables and contract assets as we entered into more agreements for sales of our energy storage solutions.

Finance costs, net

Our finance costs, net increased significantly from RMB2.1 million for the nine months ended September 30, 2024 to RMB4.0 million for the nine months ended September 30, 2025, primarily due to increased interest expenses associated with our growing interest-bearing bank and other borrowing.

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Income tax expense

We recorded income tax expense of RMB0.4 million and RMB0.1 million for the nine months ended September 30, 2024 and 2025. The decrease was primarily due to a decrease in the taxable income recorded by certain subsidiaries in Guangdong.

Loss for the period

As a result of the above, our loss for the period decreased by 75.7% from RMB165.2 million for the nine months ended September 30, 2024 to RMB40.4 million for the nine months ended September 30, 2025.

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

Revenue

Our revenue remained relatively stable at RMB266.8 million and RMB268.3 million in 2023 and 2024, respectively.

Revenue by Business Segment

Revenue generated from our C&I energy storage solutions increased significantly from RMB88.8 million in 2023 to RMB221.6 million in 2024, mainly due to increased sales overseas. Such increase was primarily driven by (i) our sales and distribution network expansion and optimization, branding and promotion efforts as well as our established local sales network including pre- and after-sales services; (ii) mounting demand for energy stability, spiking C&I electricity prices as well as electricity price spread volatility which in turn fueled demand for our solutions; and (iii) recognition of our solutions widely earned among customers.

Revenue generated from our utility energy storage solutions decreased by 90.8% from RMB158.4 million in 2023 to RMB14.6 million in 2024. Such decrease was primarily due to revenue recognition of utility energy storage solutions orders in 2023 which were initiated in previous years.

Revenue generated from our residential energy storage solutions increased by 50.5% from RMB19.5 million in 2023 to RMB29.4 million in 2024, mainly due to increased sales overseas. Such increase was primarily driven by (i) diversifying portfolio of our offerings and certifications to further extend our reach to new markets and expand our customer base; and (ii) partnerships with key customers and major distributors to expand our presence in overseas markets.

Cost of sales

Our cost of sales decreased by 10.2% from RMB244.8 million in 2023 to RMB219.8 million in 2024, primarily due to decreased raw material costs in 2024 as compared to the respective period in 2023 due to a higher amount of utility energy storage solution orders in 2023, which entailed a large amount of raw materials.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased significantly from RMB22.0 million in 2023 to RMB48.5 million in 2024. Our gross profit margin increased from 8.3% in 2023 to 18.1% in 2024, primarily due to increased sales of our C&I energy storage solutions with a higher profit margin.

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We recorded gross profit of C&I energy storage solutions of RMB3.6 million and RMB52.6 million in 2023 and 2024, respectively, primarily due to increased sales of our C&I energy storage solutions during the period. The gross profit margin of our C&I energy storage solutions increased from 4.1% in 2023 to 23.7% in 2024, primarily due to increased overseas sales with higher profit margin due to our first-mover advantage.

We recorded gross profit from our utility energy storage solutions of RMB16.2 million and RMB1.8 million, respectively, in 2023 and 2024. The decrease was primarily because certain utility energy storage solution orders were delivered in 2023 subject to overall delivery progress. The gross profit margin of our utility energy storage solutions increased from 10.2% in 2023 to 12.4% in 2024, primarily due to certain utility energy storage solution orders where we had better pricing position.

We recorded gross profit from residential energy storage solutions of RMB2.1 million in 2023 and gross loss of RMB8.0 million in 2024. We recorded gross profit margin of 11.0% in 2023 and gross loss margin of 27.3% in 2024, primarily due to the increased sales of residential energy storage solutions in Australia while we consumed previous battery inventories with higher costs.

Other income

Our other income increased significantly from RMB2.0 million in 2023 to RMB6.0 million in 2024, primarily due to an increase in government grants.

Selling and marketing expenses

Our selling and marketing expenses increased by 77.3% from RMB37.8 million in 2023 to RMB67.1 million in 2024, primarily due to (i) an increase in staff costs attributable to (a) an increase in share-based payment expenses due to accelerated grant of awards in 2024 to incentivize our key sales and marketing personnel; and (b) an increase in headcount of our sales and marketing personnel; (ii) an increase in service fees in relation to our leased offices and warehouses overseas; and (iii) an increase in travelling and business development expenses as part of our efforts in sales and marketing campaigns.

Research and development expenses

Our research and development expenses remained relatively stable at RMB46.3 million and RMB47.4 million in 2023 and 2024, respectively.

Administrative expenses

Our administrative expenses increased by 56.4% from RMB87.7 million in 2023 to RMB137.1 million in 2024, primarily due to an increase in staff costs in relation to share-based payment expenses attributable to accelerated grant of awards in 2024 to incentivize our key administrative personnel.

Provision for impairment of financial assets and contract assets

We recorded provision for impairment of financial assets and contract assets of RMB5.5 million in 2023 and RMB1.8 million in 2024. The decrease was primarily due to the decrease in contract assets, as a result of the delivery of certain utility energy storage solution orders.

Finance costs, net

Our finance costs, net increased significantly from RMB1.3 million in 2023 to RMB3.1 million in 2024, primarily due to increased interest expenses associated with our growing interest-bearing bank and other borrowings.

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Income tax expense

We recorded income tax expenses of nil and RMB1.1 million in 2023 and 2024, respectively. It was attributed to an increase in the taxable income recorded by certain subsidiaries in Guangdong.

Loss for the year

As a result of the above, our loss for the year increased by 24.8% from RMB153.7 million in 2023 to RMB204.5 million in 2024.

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-current Assets and Non-current Liabilities

The table below sets forth our non-current assets and non-current liabilities as of the dates indicated:

	As of December 31,		As of
	2023	2024	September 30,
			2025
	(RMB in thousands)		(Unaudited)
NON-CURRENT ASSETS			
Property, plant and equipment	29,769	51,466	45,694
Intangible assets	521	1,006	1,251
Right-of-use assets	5,939	16,435	22,071
Investments in associates	—	295	295
Financial assets at fair value through profit or loss (“FVTPL”)	1,500	1,457	1,457
Deposits and prepayments	3,345	217	1,033
Total non-current assets	41,074	70,876	71,801
NON-CURRENT LIABILITIES			
Lease liabilities	—	9,837	10,760
Bank and other borrowings	—	1,367	5,683
Total non-current liabilities	—	11,204	16,443

Property, plant and equipment

During the Track Record Period, our property, plant and equipment consisted of (i) plant and machinery; (ii) leasehold improvements; (iii) furniture and fixtures; (iv) office equipment; (v) construction in progress; and (vi) motor vehicles.

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Our property, plant and equipment increased by 72.9% from RMB29.8 million as of December 31, 2023 to RMB51.5 million as of December 31, 2024, primarily due to an increase in plant and machinery relating to additions of production lines and renovation of our production facility. Our property, plant and equipment decreased by 11.2% to RMB45.7 million as of September 30, 2025, primarily due to the disposal of a subsidiary.

Right-of-use assets

During the Track Record Period, our right-of-use assets consisted of (i) leased offices; and (ii) leasehold land. Our right-of-use assets increased significantly from RMB5.9 million as of December 31, 2023 to RMB16.4 million as of December 31, 2024, and further increased by 34.3% to RMB22.1 million as of September 30, 2025, primarily due to additions of leased offices and leasehold land during the period.

Intangible assets

During the Track Record Period, our intangible assets consisted of patents and computer software. Our intangible assets increased by 93.1% from RMB0.5 million as of December 31, 2023 to RMB1.0 million as of December 31, 2024, and further increased by 24.4% to RMB1.3 million as of September 30, 2025, primarily due to our purchases of new computer software.

Current Assets and Current Liabilities

As of December 31, 2023 and 2024, September 30, 2025 and December 31, 2025, we had net current assets of RMB181.6 million, RMB99.6 million, RMB69.0 million and RMB191.2 million, respectively.

The following table sets forth our current assets and current liabilities as of the dates indicated:

	<u>As of December 31,</u>		<u>As of</u>	<u>As of</u>
	<u>2023</u>	<u>2024</u>	<u>September 30,</u>	<u>December 31,</u>
			<u>2025</u>	<u>2025</u>
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>	<i>(Unaudited)</i>
CURRENT ASSETS				
Inventories	191,116	257,779	319,432	284,455
Trade and bills receivables	93,002	93,979	141,315	233,391
Contract assets	23,578	3,555	11,540	18,210
Deposits, prepayments and other receivables	28,753	56,647	77,679	137,614
Financial assets at FVTPL	—	1,510	3,146	2,474
Restricted bank deposits	36,330	200	—	—
Cash and cash equivalents	111,941	114,571	57,316	115,852
Total current assets	484,720	528,241	610,428	791,996

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	As of December 31,		As of	As of
	2023	2024	September 30,	December 31,
			2025	2025
			(RMB in thousands)	(Unaudited)
			(Unaudited)	(Unaudited)
CURRENT LIABILITIES				
Trade payables	96,470	130,618	209,940	237,043
Contract liabilities	61,134	112,082	66,678	70,069
Accruals and other payables	19,634	15,376	19,068	48,091
Bank and other borrowings	121,889	160,031	224,693	229,397
Deferred income	—	1,677	9,997	8,320
Lease liabilities	3,949	8,809	11,069	9,031
Total current liabilities	303,076	428,593	541,445	601,951
Net current assets	181,644	99,648	68,983	190,045

Our net current assets increased significantly from RMB69.0 million as of September 30, 2025 to RMB190.0 million as of December 31, 2025, which was primarily due to (i) an increase in trade and bills receivables of RMB92.1 million, primarily due to increased sales of our energy storage solutions; (ii) an increase in cash and cash equivalents of RMB58.5 million, primarily due to the receipt of proceeds from equity financing; and (iii) an increase in deposits, prepayments and other receivables of RMB57.1 million, primarily due to increased prepayments to our suppliers for raw material procurement, partially offset by (i) an increase in accruals and other payables of RMB29.0 million mainly in relation to year-end bonuses payable to our employees; and (ii) an increase in trade payables of RMB27.1 million as a result of increased raw material purchases as our business scaled up.

Our net current assets decreased by 29.0% from RMB99.6 million as of December 31, 2024 to RMB69.0 million as of September 30, 2025, primarily due to (i) an increase in trade payables of RMB79.3 million; and (ii) an increase in bank and other borrowings of RMB64.7 million, both of which were due to our increased raw material purchases in anticipation of rising demand for our solutions; (iii) a decrease in cash and cash equivalents of RMB57.3 million; and (iv) a decrease in contract liabilities of RMB45.4 million, partially offset by (i) an increase in inventories of RMB61.7 million; (ii) an increase in trade and bills receivables of RMB47.3 million; (iii) an increase in deposits, prepayments and other receivables of RMB21.0 million in relation to procurement for raw materials.

Our net current assets decreased by 42.0% from RMB181.6 million as of December 31, 2023 to RMB99.6 million as of December 31, 2024, primarily due to (i) an increase in contract liabilities of RMB50.9 million; (ii) an increase in bank and other borrowings of RMB38.1 million; and (iii) an increase in trade payables of RMB34.1 million, partially offset by (i) an increase in inventories of RMB66.7 million; and (ii) an increase in deposits, prepayments and other receivables of RMB27.9 million, all of which were mainly due to our increased raw material purchases in anticipation of rising demand for our solutions.

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Inventories

During the Track Record Period, our inventories primarily consisted of raw materials, work in progress and finished goods. The following table sets forth the carrying amount of our inventories as of the dates indicated:

	<u>As of December 31,</u>		<u>As of</u>
	<u>2023</u>	<u>2024</u>	<u>September 30,</u>
			<u>2025</u>
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Raw materials	59,202	72,876	109,323
Work in progress	19,604	70,030	57,238
Finished goods	<u>115,653</u>	<u>125,494</u>	<u>156,863</u>
Subtotal	194,459	268,400	323,424
Less: provision for impairment loss	<u>(3,343)</u>	<u>(10,621)</u>	<u>(3,992)</u>
Total	<u>191,116</u>	<u>257,779</u>	<u>319,432</u>

Our inventories increased by 34.9% from RMB191.1 million as of December 31, 2023 to RMB257.8 million as of December 31, 2024, primarily due to increases in work in progress and raw materials in anticipation of increasing demand for our solutions.

Our inventories further increased by 23.9% from RMB257.8 million as of December 31, 2024 to RMB319.4 million as of September 30, 2025, primarily due to (i) an increase in raw materials in anticipation of increasing demand for our solutions; and (ii) an increase in our finished goods mainly due to our increased sales to overseas markets which typically had relatively long lead time.

The following table sets forth an aging analysis of our inventories as of the dates indicated:

	<u>As of December 31,</u>		<u>As of</u>
	<u>2023</u>	<u>2024</u>	<u>September 30,</u>
			<u>2025</u>
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Within six months	151,666	210,785	291,051
Six months to one year	33,439	17,453	9,639
One to two years	6,011	24,318	11,166
Over two years	<u>—</u>	<u>5,223</u>	<u>7,576</u>
Total	<u>191,116</u>	<u>257,779</u>	<u>319,432</u>

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The following table sets forth the turnover days of our inventories for the periods indicated:

	Year ended December 31,		Nine months ended September 30,
	2023	2024	2025
	<i>(days)</i>		
Inventory turnover days ⁽¹⁾	187.6	372.8	202.1

Note:

- (1) Average turnover days of inventories is equal to the average of the beginning and ending net inventory balances of a year/period divided by cost of sales for that year/period and multiplied by 365 days/270 days.

The turnover days of our inventories increased from 187.6 days in 2023 to 372.8 days in 2024, primarily because certain of our utility energy storage solution orders initiated in 2023 were still on-going in 2024. Such utility energy storage solutions entailed a large amount of raw materials and the revenue recognition was subject to the final acceptance progress by end customers. The turnover days of our inventories then decreased to 202.1 days for the nine months ended September 30, 2025, primarily because such utility energy storage solution orders were delivered in 2025.

As of December 31, 2025, RMB166.2 million or 52.0%, of our inventories as of September 30, 2025, had been subsequently sold or utilized.

Trade and bills receivables

We had trade and bills receivables of RMB93.0 million, RMB94.0 million and RMB141.3 million as of December 31, 2023 and 2024 and September 30, 2025, respectively. The following table sets forth the details of our trade and bills receivables as of the dates indicated:

	As of December 31,		As of September 30,
	2023	2024	2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Trade and bills receivables	97,158	101,238	152,468
Less: loss allowance	(4,156)	(7,259)	(11,153)
Total	93,002	93,979	141,315

Our trade and bills receivables relatively stable at RMB93.0 million as of December 31, 2023 and RMB94.0 million as of December 31, 2024. Our trade and bills receivables then increased by 50.4% to RMB141.3 million as of September 30, 2025, primarily due to a significant increase in sales of our energy storage solutions, especially in overseas markets.

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The following table sets forth an aging analysis of the trade and bills receivables based on revenue recognition date:

	As of December 31,		As of
	2023	2024	September 30,
			2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Within 90 days	55,270	32,922	83,886
Between 91 and 180 days	3,875	20,819	4,484
Between 181 and 270 days	12	6,388	178
Over 270 days	38,001	41,109	63,920
Subtotal	97,158	101,238	152,468
Less: loss allowance	(4,156)	(7,259)	(11,153)
Total	93,002	93,979	141,315

The following table sets forth the number of our trade and bills receivables turnover days for the periods indicated:

	Year ended December 31,		Nine months ended
	2023	2024	September 30,
			2025
	<i>(days)</i>		
Trade and bills receivables turnover days ⁽¹⁾	106.0	127.2	66.7

Note:

- (1) The trade and bills receivables turnover days are derived by dividing the average of the beginning and ending trade and bills receivables balance by revenue for that year/period and multiplied by 365 days/270 days.

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. Our trade and bills receivables turnover days increased from 106.0 days in 2023 to 127.2 days in 2024, such increase was primarily due to longer payment term for utility energy storage solution order delivered in 2024. Our trade and bills receivables turnover days decreased to 66.7 days for the nine months ended September 30, 2025, primarily due to our enhanced collection efforts.

As of December 31, 2025, RMB77.8 million or 51.0% of our trade and bills receivables as of September 30, 2025 had been subsequently settled.

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Contract assets

During the Track Record Period, our contract assets represented conditional rights to consideration in relation to the contracts for our C&I and utility energy storage solutions.

Our contract assets decreased by 84.9% from RMB23.6 million as of December 31, 2023 to RMB3.6 million as of December 31, 2024, primarily due to the delivery of certain utility energy storage solution orders. Our contract assets increased significantly to RMB11.5 million as of September 30, 2025, primarily relating to more agreements for sales of our energy storage solutions as our business scaled up.

Deposits, prepayments and other receivables

During the Track Record Period, our deposits, prepayments and other receivables primarily consisted of (i) value-added tax (“VAT”) receivables, mainly representing the deductible difference between output VAT payable and input VAT payable under applicable PRC laws; (ii) prepayments for inventories and other operating expenses mainly in relation to battery and services procurement; (iii) other receivables mainly relating to the procurement of inventories; and (iv) deposits under supply framework agreements we entered into with certain suppliers.

The following table sets forth the details of our deposits, prepayments and other receivables as of the dates indicated:

	As of December 31,		As of
	2023	2024	September 30,
			2025
	(RMB in thousands)		(Unaudited)
Current			
Prepayments for inventories and other operating expenses	9,538	9,783	13,452
Value-added tax receivables	9,367	30,026	41,920
Deposits	7,898	3,831	5,290
Other receivables	1,725	12,496	16,533
Amounts due from directors	225	511	484
Subtotal	28,753	56,647	77,679
Non-current			
Prepayment	3,345	—	805
Deposits	—	217	228
Subtotal	3,345	217	1,033
Total	32,098	56,864	78,712

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Our deposits, prepayments and other receivables increased by 77.2% from RMB32.1 million as of December 31, 2023 to RMB56.9 million as of December 31, 2024, primarily due to (i) the increased value-added tax receivables in relation to the increased sales in the overseas markets; and (ii) the increased other receivables in relation to the disposal of certain equity interests of our subsidiary.

Our deposits, prepayments and other receivables further increased by 38.4% to RMB78.7 million as of September 30, 2025, primarily due to increases in (i) value-added tax receivables in relation to the increased sales in the overseas markets; and (ii) prepayments for inventories and other operating expenses mainly in relation to battery and services procurement.

As of December 31, 2025, RMB26.2 million or 33.3% of our deposits, prepayments and other receivables as of September 30, 2025, had been subsequently settled.

Financial assets at FVTPL

Our financial assets at FVTPL during the Track Record Period mainly consisted of (i) wealth management products issued by reputable banks in the Chinese Mainland; and (ii) unlisted equity securities. See notes 3.3 and 21 to the Accountant’s Report in Appendix I to this document.

Our financial assets at FVTPL increased significantly from RMB1.5 million as of December 31, 2023 to RMB3.0 million as of December 31, 2024, and further increased by 37.8% to RMB4.6 million as of September 30, 2025, primarily due to our increased investment in wealth management products.

We have adopted a set of internal policies and guidelines to manage our investments. Our strategic development department and finance department is responsible for proposing, analyzing and evaluating potential investment in such products. Our management, including our finance department, has extensive experience in managing the financial aspects of an enterprise’s operations. Upon [REDACTED], we intend to continue our investments strictly in accordance with our internal control policy, Articles of Association and, to the extent that such investment is a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements under Chapter 14 of the Listing Rules, including the announcement, reporting and/or shareholders’ approval requirements (if applicable).

Our investment strategy related to such products focuses on minimizing the financial risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs, while generating desirable investment returns. To control our risk exposure, we make investment decisions related to structured deposits and low risk wealth management products, after thoroughly considering a number of factors, including, but not limited to, macro-economic environment, general market conditions, risk control and credit of issuing financial institutions, our own working capital conditions, and the expected profit or potential loss of the investment.

Restricted bank deposits

Our restricted bank deposits primarily represented deposits for bill payables to suppliers, relating to bank deposits pledged for the issuance of bank acceptance notes, which generally require a margin deposit. Our restricted bank deposits decreased significantly from RMB36.3 million as of December 31, 2023 to RMB0.2 million as of December 31, 2024, primarily because the pledged bank deposits were released as the bank acceptance notes were largely redeemed. Our restricted bank deposits were nil as of September 30, 2025 because the issuance of bank acceptance notes no longer requires bank deposits be pledged.

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Cash and cash equivalents

As of December 31, 2023 and 2024 and September 30, 2025, the balance of our cash and cash equivalents amounted to RMB111.9 million, RMB114.6 million and RMB57.3 million, respectively. Our Directors confirm that our cash and cash balances were maintained at a prudent level for the purpose of satisfying the requirements for our daily business operations. See “— Liquidity and Capital Resources — Cash flows.”

Our cash and cash equivalents decreased by 50.0% from RMB114.6 million as of December 31, 2024 to RMB57.3 million as of September 30, 2025, primarily because we used more cash for raw material purchases in anticipation of rising demand for our energy storage solutions as our business scaled up.

Trade payables

During the Track Record Period, our trade payables primarily consisted of outstanding amount due to third parties, including suppliers for raw materials and service providers.

Our trade payables increased by 35.4% from RMB96.5 million as of December 31, 2023 to RMB130.6 million as of December 31, 2024, and further increased by 60.7% to RMB209.9 million as of September 30, 2025, primarily due to increased raw material purchases in anticipation of rising demand for our energy storage solutions as our business scaled up.

The following table sets forth an aging analysis of our trade payables as of the dates indicated, based on invoice date:

	As of December 31,		As of
	2023	2024	September 30,
			2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Within 30 days	52,020	52,751	151,350
31–60 days	9,524	21,128	30,068
61–90 days	24,865	7,785	21,012
Over 90 days	10,061	48,954	7,510
Total	96,470	130,618	209,940

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The following table sets forth the number of our trade payables turnover days for the periods indicated:

	Year ended December 31,		Nine months ended
	2023	2024	September 30,
			2025
		(days)	
Trade payables turnover days ⁽¹⁾	190.8	188.6	119.2

Note:

- (1) The trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending net balance of our trade payables in that year/period by cost of sales for the corresponding year/period and then multiplying by the 365 days/270 days for that year/period.

Our trade payables turnover days remained relatively stable at 190.8 days in 2023 and 188.6 days in 2024 and decreased to 119.2 days as of September 30, 2025, primarily as we stepped up payment efforts to certain suppliers for better commercial terms with them.

As of December 31, 2025, RMB134.9 million, or 64.2%, of our trade payables as of September 30, 2025 had been subsequently settled.

Contract liabilities

During the Track Record Period, our contract liabilities primarily represented advance received from customers for our solutions that had yet to be performed/delivered.

Our contract liabilities increased by 83.5% from RMB61.1 million as of December 31, 2023 to RMB112.1 million as of December 31, 2024, primarily due to advance payments received from customers of our C&I and utility energy storage solutions.

Our contract liabilities decreased by 68.1% from RMB112.1 million as of December 31, 2024 to RMB66.7 million as of September 30, 2025, primarily due to delivery of a utility energy storage solution order and certain C&I energy storage solution orders in 2025.

As of December 31, 2025, RMB47.0 million, or 70.6%, of our contract liabilities as of September 30, 2025 had been subsequently recognized as revenue.

Accruals and other payables

During the Track Record Period, our accruals and other payables primarily consisted of (i) accrued wages, salaries, bonuses and staff welfare; (ii) other payables and accruals in relation to professional consultancy fees; and (iii) provision for warranties.

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The following table sets forth the details of accruals and other payables as of the dates indicated:

	As of December 31,		As of
	2023	2024	September 30,
			2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Accrued wages, salaries, bonuses and staff welfare	9,927	8,939	6,342
Customers’ deposits	579	1,294	—
Provision for warranties	3,357	2,084	4,287
Other payables and accruals	4,185	1,084	6,858
Amounts due to director ⁽¹⁾	6	6	6
Amounts due to shareholders ⁽¹⁾	1,580	1,580	1,580
Total	19,634	15,376	19,068

Note:

- (1) As of December 31, 2023 and 2024 and September 30, 2025, amounts due to directors and shareholders are unsecured, interest-free and repayable on demand. The carrying values of the balances approximate their fair values. As of the date of this document, all such amounts had been settled. See notes 28 and 33 to the Accountant’s Report in Appendix I to this document.

Our accruals and other payables decreased by 21.7% from RMB19.6 million as of December 31, 2023 to RMB15.4 million as of December 31, 2024, primarily due to decreases in other payables and accruals in relation to fees payable to various service providers.

Our accruals and other payables increased by 24.0% from RMB15.4 million as of December 31, 2024 to RMB19.1 million as of September 30, 2025, primarily due to increases in (i) other payables and accruals in relation to fees payable to various service providers; and (ii) provision for warranties in line with the increase in our sales of energy storage solutions.

As of December 31, 2025, RMB8.2 million, or 42.9%, of our accruals and other payables as of September 30, 2025 had been subsequently settled.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our principal use of cash during the Track Record Period was for working capital purposes, production of our solutions and other recurring expenses. During the Track Record Period, we financed our capital expenditures and working capital requirements principally with contributions from Shareholders, cash and cash equivalents and bank borrowings. As of December 31, 2023 and 2024, and September 30, 2025, we had cash and cash equivalents of RMB111.9 million, RMB114.6 million and RMB57.3 million, respectively.

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Working Capital Sufficiency

Taking into account the financial resources available to us, including cash and cash equivalents, future cash flow from operating activities, financial assets at FVTPL, unutilized bank borrowing, and the estimated net [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

Cash Flows

The following table sets forth our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,		Nine months ended September 30,	
	2023	2024	2024	2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Net cash used in operating activities	(161,630)	(70,107)	(51,496)	(116,799)
Net cash (used in)/generated from investing activities	(62,816)	3,147	10,781	(3,300)
Net cash generated from financing activities	<u>300,560</u>	<u>70,903</u>	<u>10,814</u>	<u>62,504</u>
Net increase/(decrease) in cash and cash equivalents	76,114	3,943	(29,901)	(57,595)
Cash and cash equivalents at beginning of year/period	33,337	111,941	111,941	114,571
Effect of foreign exchange rate changes	<u>2,490</u>	<u>(1,313)</u>	<u>(1,400)</u>	<u>340</u>
Cash and cash equivalents at end of year/period	<u>111,941</u>	<u>114,571</u>	<u>80,640</u>	<u>57,316</u>

Net Cash used in Operating Activities

Going forward, we plan to enhance our sustainability and achieve profitability by driving steady revenue growth, expanding our business scale and managing our costs and expenses effectively. In particular, we intend to strengthen our technological capabilities, accelerate product iterations, expand our manufacturing and sales network, and deepen our market penetration. We also aim to continuously improve our net operating cash outflow position by (i) driving rapid revenue growth through continuous technological advancement and product iteration, broadening customer base and maintaining strong customer loyalty and continuous expansion in overseas markets; (ii) ongoing cost optimization; and (iii) continuous improvement in operational efficiency. See “Business — Path to Profitability.”

For the nine months ended September 30, 2025, our net cash used in operating activities was RMB116.8 million, primarily due to loss before income tax of RMB40.3 million, as adjusted for as adjusted for (i) certain non-cash and non-operating items, primarily including (a) depreciation of property, plant and equipment of RMB8.5 million and (b) share-based payment expenses of RMB7.6 million; and (ii) changes in working capital that negatively affected the cash flow from operating

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activities, primarily including (a) an increase in inventories of RMB54.5 million, (b) an increase in trade and bills receivables of RMB47.9 million and (c) a decrease in contract liabilities of RMB46.2 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in trade payables of RMB66.2 million.

In 2024, our net cash used in operating activities was RMB70.1 million, primarily due to loss before income tax of RMB203.5 million, as adjusted for (i) certain non-cash and non-operating items, primarily including share-based payment expenses of RMB109.1 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including an increase in inventories of RMB75.9 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including (a) an increase in contract liabilities of RMB51.2 million and (b) an increase in trade payables of RMB37.2 million.

In 2023, our net cash used in operating activities was RMB161.6 million, primarily due to loss before income tax of RMB153.7 million, as adjusted for (i) certain non-cash and non-operating items, primarily including share-based payment expenses of RMB65.8 million; and (ii) changes in working capital that negatively affected the cash flow from operating activities, primarily including (a) a decrease in trade payables of RMB65.9 million and (b) an increase in trade and bills receivables of RMB35.1 million, partially offset by (iii) changes in working capital that positively affected the cash flow from operating activities, primarily including an increase in contract liabilities of RMB34.2 million.

Net Cash (used in)/generated from Investing Activities

For the nine months ended September 30, 2025, our net cash used in investing activities was RMB3.3 million, mainly due to (i) purchase of property, plant and equipment of RMB7.3 million; and (ii) purchase of financial assets at FVTPL of RMB3.1 million, partially offset by proceeds from disposal of a subsidiary of RMB4.3 million.

In 2024, our net cash generated from investing activities was RMB3.1 million, mainly due to release of restricted bank deposits of RMB36.1 million, partially offset by purchase of property, plant and equipment of RMB31.2 million.

In 2023, our net cash used in investing activities was RMB62.8 million, mainly due to (i) placement of restricted bank deposits of RMB36.3 million; and (ii) purchase of property, plant and equipment of RMB19.7 million.

Net Cash generated from Financing Activities

For the nine months ended September 30, 2025, our net cash generated from financing activities was RMB62.5 million, mainly due to proceeds from bank and other borrowings of RMB230.4 million, partially offset by repayments of bank and other borrowings of RMB161.4 million.

In 2024, our net cash generated from financing activities was RMB70.9 million, mainly due to (i) proceeds from bank and other borrowings of RMB161.4 million; and (ii) proceeds from issue of shares of RMB30.2 million, partially offset by repayments of bank and other borrowings of RMB121.9 million.

For the year ended December 31, 2023, our net cash generated from financing activities was RMB300.6 million, mainly due to (i) proceeds from issue of shares of RMB194.2 million; and (ii) proceeds from bank and other borrowings of RMB121.9 million, partially offset by repayments of bank and other borrowings of RMB16.0 million.

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INDEBTEDNESS

Our indebtedness mainly included bank and other borrowings and lease liabilities during the Track Record Period. Except as disclosed in the table below, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of September 30, 2025. After due and careful consideration, our Directors confirm that there had been no material change in our indebtedness since September 30, 2025 and up to the date of this document.

The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	<u>As of December 31,</u>		<u>As of</u>	<u>As of</u>
	<u>2023</u>	<u>2024</u>	<u>September 30,</u>	<u>December 31,</u>
			<u>2025</u>	<u>2025</u>
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current portion:				
Bank and other borrowings	121,889	160,031	224,693	229,397
Lease liabilities	<u>3,949</u>	<u>8,809</u>	<u>11,069</u>	<u>9,031</u>
Subtotal	<u>125,838</u>	<u>168,840</u>	<u>235,762</u>	<u>238,428</u>
Non-current portion:				
Bank and other borrowings	—	1,367	5,683	5,351
Lease liabilities	<u>—</u>	<u>9,837</u>	<u>10,760</u>	<u>8,029</u>
Subtotal	<u>—</u>	<u>11,204</u>	<u>16,443</u>	<u>13,380</u>
Total	<u>125,838</u>	<u>180,044</u>	<u>252,205</u>	<u>251,808</u>

Bank and Other Borrowings

Our bank and other borrowings during the Track Record Period mainly represented bank borrowings from commercial banks in the Chinese Mainland, which were used for plant construction, equipment purchases and working capital.

As of December 31, 2023 and 2024, September 30, 2025 and December 31, 2025, we had bank and other borrowings of RMB121.9 million, RMB161.1 million, RMB209.1 million and RMB233.6 million, respectively, which were all denominated in RMB. As of December 31, 2023 and 2024 and September 30, 2025, we had (i) bank borrowings of RMB54.9 million, RMB134.9 million and RMB198.4 million which were secured by the guarantee provided by one of our Shareholders; (ii) other borrowings of nil, RMB1.5 million and RMB7.0 million which were secured by the property, plant and equipment of approximately RMB1.6 million and RMB7.6 million as of December 31, 2024 and September 30, 2025; and (iii) unsecured bank borrowings of RMB20.0 million, RMB25.0 million and RMB25.0 million, respectively. During the Track Record Period, we recorded bill payables of RMB47.0 million as of December 31, 2023 which were secured by the restricted bank deposits of approximately RMB36.3 million. See note 24(b) to the Accountant’s Report in Appendix I to this document. The weighted

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average effective interest rate per annum in 2023, 2024 and the nine months ended September 30, 2025 was 3.36%, 2.97% and 2.83%, respectively. See note 29 to the Accountant’s Report in Appendix I to this document. As of December 31, 2025, we had unutilized banking facilities of RMB118.9 million.

Our bank borrowing agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirm that we have not defaulted in the repayment of the bank and other borrowings during the Track Record Period. Our Directors have confirmed that, as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and there was no breach of any covenants during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, we did not experience any difficulty in obtaining bank borrowings.

Lease Liabilities

Our lease liabilities primarily represented the outstanding lease payments primarily in respect of our leased buildings and properties. See note 18 to the Accountant’s Report in Appendix I to this document.

The following table sets forth our lease liabilities as of the dates indicated:

	As of December 31,		As of	As of
	2023	2024	September 30,	December 31,
			2025	2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Lease liabilities				
— Current	3,949	8,809	11,069	9,031
— Non-current	—	9,837	10,760	8,029
Total	3,949	18,646	21,829	17,060

Contingent Liabilities

As of December 31, 2023 and 2024 and September 30, 2025, we did not have any material contingent liabilities. We confirm that as of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, we incurred capital expenditures for purchase of property, plant and equipment and purchase of intangible assets, to support our growth of operations. Such capital expenditures were primarily funded by our internal financial resources including bank and other borrowings. In 2023 and 2024, and the nine months ended September 30, 2025, we incurred capital expenditure of RMB20.1 million, RMB31.8 million and RMB7.7 million, respectively.

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The following table sets forth our capital expenditures for the periods indicated:

	Year ended December 31,		Nine months ended
	2023	2024	September 30, 2025
	<i>(RMB in thousands)</i>		<i>(Unaudited)</i>
Capital expenditures			
Purchase of property, plant and equipment	19,660	31,179	7,302
Purchase of intangible assets	<u>483</u>	<u>634</u>	<u>425</u>
Total	<u>20,143</u>	<u>31,813</u>	<u>7,727</u>

We will continue to make capital expenditures to support the expected growth of our business and expansion plans. We expect to finance our capital expenditures through future cash flow from operating activities, shareholder contributions, unutilized bank borrowing and the estimated net [REDACTED] from the [REDACTED]. See “Future Plans and [REDACTED].” Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditure according to future cash flows, results of operations, financial condition, market conditions and various other factors.

COMMITMENTS

Capital commitments represent capital expenditure contracted for as of a particular date but not yet incurred. As of December 31, 2023 and 2024 and September 30, 2025 our capital commitments amounted to RMB1.7 million, RMB7.4 million and RMB7.0 million, respectively, which represented our committed expenditures related to our improvement for buildings and plants, purchase for constructions and unpaid capital of investments in associate and joint venture.

As of December 31, 2023 and 2024 and September 30, 2025, we had future aggregate minimum lease payments under non-cancellable leases in relation to rental for office premises and warehouses with remaining lease term of less than one year of RMB1.7 million, RMB7.4 million and RMB7.0 million, respectively.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

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KEY FINANCIAL RATIOS

The table below sets forth the key financial ratios as of the dates or for the periods indicated:

	As of/For the year ended December 31,		As of/For the nine months ended September 30,
	2023	2024	2025
Profit Indicator			
Gross profit margin (%) ⁽¹⁾	8.3	18.1	19.1
Liquidity			
Current ratio (<i>times</i>) ⁽²⁾	1.6	1.2	1.1
Quick ratio (<i>times</i>) ⁽³⁾	1.0	0.6	0.5
Interest-bearing debt ratio (%) ⁽⁴⁾	23.9	30.1	37.0

Notes:

- (1) Gross profit margin is calculated based on the gross profit for each reporting year/period divided by total revenue for each reporting year/period and multiplied by 100.0%.
- (2) Current ratio is calculated based on total current assets divided by the total current liabilities as of the end of each reporting year/period.
- (3) Quick ratio is calculated based on our total current assets excluding inventories divided by the total current liabilities as of the end of each reporting year/period.
- (4) Interest-bearing debt ratio is calculated as interest-bearing debt (including bank and other borrowings and lease liabilities) divided by total assets as of the relevant date and multiplied by 100.0%.

See “— Period-to-Period Comparison of Results of Operations” for further information on the changes in our gross profit margin during the Track Record Period.

Our current ratio decreased from 1.6 times as of December 31, 2023 to 1.2 times as of December 31, 2024, primarily because the growth in our current liabilities outpaced that of our current assets due to increases in our trade payables and contract liabilities arising from increased raw material purchases and increased number of sales agreements as our business scaled up. Our current ratio remained relatively at 1.1 times as of September 30, 2025.

Our quick ratio decreased from 1.0 times as of December 31, 2023 to 0.6 times as of December 31, 2024, primarily because the growth in our current liabilities outpaced that of our current assets due to increases in our trade payables and contract liabilities arising from increased raw material purchases and increased number of sales agreements as our business scaled up. Our quick ratio remained relatively stable at 0.5 times as of September 30, 2025.

Our interest-bearing debt ratio increased from 23.9% as of December 31, 2023 to 30.1% as of December 31, 2024, and further increased to 37.0% as of September 30, 2025, primarily due to the increase in bank and other borrowings.

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RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. We have certain transactions and balances with the related parties during the Track Record Period. See note 33(b) to the Accountant's Report included in Appendix I to this document.

Our Directors are of the view that each of the related party transactions set out in note 33 to the Accountant's Report in Appendix I to this document was conducted in the ordinary course of business on an arm's length basis and with normal commercial terms between the relevant parties and their terms were fair, reasonable and in the interest of our Shareholders as a whole. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

FINANCIAL RISK MANAGEMENT

Our activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Risk management is carried out under policies approved by the directors. Our Directors provide principles for overall risk management. See note 3 to the Accountant's Report in Appendix I to this document.

Foreign Exchange Risk

We operate principally in the Chinese Mainland, Hong Kong, Australia and Netherlands. Foreign exchange risk arises where commercial transactions, recognized assets and liabilities are denominated in currency that is not the functional currency of the subsidiaries of our Company. Our Directors consider our foreign currency exposure is not significant as the respective operations' commercial transactions, assets and liabilities are mostly denominated in their respective functional currency. We did not hedge against any fluctuation in foreign currencies during the Track Record Period.

Cash Flow and Fair Value Interest Rate Risk

We hold interest-bearing assets and liabilities, including bank deposits and bank and other borrowings. Borrowings obtained at fixed interest rates expose us to fair value interest rate risk. As of December 31, 2023 and 2024 and September 30, 2025, if interest rates had been 50 basis points higher or lower, with all other variables held constant, our pre-tax loss for the year/period would have been RMB609,000, RMB807,000 and RMB1,152,000 higher or lower, respectively. Cash flow interest rate risk represents the risk that changes in market interest rates will affect cash flows arising from variable-rate financial instruments. Bank deposits held at variable rates expose us to cash flow interest rate risk. As of December 31, 2023 and 2024, and September 30, 2025, we were not exposed to significant cash flow interest rate risk.

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Credit Risk

Risk Management

Our credit risk mainly arises from bank deposits and financial asset at FVTPL with banks and financial institutions, as well as credit exposures to trade and bills receivables, deposits and other receivables, and contract assets. The carrying amounts of these balances on the consolidated statements of financial position represent our maximum exposure to credit risk in relation to its financial assets.

Impairment of Financial Assets

We have three types of financial assets that are subject to the expected credit loss model: (i) trade and bills receivables, (ii) contract assets relating to revenue contracts, and (iii) debt instruments carried at amortized cost. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial. Our bank deposits are placed in those banks and financial institutions which are independently rated with a high credit rating. Management does not expect any losses from non-performance by these banks and financial institutions as they have no default history in the past. See note 3.1(c) to the Accountant's Report in Appendix I to this document.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facility. Cash flow forecasting is performed by management. We monitor our rolling forecasts of our liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration our measures in raising additional capital, extending existing loan facilities and obtaining additional financing from banks, if considered necessary. See note 3.1(d) to the Accountant's Report in Appendix I to this document for the analysis about our financial liabilities, including lease liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

Capital Risk Management

We regard our total equity as capital. The primary objective of our capital management is to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders to support our sustainable growth and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry, we monitor capital on the basis of the gearing ratio. See note 3.2 to the Accountant's Report in Appendix I to this document.

DIVIDENDS

No dividend was declared or paid by our Company during the Track Record Period, nor has any dividend been proposed since the end of the Track Record Period. Our Group currently does not have a pre-determined dividend policy. We may declare and pay dividends after taking into account our results of operations, financial condition, cash flow, operating and capital expenditure requirements, future business development strategies and estimates and other factors as we may deem relevant. We may distribute dividends by way of cash or stock. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the relevant PRC laws and regulations. Any proposed distribution of dividends shall be determined by our Board and must be approved by our shareholders at a general meeting. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board and subject to the approval of Shareholders' meeting.

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DISTRIBUTABLE RESERVES

As of September 30, 2025, we had no distributable reserves.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED], and other fees incurred in connection with the [REDACTED]. At the [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the indicative [REDACTED]), the [REDACTED] which are payable by us are estimated to amount in aggregate to be approximately HK\$[REDACTED], accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. The total [REDACTED] consist of (i) approximately HK\$[REDACTED] [REDACTED] fees (including [REDACTED], incentive fee, SFC transaction levy, Stock Exchange trading fee, and AFRC transaction levy) and (ii) approximately HK\$[REDACTED] non-[REDACTED] mainly comprising (a) fees paid to legal adviser(s) and accountant(s) of approximately HK\$[REDACTED], and (b) other fees and expenses and fees paid to other professional parties of approximately HK\$[REDACTED]. Among the total [REDACTED], approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be charged to our consolidated statements of profit or loss, and approximately RMB[REDACTED] (HK\$[REDACTED]) of which is expected to be deducted from equity upon the completion of the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See Appendix II to this document for details of our unaudited [REDACTED] adjusted combined net tangible assets.

NO MATERIAL ADVERSE CHANGE

After due and careful consideration, our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since September 30, 2025, being the end of the Track Record Period, and there is no event since September 30, 2025 which would materially affect the information shown in the Accountant's Report, the contents of which are set out in the Accountant's Report in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rule.

FUTURE PLANS AND [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this document for a detailed description of our future plans.

[REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED], after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], and assuming the [REDACTED] being not exercised and an [REDACTED] of HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED]). We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- (1) approximately [REDACTED]% or HK\$[REDACTED], will be used to expand our production capacity, among which,
 - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used for (a) leasing production facilities; (b) land acquisition; (c) construction and installation expenses; and (d) other related expenses, including equipment installation fees, procurement of ancillary production facilities and related supporting software;
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used for construction of an energy storage production base in Zhejiang province, including eight energy storage production lines and supporting testing systems, with an annual designed production capacity of approximately 4 GWh;
 - (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to construct overseas production bases, further enhancing our overseas delivery capabilities;
 - (iv) approximately [REDACTED]%, or HK\$[REDACTED], will be used for existing production capacity upgrade and expansion;
- (2) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our product development and R&D capabilities, among which,
 - (i) approximately [REDACTED]% or HK\$[REDACTED], will be used to enrich our product matrix, among which, (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used for (I) construction and enhancement of laboratories, including an EMC laboratory and a reliability laboratory equipped with an explosion-proof walk-in environmental chamber, salt-spray and corrosion testing chambers, and IP protection-grade testing facilities; (II) the procurement of high-power AC grid simulation sources, high-voltage DC simulation sources, high-precision power analyzers and high-power bidirectional regenerative loads; (III) the development of an automated black-box testing platform and a high-power grid-connection testing laboratory; and (IV) upgrade of our battery testing laboratories; and (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used for technological talent recruitment, including hardware engineers, modeling engineers, EMC algorithm specialists, senior system engineers, grid-application experts and additional junior- and mid-level engineers;

FUTURE PLANS AND [REDACTED]

- (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to facilitate energy management SaaS subscription service platform development, in terms of (a) project delivery and AI business operations, providing customers with continuous optimization services based on dynamic electricity pricing and multi-market mechanisms; (b) security and performance monitoring, including development of a full-lifecycle battery fault-warning and diagnostic system capable of millisecond-level data analysis and early alerts; and (c) public and private cloud infrastructures supporting tens of millions of connections, including deployment of public and private cloud servers;
- (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to advance R&D for cutting-edge product technologies, including (a) robotic mobile energy storage and intelligent charging/swapping stations; (b) unmanned aerial vehicles; (c) DC-coupled ultra-high-speed charging and storage systems of electric vessels; (d) DSP-based core control technology; (e) advanced simulation, thermal management and hardware-in-the-loop testing; (f) SiC applications and grid-forming technology; and (g) edge controllers- and microgrid controllers-related technology. Such technologies include both foundational and applied technologies underpinning our product competitiveness;
- (iv) approximately [REDACTED]%, or HK\$[REDACTED], will be used to optimize cloud platform technologies, including (a) WHES OS, ECOS and VPP platform upgrade; and (b) R&D and optimization of underlying operation and maintenance (including time-series databases). Such technologies are designed to support a robust and reliable cloud platform, enhancing customer experience;
- (v) approximately [REDACTED]%, or HK\$[REDACTED], will be used to promote big data and AI-related R&D, including (a) R&D in time-series control, power generation forecasting and electricity consumption forecasting; and (b) foundational big-data processing, as well as development of our business-related and internal big-data platforms;
- (3) approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand our overseas and domestic sales network, among which,
 - (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand our overseas sales network, including (a) expansion in major markets such as Europe and Australia, and establishing local subsidiaries and service centers in emerging markets including North America, the Middle East and Latin America; (b) recruitment of new sales and service teams; and (c) carrying out brand-building and marketing activities through online and offline channels overseas;
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to expand domestic sales network, including (a) expanding the sales and service teams in the domestic market; and (ii) carrying out brand-building and marketing activities through online and offline channels in the Chinese Mainland;

FUTURE PLANS AND [REDACTED]

- (4) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our asset operation and maintenance and value-added service systems, among which, (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our service capabilities overseas, including (I) developing operation and maintenance service platforms and VPP aggregation platforms; (II) investing in, owning, and independently operating photovoltaic and energy storage systems to validate the integrated "software-hardware-service" revenue model and energy-as-a-service model where customers can effectively manage energy costs leveraging our solutions and services; (III) building and expanding a call center service platform, coupled with the central spare-parts warehouse, regional warehouses and on-site spare-parts storage, expediting our operation and maintenance service responses and thereby expanding communication channels with customers; and (IV) establishing overseas operation and maintenance centers and service centers; and (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used to enhance our service capabilities domestically, including (I) building and expanding a call center service platform, thereby enhancing our delivery system and capabilities; and (II) establishing operation and maintenance centers and service centers; and
- (5) approximately [REDACTED]%, or HK\$[REDACTED], will be used for working capital and other general corporate purposes.

To the extent our net [REDACTED] are either more or less than expected, we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis.

To the extent that the net [REDACTED] are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, we can only place the net [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed [REDACTED] or if any amount of the [REDACTED] will be used for general corporate purpose.

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED], the net [REDACTED] of the [REDACTED] will increase by approximately HK\$[REDACTED] or decrease by approximately HK\$[REDACTED], respectively.

The additional net [REDACTED] that we would receive if the [REDACTED] is exercised in full would be (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the maximum [REDACTED]), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the mid-point of the [REDACTED]) and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per H Share, being the minimum [REDACTED]).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages [I-1] to [I-3], received from the Company’s reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountant’s Reports on Historical Financial Information in Investment Circulars as issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF WEIHENG INTELLIGENT TECHNOLOGY CO., LTD. AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND CMB INTERNATIONAL CAPITAL LIMITED

Introduction

We report on the historical financial information of Weiheng Intelligent Technology Co., Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages [I-4] to [I-[●]], which comprises the consolidated statements of financial position at 31 December 2023 and 2024, the statements of financial position of the Company as at 31 December 2023 and 2024, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023 and 2024 and material accounting policy information and other explanatory information (together, the “**Financial Information**”). The Financial Information set out on pages [I-4] to [I-[●]] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “**Document**”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Financial Information

The directors of the Company are responsible for the preparation of Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the historical financial information, and for such internal control as the directors determine is necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error.

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Reporting accountant’s responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, Accountant’s Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Financial Information. The procedures selected depend on the reporting accountant’s judgement, including the assessment of risks of material misstatement of the Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the historical financial information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Company as at 31 December 2023 and 2024 and the consolidated financial position of the Group as at 31 December 2023 and 2024 and of its consolidated financial performance and its consolidated cash flows for the years ended 31 December 2023 and 2024 in accordance with the basis of preparation set out in Note 2 to the historical financial information.

Review of stub period financial information

We have reviewed the stub period financial information of the Group which comprises the consolidated statement of financial position as at 30 September 2025, the statement of financial position of the Company as at 30 September 2025, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the nine months ended 30 September 2024 and 2025 and other explanatory information (the “**Stub Period Financial Information**”). The directors of the Company are responsible for the presentation and preparation of the Stub Period Financial Information in accordance with the basis of preparation set out in Note 2 to the historical financial information. Our responsibility is to express a conclusion on the Stub Period Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do

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not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the historical financial information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to Note 34 to the historical financial information which states that no dividends have been paid by the Company in respect of the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025.

[PricewaterhouseCoopers]

Certified Public Accountants

Hong Kong

[Date]

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ACCOUNTANT’S REPORT

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the historical financial information of the Group as at 31 December 2023 and 2024 and 30 September 2025 and for the years/period then ended (the “**Track Record Period**”) (the “**Historical Financial Information**”), which forms an integral part of this accountant’s report.

The consolidated financial statements of the Group for the years ended 31 December 2023 and 2024, on which the Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (“**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

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ACCOUNTANT'S REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		<u>Year ended 31 December</u>		<u>Nine months ended 30 September</u>	
	<i>Notes</i>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	5	266,835	268,275	124,885	476,389
Cost of sales	7	<u>(244,800)</u>	<u>(219,764)</u>	<u>(106,378)</u>	<u>(385,615)</u>
Gross profit		22,035	48,511	18,507	90,774
Other income	6	2,047	5,973	4,429	2,677
Other gains/(losses), net	8	777	(1,435)	853	5,054
Selling and marketing expenses	7	(37,846)	(67,086)	(47,244)	(47,194)
Research and development expenses	7	(46,259)	(47,377)	(32,749)	(38,270)
Administrative expenses	7	(87,691)	(137,113)	(108,888)	(45,161)
(Provision for)/reversal of impairment of financial assets and contract assets	3.1(c)	<u>(5,456)</u>	<u>(1,806)</u>	<u>2,331</u>	<u>(4,130)</u>
Operating losses		<u>(152,393)</u>	<u>(200,333)</u>	<u>(162,761)</u>	<u>(36,250)</u>
Finance income	10	87	679	499	335
Finance costs	10	<u>(1,424)</u>	<u>(3,814)</u>	<u>(2,568)</u>	<u>(4,365)</u>
Finance costs, net		<u>(1,337)</u>	<u>(3,135)</u>	<u>(2,069)</u>	<u>(4,030)</u>
Share of results of associates	15	<u>—</u>	<u>(5)</u>	<u>—</u>	<u>—</u>
Loss before income tax		(153,730)	(203,473)	(164,830)	(40,280)
Income tax expense	11	<u>—</u>	<u>(1,073)</u>	<u>(410)</u>	<u>(118)</u>
Loss for the year/period		<u>(153,730)</u>	<u>(204,546)</u>	<u>(165,240)</u>	<u>(40,398)</u>
Loss for the year/period attributable to:					
Equity holders of the Company		(151,701)	(205,575)	(165,754)	(38,345)
Non-controlling interests		<u>(2,029)</u>	<u>1,029</u>	<u>514</u>	<u>(2,053)</u>
		<u>(153,730)</u>	<u>(204,546)</u>	<u>(165,240)</u>	<u>(40,398)</u>
Loss per share attributable to equity holders of the Company (expressed in RMB per share)					
Basic and diluted loss per share	12	<u>(1.91)</u>	<u>(2.25)</u>	<u>(1.83)</u>	<u>(0.40)</u>

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	<u>Year ended 31 December</u>		<u>Nine months ended 30 September</u>	
	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
Loss for the year/period	(153,730)	(204,546)	(165,240)	(40,398)
Other comprehensive (loss)/income				
Items that may be subsequently reclassified to profit or loss:				
Currency translation differences	<u>(119)</u>	<u>568</u>	<u>—</u>	<u>(2,423)</u>
Other comprehensive (loss)/income for the year/ period, net of tax	<u>-----</u> (119)	<u>-----</u> 568	<u>-----</u> —	<u>-----</u> (2,423)
Total comprehensive loss for the year/period, net of tax	<u><u>(153,849)</u></u>	<u><u>(203,978)</u></u>	<u><u>(165,240)</u></u>	<u><u>(42,821)</u></u>
Total comprehensive (loss)/income for the year/ period attributable to:				
Equity holders of the Company	(151,820)	(205,007)	(165,754)	(40,768)
Non-controlling interests	<u>(2,029)</u>	<u>1,029</u>	<u>514</u>	<u>(2,053)</u>
	<u><u>(153,849)</u></u>	<u><u>(203,978)</u></u>	<u><u>(165,240)</u></u>	<u><u>(42,821)</u></u>

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at 30 September
	<i>Notes</i>	2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	16	29,769	51,466	45,694
Intangible assets	17	521	1,006	1,251
Right-of-use assets	18	5,939	16,435	22,071
Investments in associates	15	—	295	295
Financial assets at fair value through profit or loss (“FVTPL”)	21	1,500	1,457	1,457
Deposits and prepayments	23	3,345	217	1,033
Total non-current assets		41,074	70,876	71,801
Current assets				
Inventories	25	191,116	257,779	319,432
Trade and bills receivables	22	93,002	93,979	141,315
Contract assets	5	23,578	3,555	11,540
Deposits, prepayments and other receivables	23	28,753	56,647	77,679
Financial assets at FVTPL	21	—	1,510	3,146
Restricted bank deposits	24(b)	36,330	200	—
Cash and cash equivalents	24(a)	111,941	114,571	57,316
Total current assets		484,720	528,241	610,428
Total assets		525,794	599,117	682,229
Equity attributable to equity holders of the Company				
Share capital	26(a)	88,349	89,816	89,816
Other reserves	26(b)	401,052	539,455	544,621
Accumulated losses		(265,018)	(470,593)	(508,938)
		224,383	158,678	125,499
Non-controlling interests		(1,665)	642	(1,158)
Total equity		222,718	159,320	124,341

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		As at 31 December		As at
	<i>Notes</i>	2023	2024	30 September
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
				<i>(Unaudited)</i>
Liabilities				
Non-current liabilities				
Lease liabilities	18	—	9,837	10,760
Bank and other borrowings	29	—	1,367	5,683
Total non-current liabilities		—	11,204	16,443
Current liabilities				
Trade payables	27	96,470	130,618	209,940
Contract liabilities	5	61,134	112,082	66,678
Accruals and other payables	28	19,634	15,376	19,068
Bank and other borrowings	29	121,889	160,031	224,693
Deferred income	30	—	1,677	9,997
Lease liabilities	18	3,949	8,809	11,069
Total current liabilities		303,076	428,593	541,445
Total liabilities		303,076	439,797	557,888
Total equity and liabilities		525,794	599,117	682,229

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		As at 30 September
	<i>Notes</i>	2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> (Unaudited)
Assets				
Non-current assets				
Property, plant and equipment	16	25,973	36,908	33,234
Right-of-use assets	18	1,156	11,773	13,259
Intangible assets	17	521	1,006	853
Investments in subsidiaries	14	32,262	63,715	63,715
Prepayments	23	3,345	—	1,033
Total non-current assets		63,257	113,402	112,094
Current assets				
Inventories	25	150,459	219,913	181,528
Trade and bills receivables	22	138,933	176,180	357,604
Contract assets	5	19,817	3,555	11,540
Deposits, prepayments and other receivables	23	100,824	105,189	152,743
Restricted bank deposits	24(b)	36,330	200	—
Cash and cash equivalents	24(a)	90,502	55,265	11,039
Total current assets		536,865	560,302	714,454
Total assets		600,122	673,704	826,548
Equity attributable to equity holders of the Company				
Share capital	26(a)	88,349	89,816	89,816
Other reserves	36	403,356	541,191	548,780
Accumulated losses	36	(234,804)	(393,638)	(346,949)
Total equity		256,901	237,369	291,647

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		As at 31 December		As at 30 September
	<i>Notes</i>	2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i> <i>(Unaudited)</i>
Liabilities				
Non-current liability				
Lease liabilities	18	—	9,837	8,192
Total non-current liability		—	9,837	8,192
Current liabilities				
Trade payables	27	170,075	117,093	216,559
Deferred income	30	—	1,677	9,997
Contract liabilities	5	33,172	100,695	40,807
Accruals and other payables	28	14,136	38,424	45,158
Bank and other borrowings	29	121,889	159,800	203,375
Lease liabilities	18	3,949	8,809	10,813
Total current liabilities		343,221	426,498	526,709
Total liabilities		343,221	436,335	534,901
Total equity and liabilities		600,122	673,704	826,548

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	<u>Attributable to owners of the Company</u>				Non-	
	<u>Share</u>	<u>Other</u>	<u>Accumulated</u>	<u>Sub-total</u>	<u>controlling</u>	<u>Total</u>
	<u>capital</u>	<u>reserves</u>	<u>losses</u>		<u>interests</u>	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(Note 26(a))</i>	<i>(Note 26(b))</i>				
Balance at 1 January 2023	78,275	151,280	(113,317)	116,238	(126)	116,112
Loss for the year	—	—	(151,701)	(151,701)	(2,029)	(153,730)
Other comprehensive loss						
Currency translation differences	—	(119)	—	(119)	—	(119)
Total comprehensive loss						
for the year	—	(119)	(151,701)	(151,820)	(2,029)	(153,849)
Transactions with equity						
holders:						
Issuance of shares	10,074	184,125	—	194,199	—	194,199
Capital injection by non-						
controlling interests	—	—	—	—	490	490
Share-based payment expenses	—	65,766	—	65,766	—	65,766
	10,074	249,891	—	259,965	490	260,455
Balance at 31 December 2023	88,349	401,052	(265,018)	224,383	(1,665)	222,718

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	Attributable to owners of the Company				Non-	
	Share	Other	Accumulated		controlling	
	capital	reserves	losses	Sub-total	interests	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(Note 26(a))	(Note 26(b))				
Balance at 1 January 2024	88,349	401,052	(265,018)	224,383	(1,665)	222,718
Loss for the year	—	—	(205,575)	(205,575)	1,029	(204,546)
Other comprehensive loss						
Currency translation differences	—	568	—	568	—	568
Total comprehensive loss for the year	<u>—</u>	<u>568</u>	<u>(205,575)</u>	<u>(205,007)</u>	<u>1,029</u>	<u>(203,978)</u>
Transactions with equity holders:						
Issuance of shares	1,467	28,693	—	30,160	—	30,160
Capital injection by non-controlling interests	—	—	—	—	1,278	1,278
Share-based payment expenses	—	109,142	—	109,142	—	109,142
	<u>1,467</u>	<u>137,835</u>	<u>—</u>	<u>139,302</u>	<u>1,278</u>	<u>140,580</u>
Balance at 31 December 2024	<u><u>89,816</u></u>	<u><u>539,455</u></u>	<u><u>(470,593)</u></u>	<u><u>158,678</u></u>	<u><u>642</u></u>	<u><u>159,320</u></u>

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	Attributable to owners of the Company				Non-	
	Share	Other	Accumulated		controlling	
	capital	reserves	losses	Sub-total	interests	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
	(Note 26(a))	(Note 26(b))				
Balance at 1 January 2024	88,349	401,052	(265,018)	224,383	(1,665)	222,718
Loss for the period	—	—	(165,754)	(165,754)	514	(165,240)
Total comprehensive loss for the period	—	—	(165,754)	(165,754)	514	(165,240)
Transactions with equity holders:						
Issuance of shares	8	—	—	8	—	8
Capital injection by non-controlling interests	—	—	—	—	1,141	1,141
Share-based payment expenses	—	89,647	—	89,647	—	89,647
	8	89,647	—	89,655	1,141	90,796
Balance at 30 September 2024 (Unaudited)	88,357	490,699	(430,772)	148,284	(10)	148,274

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	<u>Attributable to owners of the Company</u>				Non-	
	<u>Share</u>	<u>Other</u>	<u>Accumulated</u>	<u>Sub-total</u>	<u>controlling</u>	<u>Total</u>
	<u>capital</u>	<u>reserves</u>	<u>losses</u>		<u>interests</u>	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
	<i>(Note 26(a))</i>	<i>(Note 26(b))</i>				
Balance at 1 January 2025	89,816	539,455	(470,593)	158,678	642	159,320
Loss for the period	—	—	(38,345)	(38,345)	(2,053)	(40,398)
Other comprehensive loss						
Currency translation differences	—	(2,423)	—	(2,423)	—	(2,423)
Total comprehensive loss for the period	<u>—</u>	<u>(2,423)</u>	<u>(38,345)</u>	<u>(40,768)</u>	<u>(2,053)</u>	<u>(42,821)</u>
Transactions with equity holders:						
Capital injection by non-controlling interests	—	—	—	—	253	253
Share-based payment expenses	—	7,589	—	7,589	—	7,589
	<u>—</u>	<u>7,589</u>	<u>—</u>	<u>7,589</u>	<u>253</u>	<u>7,842</u>
Balance at 30 September 2025 (Unaudited)	<u>89,816</u>	<u>544,621</u>	<u>(508,938)</u>	<u>125,499</u>	<u>(1,158)</u>	<u>124,341</u>

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CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December		Nine months ended 30 September	
	Notes	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Cash flows from operating activities					
Cash used in operations	31(a)	(160,346)	(66,296)	(49,303)	(113,010)
Interest received		87	679	499	335
Interest paid		(1,371)	(3,417)	(2,282)	(4,006)
Income tax paid, net		—	(1,073)	(410)	(118)
Net cash used in operating activities		(161,630)	(70,107)	(51,496)	(116,799)
Cash flows from investing activities					
Purchase of property, plant and equipment	16	(19,660)	(31,179)	(23,797)	(7,302)
Purchase of intangible assets	17	(483)	(634)	(550)	(425)
Purchase of financial assets at FVTPL		(1,500)	(5,000)	(4,509)	(3,146)
Proceeds from disposal of property, plant and equipment	31(b)	—	623	—	1,553
Prepayments for right-of-use assets		(4,843)	—	—	—
Release of restricted bank deposits		—	36,130	36,130	200
Proceeds from disposal of a subsidiary		—	—	—	4,310
Capital injections in an associate	15	—	(300)	—	—
Placement of restricted bank deposits		(36,330)	—	—	—
Proceeds from disposal of financial assets at FVTPL		—	3,507	3,507	1,510
Net cash (used in)/generated from investing activities		(62,816)	3,147	10,781	(3,300)

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		Year ended 31 December		Nine months ended 30 September	
	Notes	2023	2024	2024	2025
		RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	(Unaudited)
Cash flows from financing activities					
Proceeds from bank and other borrowings	31(c)	121,889	161,398	119,465	230,376
Repayments of bank and other borrowings	31(c)	(16,018)	(121,889)	(109,800)	(161,398)
Repayment of principal portion of lease liabilities	31(c)	—	(39)	—	(6,399)
Repayment of interest portion of lease liabilities	31(c)	—	(6)	—	(328)
Capital contribution from non-controlling interests		490	1,278	1,141	253
Proceeds from issue of shares		194,199	30,161	8	—
Net cash generated from financing activities		300,560	70,903	10,814	62,504
Net increase/(decrease) in cash and cash equivalents					
		76,114	3,943	(29,901)	(57,595)
Cash and cash equivalents at beginning of the year/period		33,337	111,941	111,941	114,571
Effect of foreign exchange rate changes		2,490	(1,313)	(1,400)	340
Cash and cash equivalents at end of the year/period	24	111,941	114,571	80,640	57,316

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Weiheg Intelligent Technology Co., Ltd. (the “**Company**”) was incorporated in the People’s Republic of China (“**PRC**”) as a private company with limited liability on 4 July 2017. The address of the Company’s registered office is Shengxiang, Yaxi Community, Luoshe Town, Huishan District, Wuxi City.

The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the production and sales of energy storage solutions and the provision of other services for photovoltaic power stations in the PRC and overseas (“**[REDACTED] Business**”).

The ultimate controlling shareholder of the Company as at the date of this report is Mr. Ko Chun Shun Johnson (“**Mr. Ko**”). The ultimate controlling company of the Company as at the date of this report is Reorient Investments Limited, incorporated in Hong Kong on 10 December 2019 which is also the ultimate holding company and the ultimate controlling party of the Company.

These financial statements are presented in RMB and all values are rounded to the nearest thousand (RMB’000), unless otherwise stated.

2 BASIS OF PREPARATION

The Historical Financial Information of the Company has been prepared in accordance with principal accounting policies as set out below which are in accordance with HKFRS Accounting Standards issued by the HKICPA. The principal accounting policies have been consistently applied to all the years and periods presented, unless otherwise stated.

The Historical Financial Information has been prepared on a historical cost basis, except for the financial assets at FVTPL, which is measured at fair value.

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2.1 New standards, amendments and improvements to existing standards not yet adopted

The following new standards and amendments to standards have been issued but are not effective during the Track Record Period, and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments and Contracts Referencing Nature dependent Electricity	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 will replace HKAS 1 “*Presentation of financial statements*”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group’s profit/loss for the year, the Group expects that grouping items of income and expenses in the consolidated statements of comprehensive income into the new categories will impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

Except for the above mentioned changes in presentation and disclosure, these pronouncements are not expected to have a material impact on the results or the financial position of the Group.

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3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, cash flow and fair value interest rate risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out under policies approved by the directors. The directors provide principles for overall risk management.

(a) *Foreign exchange risk*

The Group operates principally in the PRC, Hong Kong, Australia and the Netherlands. Foreign exchange risk arises where commercial transactions, recognised assets and liabilities are denominated in currency that is not the functional currency of the subsidiaries and the Company. Management considers the foreign currency exposure of the Group is not significant as the respective operations' commercial transactions, assets and liabilities are mostly denominated in their respective functional currency.

The Group does not hedge against any fluctuation in foreign currencies during the Track Record Period.

(b) *Cash flow and fair value interest rate risk*

The Group holds interest bearing assets and liabilities including bank deposits and bank and other borrowings. Bank and other borrowings obtained at fixed rates expose the Group to fair value interest rate risk. At 31 December 2023 and 2024, and 30 September 2025, if the interest rate had been 50 basis points higher/lower with all other variables held constant, pretax loss for the year/period would have been RMB609,000, RMB807,000 and RMB1,152,000 higher/lower, respectively.

Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Bank deposits held at variable rate expose the Group to cash flow interest rate risk. As at 31 December 2023 and 2024, and 30 September 2025, the Group is not exposed to significant cash flow interest rate risk.

(c) *Credit risk*

(i) *Risk management*

Credit risk of the Group mainly arises from bank deposits and financial asset at FVTPL with banks and financial institutions, as well as credit exposures to trade and bills receivables, deposits and other receivables and contract assets. The carrying amounts of these balances on the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

(ii) *Impairment of financial assets*

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade and bills receivables
- contract assets relating to revenue contracts, and
- deposit and other receivables.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Group's bank deposits are placed in those banks which are independently rated with a high credit rating. Management does not expect any losses from non-performance by these banks as they have no default history in the past.

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Trade and bills receivables and contract assets

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables and contract assets.

For bills receivables, bills are issued by counterparties at reputable banks and finance institutions and the credit risk is considered to be low.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets represent conditional rights to consideration in relation to the electric storage business contracts and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group recognises the provision for expected credit losses on trade receivables by grouping the trade receivables based on shared credit risk characteristics and the days past due, and applying expected credit loss rates to the respective gross carrying amounts of the trade receivables. The expected loss rates are measured either with reference to the credit rating report in the market and external loss rate or the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 31 December 2024 and 2023, and 30 September 2025 was determined as follows, based on the date of revenue recognition, for both trade and bills receivables and contract assets:

<u>30 September 2025 (Unaudited)</u>	<u>Within 90 days</u>	<u>Between 91 and 180 days</u>	<u>Between 181 and 270 days</u>	<u>Over 270 days</u>	<u>Total</u>
Assessed based on the payment profiles					
Expected loss rate	5.3%	17.6%	33.7%	63.0%	
Gross carrying amount — trade receivables (RMB'000)	75,358	4,484	178	22,163	102,183
Gross carrying amount — contract assets (RMB'000)	11,950	—	—	—	11,950
Assessed based on credit rating and external loss rate					
Expected loss rate	0.1%	0%	0%	0.1%	
Gross carrying amount — trade receivables (RMB'000)	8,528	—	—	41,757	50,285
Loss allowance (RMB'000)	4,634	790	60	6,079	11,563

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<u>31 December 2024</u>	<u>Within 90 days</u>	<u>Between 91 and 180 days</u>	<u>Between 181 and 270 days</u>	<u>Over 270 days</u>	<u>Total</u>
Assessed based on the payment profiles					
Expected loss rate	4.8%	14.1%	20.4%	58.3%	
Gross carrying amount — trade receivables (RMB’000)	28,755	20,819	6,388	8,168	64,130
Gross carrying amount — contract assets (RMB’000)	3,729	—	—	—	3,729
Assessed based on credit rating					
Expected loss rate	0.1%	0%	0%	0.1%	
Gross carrying amount — trade receivables (RMB’000)	4,167	—	—	32,941	37,108
Loss allowance (RMB’000)	1,757	2,929	1,305	1,442	7,433
<u>31 December 2023</u>	<u>Within 90 days</u>	<u>Between 91 and 180 days</u>	<u>Between 181 and 270 days</u>	<u>Over 270 days</u>	<u>Total</u>
Expected loss rate	5.4%	19.9%	33.3%	48.8%	
Gross carrying amount — trade receivables (RMB’000)	49,632	3,875	12	8,234	61,753
Gross carrying amount — contract assets (RMB’000)	25,049	—	—	—	25,049
Assessed based on credit rating and external loss rate					
Expected loss rate	0.1%	0%	0%	0.1%	
Gross carrying amount — trade receivables (RMB’000)	5,638	—	—	29,767	35,405
Loss allowance (RMB’000)	4,451	770	4	402	5,627

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The loss allowances for trade and bills receivables and contract assets as at 31 December 2024 and 2023, and 30 September 2025 reconcile to the opening loss allowance as follows:

	Contract assets	Trade receivables
	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	5	166
Provision for impairment	<u>1,466</u>	<u>3,990</u>
As at 31 December 2023 and 1 January 2024	1,471	4,156
(Reversal of)/provision for impairment	<u>(1,297)</u>	<u>3,103</u>
As at 31 December 2024 and 1 January 2025	174	7,259
Provision for impairment	<u>236</u>	<u>3,894</u>
As at 30 September 2025 (Unaudited)	<u><u>410</u></u>	<u><u>11,153</u></u>

Trade and bills receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 5 years past due.

Impairment losses on trade and bills receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Deposits and other receivables

For deposits and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, current conditions and forward-looking information on macroeconomic factors. The management believes that the expected credit loss is insignificant.

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(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facility. The Group reported a net loss of approximately RMB153,730,000, RMB204,546,000 and RMB40,398,000 during the years ended 31 December 2023 and 2024 and nine months ended 30 September 2025, respectively. Cash flow forecasting is performed by management. The Group monitors its rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group’s measures in raising additional capital, extending existing loan facilities and obtaining additional financing from banks, if considered necessary.

The tables below analyse the Group’s financial liabilities, including lease liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

As at 31 December 2023

	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total Undiscounted cash flow	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	96,470	—	—	—	96,470	96,470
Accruals and other payables	6,350	—	—	—	6,350	6,350
Bank and other borrowings	123,410	—	—	—	123,410	121,889
Lease liabilities	3,960	—	—	—	3,960	3,949
	<u>230,190</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>230,190</u>	<u>228,658</u>

As at 31 December 2024

	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total Undiscounted cash flow	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	130,618	—	—	—	130,618	130,618
Accruals and other payables	4,387	—	—	—	4,387	4,387
Bank and other borrowings	162,823	317	951	307	164,398	161,398
Lease liabilities	9,288	3,723	6,396	—	19,407	18,646
	<u>307,116</u>	<u>4,040</u>	<u>7,347</u>	<u>307</u>	<u>318,810</u>	<u>315,049</u>

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As at 30 September 2025 (Unaudited)

	On demand or less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total Undiscounted cash flow	Carrying amount
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Trade payables	213,759	—	—	—	213,759	213,759
Accruals and other payables	8,439	—	—	—	8,439	8,439
Bank and other borrowings	227,871	1,603	4,436	302	234,212	230,376
Lease liabilities	11,482	5,805	4,080	1,510	22,877	21,829
	<u>461,551</u>	<u>7,408</u>	<u>8,516</u>	<u>1,812</u>	<u>479,287</u>	<u>474,403</u>

3.2 Capital risk management

The Group regards its total equity as capital. The primary objective of the Group’s capital management is to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders to support the Group’s sustainable growth and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity (including non-controlling interests). Net debt is calculated as total borrowings and lease liabilities less cash and cash equivalents. Total equity is calculated as “equity” as shown in the consolidated statements of financial position.

The gearing ratio at 31 December 2023 and 2024 and 30 September 2025 were as follows:

		As at 31 December		As at 30 September
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000 (Unaudited)
Bank and other borrowings	29	121,889	161,398	230,376
Lease liabilities	18	3,949	18,646	21,829
Less: cash and cash equivalents	24(a)	(111,941)	(114,571)	(57,316)
Net debt		<u>13,897</u>	<u>65,473</u>	<u>194,889</u>
Total equity		<u>222,718</u>	<u>159,320</u>	<u>124,341</u>
Gearing ratio		<u>6.2%</u>	<u>41.1%</u>	<u>156.7%</u>

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3.3 Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023				
Financial assets at FVTPL				
Unlisted equity securities	—	—	1,500	1,500
	<u>—</u>	<u>—</u>	<u>1,500</u>	<u>1,500</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2024				
Financial assets at FVTPL				
Unlisted equity securities	—	—	1,457	1,457
Wealth management products	—	—	1,510	1,510
	<u>—</u>	<u>—</u>	<u>1,510</u>	<u>1,510</u>
	<u>—</u>	<u>—</u>	<u>2,967</u>	<u>2,967</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 30 September 2025 (Unaudited)				
Financial assets at FVTPL				
Unlisted equity securities	—	—	1,457	1,457
Wealth management products	—	—	3,146	3,146
	<u>—</u>	<u>—</u>	<u>3,146</u>	<u>3,146</u>
	<u>—</u>	<u>—</u>	<u>4,603</u>	<u>4,603</u>

There were no transfers between levels 1 and 2 for recurring fair value measurements during the Track Record Period. For transfers into and out of level 3 measurements see (iii) below.

The Group’s policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

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(ii) *Valuation techniques used to determine fair values*

Specific valuation techniques used to value financial instruments include:

- for unlisted equity securities — stated with reference to the net asset value; and
- for wealth management products — discounted cash flow analysis

There were no transfers between levels 1, 2 and 3 during the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025.

(iii) *Reconciliation of level 3 fair value measurements of financial assets*

The following table presents the changes in level 3 items for the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025:

	Financial assets	
	Unlisted equity securities	Wealth management products
	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	—	—
Additions	1,500	—
At 31 December 2023 and 1 January 2024	1,500	—
Additions	—	5,000
(Loss)/gain recognised in the consolidated statements of comprehensive income	(43)	17
Disposals	—	(3,507)
At 31 December 2024 and 1 January 2025	1,457	1,510
Additions	—	3,146
Disposals	—	(1,510)
As 30 September 2025 (Unaudited)	1,457	3,146

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(iv) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements:

Description	Fair value at			Unobservable inputs	Range of inputs			Relationship of unobservable inputs to fair value
	30 September	31 December	31 December		30 September	31 December	31 December	
	2025	2024	2023		2025	2024	2023	
	RMB'000	RMB'000	RMB'000					
	(Unaudited)				(Unaudited)			
Unlisted equity securities	1,457	1,457	1,500	Net asset value	RMB19,894,000	RMB12,906,000	RMB8,888,000	Increase/decrease in 1% of the fair value of the net asset value would increase/decrease the fair value by RMB14,500 (31 December 2024: RMB14,500, 31 December 2023: RMB15,000)
Wealth management products	3,146	1,510	—	Expected rate of return	2% to 3%	2% to 3%	N/A	Increase/decrease 1% of the expected rate of return would increase/decrease the fair value measure by RMB31,000 (31 December 2024: RMB15,000)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of trade and bills receivables, deposits and other receivables, and contract assets

The loss allowances for trade and bills receivables, deposits and other receivables, and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to severe industry cycle. Management reassesses these estimates at the end of each reporting date.

(c) Share-based payments expenses

The Group measures the cost of equity-settled transactions with employees with reference to the fair value of the equity instruments at the date at which they are granted with estimated forfeiture rate of eligible grantees. Significant estimates are involved in the determination of forfeiture rate, which include the use of the most appropriate calculation model and inputs based on the actual forfeiture rate of the Group.

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(d) Impairment assessment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to disposal. These calculations require the use of judgements and estimates.

Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique, e.g. the market approach, the income approach, as well as a combination of approaches, including the adjusted net asset method; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group’s financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the consolidated statements of comprehensive income.

5 REVENUE AND SEGMENT INFORMATION

(a) Segment information

The chief operating decision maker (the “CODM”) has been identified as the executive directors of the Company that make strategic decisions. The CODM regards the Group’s business as a single operating segment and review Historical Financial Information accordingly. As the Group has only one operating segment qualified as reporting segment under HKFRS 8 and the information that regularly reviewed by the executive directors for the purposes of allocating resources and assessing performance of the operating segment is the Historical Financial Information of the Group, no separate segmental analysis is presented in the Historical Financial Information.

The executive directors of the Company assess segment performance based on reportable operating result.

As at 31 December 2023 and 2024, and 30 September 2025, all the Group’s non-current assets are located in the PRC.

Revenue derived from external customers with amounts equal to or above 10% of the Group’s revenue is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000 (Unaudited)
Customer A	158,588	N/A*	N/A*	N/A*
Customer B	N/A*	N/A*	20,050	N/A*
Customer C	N/A*	N/A*	14,707	N/A*
Customer D	N/A*	N/A*	N/A*	88,204

* The revenue from the customer did not contribute over 10% of the total revenue of the Group for the year/period.

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(b) Disaggregation of revenue from contracts with customers

The revenue recognised during the Track Record Period is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Sales of goods and provision of services in relation to electric storage				
— Commercial and industrial energy storage system (“ESS”) solutions	88,843	221,638	107,670	330,456
— Residential ESS solutions	19,525	29,368	16,532	48,048
— Utility ESS solutions	158,411	14,572	—	94,091
Others	56	2,697	683	3,794
	<u>266,835</u>	<u>268,275</u>	<u>124,885</u>	<u>476,389</u>
Timing of revenue recognition within the scope of HKFRS 15				
— At a point in time	264,813	264,909	122,623	469,484
— Over time	<u>2,022</u>	<u>3,366</u>	<u>2,262</u>	<u>6,905</u>
Total	<u>266,835</u>	<u>268,275</u>	<u>124,885</u>	<u>476,389</u>

An analysis of the Group’s sales by geographical area of its customers is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
The PRC	228,251	132,590	63,987	263,629
Europe	32,308	114,082	47,664	168,284
Other	<u>6,276</u>	<u>21,603</u>	<u>13,234</u>	<u>44,476</u>
	<u>266,835</u>	<u>268,275</u>	<u>124,885</u>	<u>476,389</u>

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(c) Assets and liabilities related to contracts with customers

The Group

The Group has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Contract assets:			
— Commercial and industrial ESS solutions	5,678	3,555	5,590
— Utility ESS solutions	17,900	—	5,950
	<u>23,578</u>	<u>3,555</u>	<u>11,540</u>
Contract liabilities:			
— Commercial and industrial ESS solutions	56,452	85,715	59,725
— Residential ESS solutions	4,682	2,036	4,533
— Utility ESS solutions	—	24,331	2,420
	<u>61,134</u>	<u>112,082</u>	<u>66,678</u>

Contract assets as at 31 December 2024 have decreased because the Group’s right to the consideration of one of its utility ESS solutions contracts has become unconditional. As at 30 September 2025, contract assets have increased because the Group has obtained more agreements for commercial, industrial and utility ESS solutions. The Group also recognised a loss allowance for contract assets in accordance with HKFRS 9, see Note 3.1(c) for further information.

Contract liabilities as at 31 December 2024 and 30 September 2025 have increased due to the increase in overall contract activities.

The Group recognises the incremental costs of obtaining a contract as a selling expense when incurred as the amortisation period of the asset is expected to be one year or less.

(i) *Revenue recognised in relation to contract liabilities*

The following table shows the revenue recognised during the Track Record Period related to carried-forward contract liabilities.

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Revenue recognised that was included in the contract liabilities at the beginning of the year/period	<u>40,102</u>	<u>43,763</u>	<u>38,093</u>	<u>46,187</u>

(ii) *Unsatisfied performance obligation*

During the Track Record Period, all contracts are for periods of one year or less. The Group does not disclose the transaction price allocated to these unsatisfied contracts.

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The Company has recognised the following assets and liabilities related to contracts with customers:

	As at 31 December		As at
	2023	2024	30 September
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
			<i>(Unaudited)</i>
Contract assets:			
— Commercial and industrial ESS solutions	1,917	3,555	5,590
— Utility ESS solutions	17,900	—	5,950
	<u>19,817</u>	<u>3,555</u>	<u>11,540</u>
Contract liabilities:			
— Commercial and industrial ESS solutions	32,852	76,057	38,004
— Residential ESS solutions	320	307	383
— Utility ESS solutions	—	24,331	2,420
	<u>33,172</u>	<u>100,695</u>	<u>40,807</u>

(d) Accounting policies on revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group’s activities. Revenue is shown net of value-added tax and discounts, and after eliminating sales within the Group.

The Group recognises revenue, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group’s activities as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service. Specific criteria where revenue is recognised are described below.

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(i) Sales of goods

The Group manufactures and sells a range of electric storage products as well as the spare and accessory parts. Sales are recognised when control of the goods has transferred. Control is considered to be transferred at the point in time when the products have been delivered to the customer, the customer has full discretion over the use of the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery has occurred when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the goods.

A receivable is recognised when the goods are delivered, since this is the point in time when the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Provision of other services for photovoltaic power stations

Service fee income in relation to the provision of other services for photovoltaic power stations is recognised when the service is provided.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for a significant financing component or the time value of money.

6 OTHER INCOME

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Government grants (<i>Note</i>)	1,774	5,973	4,429	2,135
Others	273	—	—	542
	<u>2,047</u>	<u>5,973</u>	<u>4,429</u>	<u>2,677</u>

Note: For the years ended 31 December 2024 and 2023, and the nine months ended 30 September 2025, there is no unfulfilled conditions attached to the government grants.

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7 EXPENSES BY NATURE

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Cost of inventories sold (<i>Note 25</i>)	234,677	204,017	96,220	373,418
Provision for impairment of inventories (<i>Note 25</i>)	2,851	8,227	6,469	1,441
Employee benefit expenses (<i>Note 9</i>)	122,784	178,119	136,940	69,254
Business entertainment expenses	5,578	6,566	5,010	4,122
Advertising and exhibition expenses	5,851	9,540	6,627	9,111
Expenses relating to lease payments (<i>Note 18</i>)	1,704	3,725	2,635	4,264
Depreciation of property, plant and equipment (<i>Note 16</i>)	4,186	6,619	4,787	6,047
Amortisation of intangible assets (<i>Note 17</i>)	804	149	120	180
Depreciation of right-of-use assets (<i>Note 18</i>)	1,216	3,849	2,781	3,915
Legal and professional fees	5,840	8,956	6,386	6,840
Consulting expenses	2,410	6,466	3,855	2,440
Consumables	6,903	8,312	5,752	6,396
Subscription fee	594	1,333	1,134	5,941
Travelling expenses	7,585	9,259	6,534	7,508
Office expenses	1,096	2,739	1,998	1,664
Provision for warranties	2,708	2,435	1,010	3,909
Insurance expenses	668	1,020	589	447
Transportation expenses	1,242	2,976	1,887	2,444
Others	7,899	7,033	4,525	6,899
Total cost of sales, selling and marketing expenses, research and development expenses, and administrative expenses	416,596	471,340	295,259	516,240

8 OTHER GAINS/(LOSSES), NET

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Gains on disposal of property, plant and equipment (<i>Note 31(b)</i>)	—	5	—	—
Exchange gain/(loss), net	868	(1,339)	669	5,608
Fair value loss on financial assets at FVTPL (<i>Note 21</i>)	—	(26)	—	—
Loss on disposal of a subsidiary	—	(22)	—	(125)
Others	(91)	(53)	184	(429)
	777	(1,435)	853	5,054

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9 EMPLOYEE BENEFIT EXPENSES

An analysis of employee benefit expenses, including directors’ emoluments, is as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB’000	RMB’000	RMB’000 (Unaudited)	RMB’000 (Unaudited)
Salaries and wages	46,933	63,813	43,862	54,501
Pension costs — defined contribution plans	7,809	10,011	7,250	8,448
Bonus	4,387	3,558	—	692
Other welfare and allowances	3,442	4,180	2,914	4,446
Share-based payment expenses	65,766	109,142	89,647	7,589
	128,337	190,704	143,673	75,676
Capitalised as inventories	(5,553)	(12,585)	(6,733)	(6,422)
	122,784	178,119	136,940	69,254

(a) Directors’ emoluments

Name of director	Fees	Salary	Share options	Employer’s contribution to a retirement benefit scheme	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December 2023					
Director					
Sun Yaojie	—	707	14,316	16	15,039
Samantha Wing-Yan Ko	—	—	805	—	805
Wu Yu ⁽ⁱ⁾	—	647	2,655	91	3,393
Xu Yuanyaun	—	606	5,826	143	6,575
Pun Kai Cheung ⁽ⁱ⁾	—	—	805	—	805
Total	—	1,960	24,407	250	26,617

Name of director	Fees	Salary	Share options	Employer’s contribution to a retirement benefit scheme	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December 2024					
Director					
Sun Yaojie	—	668	19,880	17	20,565
Samantha Wing-Yan Ko	—	—	3,120	—	3,120
Wu Yu ⁽ⁱ⁾	—	610	1,740	90	2,440
Xu Yuanyaun	—	601	14,028	141	14,770
Pun Kai Cheung ⁽ⁱ⁾	—	—	3,120	—	3,120
Total	—	1,879	41,888	248	44,015

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<u>Name of director</u>	<u>Fees</u>	<u>Salary</u>	<u>Share options</u>	<u>Employer’s contribution to a retirement benefit scheme</u>	<u>Total</u>
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Nine months ended 30 September 2025					
(Unaudited)					
Director					
Sun Yaojie	—	501	—	13	514
Samantha Wing-Yan Ko	—	—	—	—	—
Wu Yu ⁽ⁱ⁾	—	458	—	76	534
Xu Yuanyaun	—	451	—	102	553
Pun Kai Cheung ⁽ⁱ⁾	—	—	—	—	—
Total	—	1,410	—	191	1,601

(i) Ceased to be director with effect from [●] 2026.

(b) Directors’ retirement benefits

No retirement benefits were paid to or receivable by any director during the Track Record Period in respect of services as a director of the Company and its subsidiary undertakings or in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings.

(c) Directors’ termination benefits

There were no other payments made to or receivable by any director during the Track Record Period in respect of the loss of office as a director, whether of the Company or its subsidiary undertakings, or the loss of other office in connection with the management of the affairs of the Company or its subsidiary undertakings.

(d) Consideration provided to third parties for making available directors’ services

No consideration was provided to or receivable by third parties for making available directors’ services during the Track Record Period.

(e) Information about loans, quasi-loans and other dealings entered into by the company or its subsidiary undertakings, where applicable, in favour of directors

There were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected parties during the Track Record Period.

(f) Directors’ material interests in transactions, arrangements or contracts

There were no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the Track Record Period.

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(g) Five highest paid individuals

For each of the Track Record Period, the five individuals whose emoluments were the highest in the Group include 2 directors. The emoluments paid to the remaining 3 individuals, respectively, are as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Basic salaries, other allowances and benefits in kind	1,616	937	714	772
Contributions to pension schemes	261	256	186	151
Share options	9,421	14,136	12,319	597
	<u>11,298</u>	<u>15,329</u>	<u>13,219</u>	<u>1,520</u>

The emoluments of above individuals are within the following bands:

	Number of individuals			
	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
			(Unaudited)	(Unaudited)
Emoluments bands				
HK\$nil to HK\$1,000,000	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

10 FINANCE COSTS, NET

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Finance income:				
— Interest income from bank deposits	87	679	499	335
Finance costs:				
— Interest expense on bank and other borrowings	(1,371)	(3,417)	(2,282)	(4,006)
— Interest expense on lease liabilities (Note 18)	(53)	(397)	(286)	(359)
	<u>(1,424)</u>	<u>(3,814)</u>	<u>(2,568)</u>	<u>(4,365)</u>
Finance costs, net	<u>(1,337)</u>	<u>(3,135)</u>	<u>(2,069)</u>	<u>(4,030)</u>

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11 INCOME TAX EXPENSE

Taxation on profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries/places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008 (the “CIT Law”), companies in the PRC are subject to income tax of 25% unless preferential rate is applicable.

The Company is subject to a tax rate of 15% for the years ended 31 December 2024 and 2023, and the nine months ended 30 September 2025 as it is eligible for the tax concession granted by the PRC government as a high-tech enterprise up to October 2025, subject to renewal upon expiry.

No Hong Kong and overseas profits tax has been provided for the years ended 31 December 2024 and 2023, and the nine months ended 30 September 2025 since there was no tax assessable profit generated from Hong Kong and overseas.

The amount of income tax expense charged to the consolidated statements of comprehensive income represents:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Current income tax	—	1,073	410	118

The tax on the Group’s loss before income tax differs from the theoretical amount that would arise using the tax rates applicable to profits of the entities under the Group as follows:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			(Unaudited)	(Unaudited)
Loss before income tax	(153,730)	(203,473)	(164,830)	(40,280)
Tax calculated at domestic tax rates applicable to profits in respective countries/places of business	(25,469)	(33,353)	(29,666)	(9,831)
Tax effects of:				
Income not subject to tax	(1,806)	(142)	(214)	(119)
Expenses not deductible for tax purpose	10,019	14,388	4,105	1,139
Utilisation of previously unrecognised tax loss	—	—	(3)	(8,349)
Tax effect of tax loss not recognised	17,256	18,576	22,947	12,252
Other temporary differences not recognised	—	1,604	3,241	5,026
	—	1,073	410	118

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12 LOSS PER SHARE

(a) Basic loss per share

Basic loss per share are calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the Track Record Period.

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024 (Unaudited)	2025 (Unaudited)
Loss attributable to the ordinary equity holders of the Company (RMB'000)	(151,701)	(205,575)	(165,754)	(38,345)
Weighted average number of ordinary shares in issue ('000)	79,586	91,446	90,419	95,966
Basic loss per share (expressed in RMB per share)	(1.91)	(2.25)	(1.83)	(0.40)

(b) Diluted loss per share

The basic and diluted loss per share for the years ended 31 December 2024 and 2023, and the nine months ended 30 September 2025 were the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding during the Track Record Period was anti-dilutive.

13 SHARE-BASED PAYMENT EXPENSES

The Group has approved and adopted a share option plan (the “Plan”) pursuant to a shareholder’s resolutions passed on 30 September 2021 and 30 September 2022. The Plan is designed to attract, retain and motivate the grantees to strive for future developments and expansion of the Group. Under the Plan, participants are granted options which only vest if the requirement for service period and service performance are met. The service period under the Plan ranged from 0 to 5 years. The exercise date is determined to be the date on which the Group decided to implement the shareholding reform, i.e. a date before 30 November 2025.

The fair values of services received in return for share options granted are measured by reference to the fair value of share options granted. The range of fair value of options granted is determined by using the Binomial model, and significant inputs of the model were as follows:

	Share options as at grant date										
	30 September 2021	15 November 2022	31 January 2023	28 February 2023	16 May 2023	20 December 2023	31 December 2023	14 October 2024	20 December 2024	25 December 2024	30 September 2025
Exercise price (RMB)	0 or 0.1	1,697	1,697	1,697	1,697	1,697	1,697	1,697	1,697	1,697	1,697
Expected volatility (Note)	53.6%	55.6%	56.6%	56.5%	56.7%	56.5%	55.8% to 57.5%	57.3%	52.9%	52.8%	50.4% to 53.3%
Spot price (RMB)	3.14	11.37	11.37	11.37	11.37	20.56	20.56	20.56	20.56	20.56	20.56
Risk-free rate	0.7%	3.9%	3.1%	3.9%	3.0%	3.4%	3.0% to 3.1%	3.0%	3.4%	3.4%	2.5%
Grant date fair value	3.04 to	9.94 to	9.89	9.92	9.87	18.97	18.96 to	18.92	18.91 to	18.91	21.59
per option (RMB)	3.14	9.96					18.97		18.97		

Note: Expected volatility is assumed to be based on historical volatility of comparable companies.

The variables and assumptions used in estimating the fair value of the share options were the directors’ best estimates. Change in subjective input assumptions can materially affect the fair value.

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During year ended 31 December 2024, the Group entered into a supplementary agreement with certain grantees to modify the vesting requirement of the Plan, under which the share options granted under the agreements were vested immediately upon the agreement effective date. No incremental fair value were granted as a result of such modification.

Set out below are summaries of options granted and outstanding under the Plan:

	Years ended 31 December				Nine months ended 30 September	
	2023		2024		2025	
	Average exercise price per share option	Number of share options	Average exercise price per share option	Number of share options	Average exercise price per share option	Number of share options
					(Unaudited)	(Unaudited)
At beginning of the year/ period	RMB0.83	19,846,047	RMB1.01	25,015,660	RMB1.03	25,836,055
Granted during the year/period	RMB1.70	<u>5,169,613</u>	RMB1.70	<u>820,395</u>	RMB1.70	<u>1,377,368</u>
At the end of the year/period	RMB1.01	<u><u>25,015,660</u></u>	RMB1.03	<u><u>25,836,055</u></u>	RMB1.06	<u><u>27,213,423</u></u>

During the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025, share-based payment expenses of RMB65,766,000, RMB109,142,000 and RMB7,589,000 were recognised in profit or loss, respectively.

The fair value of options granted under the Plan is recognised as an employee benefit expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- excluding the impact of any service and non-market performance vesting conditions (such as profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (such as the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. The Group recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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14 SUBSIDIARIES

The table below lists out the subsidiaries of the Company as at 31 December 2024 and 2023, and 30 September 2025 which, in the opinion of the directors, principally affected the results of the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name of entity	Place of incorporation and kind of legal entity	Principal activities	Issued and fully paid share capital/registered capital	Percentage of attributable equity interest		
				As at 31 December		As at 30 September
				2023	2024	2025
(Unaudited)						
Directly held						
ECACTUS PTY LTD	Australia, limited liability company	Trading of Energy Storage System solutions	AUD1,000	100%	100%	100%
Indirectly held						
Guangdong Weiheng Fugold Intelligent Technology Co., Ltd.* (廣東為恒復金智能科技有限公司)	PRC, limited liability company	Trading of Energy Storage System solutions and provision of other services for photovoltaic power stations	RMB5,000,000	51%	51%	51%
Wei Heng Intelligent Technology Company Limited	Hong Kong, limited liability company	Trading of Energy Storage System solutions	HK\$1	100%	100%	100%
Ecactus B.V.	Netherlands, limited liability company	Trading of Energy Storage System solutions	EUR100,000	100%	100%	100%

* For identification purposes only

15 INVESTMENTS IN ASSOCIATES

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
			<i>(Unaudited)</i>	<i>(Unaudited)</i>
At beginning of the year/period	—	—	—	295
Addition	—	300	—	—
Share of results of associates	—	(5)	—	—
At end of the year/period	—	295	—	295

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As at 31 December 2023 and 2024, and 30 September 2025, the particulars of the associates of the Group are as follows. None of these entities are considered material to the Group.

Name of entity	Country/place and date of incorporation/ establishment	Principal activities	Class of share held	Proportion of ownership interest and voting rights		
				As at 31 December		As at
				2023	2024	30 September 2025
				(Unaudited)		
Zhenba Green Motion New Energy Co., Ltd. (鎮巴綠動新能源有限公司)	PRC	Provision of clean energy power generation technology services	Ordinary	30%	30%	—*
Shanghai Weiheng Digital Power Technology Co., Ltd. (上海為恒數能科技有限公司)	PRC	Provision of energy storage technology solutions	Ordinary	—	40%	40%
Cangzhou Weichu New Energy Technology Co., Ltd. (滄州為儲新能源科技有限公司)	PRC	Provision of energy storage technology solutions	Ordinary	—	40%	40%

* *Deregistered as at 30 September 2025.*

The Group has interests in a number of individually immaterial associates that are accounted for using the equity method:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Aggregate carrying amount of individually immaterial associates	—	63	—	(560)
Aggregate amounts of the Group’s share of:				
Loss from continuing operations	—	(5)	—	—

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16 PROPERTY, PLANT AND EQUIPMENT

The Group

	Leasehold improvements	Construction in progress (“CIP”)	Plant and machinery	Office equipment	Motor vehicles	Furniture and fixtures	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2023							
Cost	6,142	495	6,091	3,676	992	717	18,113
Accumulated depreciation	(1,208)	—	(979)	(718)	(225)	(38)	(3,168)
Net book amount	<u>4,934</u>	<u>495</u>	<u>5,112</u>	<u>2,958</u>	<u>767</u>	<u>679</u>	<u>14,945</u>
Year ended 31 December 2023							
Opening net book amount	4,934	495	5,112	2,958	767	679	14,945
Additions	3,751	4,513	6,860	1,710	470	2,356	19,660
Transfer	496	(2,534)	1,857	136	—	45	—
Depreciation charge	(1,486)	—	(1,472)	(1,175)	(287)	(416)	(4,836)
Closing net book amount	<u>7,695</u>	<u>2,474</u>	<u>12,357</u>	<u>3,629</u>	<u>950</u>	<u>2,664</u>	<u>29,769</u>
At 31 December 2023							
Cost	10,389	2,474	14,644	5,523	1,461	3,119	37,610
Accumulated depreciation	(2,694)	—	(2,287)	(1,894)	(511)	(455)	(7,841)
Net book amount	<u>7,695</u>	<u>2,474</u>	<u>12,357</u>	<u>3,629</u>	<u>950</u>	<u>2,664</u>	<u>29,769</u>

The Group

	Leasehold improvements	CIP	Plant and machinery	Office equipment	Motor vehicles	Furniture and fixtures	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2024							
Cost	10,389	2,474	14,644	5,523	1,461	3,119	37,610
Accumulated depreciation	(2,694)	—	(2,287)	(1,894)	(511)	(455)	(7,841)
Net book amount	<u>7,695</u>	<u>2,474</u>	<u>12,357</u>	<u>3,629</u>	<u>950</u>	<u>2,664</u>	<u>29,769</u>
Year ended 31 December 2024							
Opening net book amount	7,695	2,474	12,357	3,629	950	2,664	29,769
Additions	2,445	10,553	14,853	724	266	2,338	31,179
Transfer	5,815	(12,942)	6,702	—	—	425	—
Disposal	—	—	(618)	—	—	—	(618)
Depreciation charge	(2,854)	—	(3,750)	(1,208)	(311)	(741)	(8,864)
Closing net book amount	<u>13,101</u>	<u>85</u>	<u>29,544</u>	<u>3,145</u>	<u>905</u>	<u>4,686</u>	<u>51,466</u>
At 31 December 2024							
Cost	18,649	85	35,555	6,245	1,727	5,882	68,143
Accumulated depreciation	(5,548)	—	(6,011)	(3,100)	(822)	(1,196)	(16,677)
Net book amount	<u>13,101</u>	<u>85</u>	<u>29,544</u>	<u>3,145</u>	<u>905</u>	<u>4,686</u>	<u>51,466</u>

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	Leasehold improvements	CIP	Plant and machinery	Office equipment	Motor vehicles	Furniture and fixtures	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025							
Cost	18,649	85	35,555	6,245	1,727	5,882	68,143
Accumulated depreciation	(5,548)	—	(6,011)	(3,100)	(822)	(1,196)	(16,677)
Net book amount	<u>13,101</u>	<u>85</u>	<u>29,544</u>	<u>3,145</u>	<u>905</u>	<u>4,686</u>	<u>51,466</u>
Period ended 30 September 2025 (Unaudited)							
Opening net book amount	13,101	85	29,544	3,145	905	4,686	51,466
Additions	284	1,826	3,827	465	375	525	7,302
Transfer	168	(870)	653	18	—	31	—
Disposal	—	—	(1,553)	—	—	—	(1,553)
Disposal of a subsidiary	—	—	(3,009)	—	—	—	(3,009)
Depreciation charge	(2,754)	—	(3,910)	(901)	(306)	(641)	(8,512)
Closing net book amount	<u>10,799</u>	<u>1,041</u>	<u>25,552</u>	<u>2,727</u>	<u>974</u>	<u>4,601</u>	<u>45,694</u>
At 30 September 2025 (Unaudited)							
Cost	19,101	1,041	35,473	6,728	2,102	6,438	70,883
Accumulated depreciation	(8,302)	—	(9,921)	(4,001)	(1,128)	(1,837)	(25,189)
Net book amount	<u>10,799</u>	<u>1,041</u>	<u>25,552</u>	<u>2,727</u>	<u>974</u>	<u>4,601</u>	<u>45,694</u>

Depreciation expense has been recorded as below for the years ended 31 December 2023 and 2024, and the nine months ended 2025.

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Cost of sales	340	277	117	524
Selling and marketing expenses	55	125	85	240
Research and development expenses	1,395	2,031	1,505	1,648
Administrative expenses	<u>2,396</u>	<u>4,186</u>	<u>3,080</u>	<u>3,635</u>
Sub-total (Note 7)	4,186	6,619	4,787	6,047
Capitalised as inventories	<u>650</u>	<u>2,245</u>	<u>1,521</u>	<u>2,465</u>
	<u>4,836</u>	<u>8,864</u>	<u>6,308</u>	<u>8,512</u>

As at 31 December 2024 and 30 September 2025, property, plant and equipment of RMB1,616,000 and RMB7,571,000 have been pledged as security for the Group’s other borrowings, respectively. Please refer to Note 29 for details

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The Company

	<u>Leasehold improvements</u>	<u>CIP</u>	<u>Plant and machinery</u>	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Furniture and fixtures</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023							
Cost	6,142	495	5,537	3,676	669	717	17,236
Accumulated depreciation	(1,208)	—	(896)	(719)	(225)	(38)	(3,086)
Net book amount	<u>4,934</u>	<u>495</u>	<u>4,641</u>	<u>2,957</u>	<u>444</u>	<u>679</u>	<u>14,150</u>
Year ended 31 December 2023							
Opening net book amount	4,934	495	4,641	2,957	444	679	14,150
Additions	2,775	3,826	5,962	1,484	330	2,356	16,733
Transfer	496	(2,534)	1,855	138	—	45	—
Disposal	—	—	(306)	—	—	—	(306)
Depreciation charge	(1,443)	—	(1,385)	(1,152)	(207)	(417)	(4,604)
Closing net book amount	<u>6,762</u>	<u>1,787</u>	<u>10,767</u>	<u>3,427</u>	<u>567</u>	<u>2,663</u>	<u>25,973</u>
At 31 December 2023							
Cost	9,412	1,787	12,884	5,299	998	3,118	33,498
Accumulated depreciation	(2,650)	—	(2,117)	(1,872)	(431)	(455)	(7,525)
Net book amount	<u>6,762</u>	<u>1,787</u>	<u>10,767</u>	<u>3,427</u>	<u>567</u>	<u>2,663</u>	<u>25,973</u>
	<u>Leasehold improvements</u>	<u>CIP</u>	<u>Plant and machinery</u>	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Furniture and fixtures</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2024							
Cost	9,412	1,787	12,884	5,299	998	3,118	33,498
Accumulated depreciation	(2,650)	—	(2,117)	(1,872)	(431)	(455)	(7,525)
Net book amount	<u>6,762</u>	<u>1,787</u>	<u>10,767</u>	<u>3,427</u>	<u>567</u>	<u>2,663</u>	<u>25,973</u>
Year ended 31 December 2024							
Opening net book amount	6,762	1,787	10,767	3,427	567	2,663	25,973
Additions	2,303	10,003	5,057	641	266	608	18,878
Transfer	5,815	(11,705)	5,465	—	—	425	—
Depreciation charge	(2,659)	—	(3,315)	(1,142)	(201)	(626)	(7,943)
Closing net book amount	<u>12,221</u>	<u>85</u>	<u>17,974</u>	<u>2,926</u>	<u>632</u>	<u>3,070</u>	<u>36,908</u>
At 31 December 2024							
Cost	17,530	85	23,406	5,940	1,264	4,151	52,376
Accumulated depreciation	(5,309)	—	(5,432)	(3,014)	(632)	(1,081)	(15,468)
Net book amount	<u>12,221</u>	<u>85</u>	<u>17,974</u>	<u>2,926</u>	<u>632</u>	<u>3,070</u>	<u>36,908</u>

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The Company

	Leasehold improvements	CIP	Plant and machinery	Office equipment	Motor vehicles	Furniture and fixtures	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025							
Cost	17,530	85	23,406	5,940	1,264	4,150	52,375
Accumulated depreciation	(5,309)	—	(5,432)	(3,014)	(632)	(1,080)	(15,467)
Net book amount	12,221	85	17,974	2,926	632	3,070	36,908
Period ended 30 September 2025 (Unaudited)							
Opening net book amount	12,221	85	17,974	2,926	632	3,070	36,908
Additions	209	1,730	553	477	375	525	3,869
Transfer	168	(857)	653	5	—	31	—
Disposal	—	—	(422)	—	—	—	(422)
Depreciation charge	(2,588)	—	(2,951)	(841)	(224)	(517)	(7,121)
Closing net book amount	10,010	958	15,807	2,567	783	3,109	33,234
At 30 September 2025 (Unaudited)							
Cost	17,907	958	24,190	6,422	1,639	4,707	55,823
Accumulated depreciation	(7,897)	—	(8,383)	(3,855)	(856)	(1,598)	(22,589)
Net book amount	10,010	958	15,807	2,567	783	3,109	33,234

(a) Accounting policies on property, plant and equipment

Depreciation of property, plant and equipment, which is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, is provided at the following annual rates:

Leasehold improvements	Shorter of 5 years and the lease term
Plant and machinery	5–10 years
Furniture and fixtures	3–5 years
Office equipment	3–5 years
Motor vehicles	4 years

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in profit or loss during the financial period in which they are incurred.

Construction in progress represents property, plant and equipment on which construction work has not been completed and which, upon completion, management intends to hold for production purposes. Construction in progress is carried at cost which includes development and construction expenditure incurred and interest and other direct costs attributable to the development less any accumulated impairment losses. On completion, construction in progress is transferred to appropriate categories of property, plant and equipment.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised within “other (losses)/gains, net” in the consolidated statements of comprehensive income.

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17 INTANGIBLE ASSETS

The Group and the Company

	Patent	Computer software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023			
Cost	18,000	65	18,065
Accumulated amortisation	(17,217)	(6)	(17,223)
Net book amount	<u>783</u>	<u>59</u>	<u>842</u>
Year ended 31 December 2023			
Opening net book amount	783	59	842
Addition	—	483	483
Amortisation charge (<i>Note 7</i>)	(783)	(21)	(804)
Closing net book amount	<u>—</u>	<u>521</u>	<u>521</u>
At 31 December 2023			
Cost	18,000	548	18,548
Accumulated amortisation	(18,000)	(27)	(18,027)
Net book amount	<u>—</u>	<u>521</u>	<u>521</u>
Year ended 31 December 2024			
Opening net book amount	—	521	521
Additions	—	634	634
Amortisation charge (<i>Note 7</i>)	—	(149)	(149)
Closing net book amount	<u>—</u>	<u>1,006</u>	<u>1,006</u>
At 31 December 2024			
Cost	—	1,182	1,182
Accumulated amortisation	—	(176)	(176)
Net book amount	<u>—</u>	<u>1,006</u>	<u>1,006</u>
Period ended 30 September 2025 (Unaudited)			
Opening net book amount	—	1,006	1,006
Additions	—	425	425
Amortisation charge (<i>Note 7</i>)	—	(180)	(180)
Closing net book amount	<u>—</u>	<u>1,251</u>	<u>1,251</u>
At 30 September 2025 (Unaudited)			
Cost	—	1,607	1,607
Accumulated amortisation	—	(356)	(356)
Net book amount	<u>—</u>	<u>1,251</u>	<u>1,251</u>

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The Company

	Patent	Computer software	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023			
Cost	18,000	65	18,065
Accumulated amortisation	(17,217)	(6)	(17,223)
Net book amount	783	59	842
Year ended 31 December 2023			
Opening net book amount	783	59	842
Addition	—	483	483
Amortisation charge	(783)	(21)	(804)
Closing net book amount	—	521	521
At 31 December 2023			
Cost	18,000	548	18,548
Accumulated amortisation	(18,000)	(27)	(18,027)
Net book amount	—	521	521
Year ended 31 December 2024			
Opening net book amount	—	521	521
Additions	—	634	634
Amortisation charge	—	(149)	(149)
Closing net book amount	—	1,006	1,006
At 31 December 2024			
Cost	—	1,182	1,182
Accumulated amortisation	—	(176)	(176)
Net book amount	—	1,006	1,006
Period ended 30 September 2025 (Unaudited)			
Opening net book amount	—	1,006	1,006
Amortisation charge	—	(153)	(153)
Closing net book amount	—	853	853
At 30 September 2025 (Unaudited)			
Cost	—	1,182	1,182
Accumulated amortisation	—	(329)	(329)
Net book amount	—	853	853

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18 LEASES

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Right-of-use assets			
Offices	1,156	11,773	13,259
Leasehold land	4,783	4,662	8,812
	<u>5,939</u>	<u>16,435</u>	<u>22,071</u>
Lease liabilities			
Current portion	3,949	8,809	11,069
Non-current portion	—	9,837	10,760
	<u>3,949</u>	<u>18,646</u>	<u>21,829</u>

Additions to the right-of-use assets were RMB4,843,000, RMB14,345,000 and RMB9,551,000 for the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025, respectively.

The following amounts are recognised in the consolidated statements of comprehensive income:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Depreciation of right-of-use assets (<i>Note 7</i>)	1,216	3,849	2,781	3,915
Interest expense on lease liabilities (<i>Note 10</i>)	53	397	286	359
Expenses relating to lease payments (included in administrative expenses) (<i>Note 7</i>)	1,704	3,725	2,635	4,264

The total cash outflows for leases including payments of short-term leases, leases liabilities and payments of interest on leases for the years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 were approximately RMB6,547,000, RMB3,770,000 and RMB10,991,000 respectively.

The Group’s leasing activities and how leases are accounted for

The Group leases various offices and leasehold land. Rental contracts are typically made for fixed periods of 3 years to 50 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

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- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing; and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

Right-of-use assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying asset’s useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Right-of-use assets			
Offices	1,156	11,773	13,259
Lease liabilities			
Current portion	3,949	8,809	10,813
Non-current portion	—	9,837	8,192
	3,949	18,646	19,005

19 DEFERRED INCOME TAX

The Group

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The offset amounts are as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Deferred income tax assets	2,130	3,048	4,192
Deferred income tax liabilities	(2,130)	(3,048)	(4,192)
	—	—	—

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The movement in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Lease liabilities	Provisions and others	Tax loss	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred income tax assets				
Balance at 1 January 2023	347	—	—	347
Credited to profit or loss	245	777	761	1,783
Balance at 31 December 2023	592	777	761	2,130
Balance at 1 January 2024	592	777	761	2,130
Credited/(charged) to profit or loss	2,205	(526)	(761)	918
Balance at 31 December 2024	2,797	251	—	3,048
Balance at 1 January 2025	2,797	251	—	3,048
Credited to profit or loss	760	384	—	1,144
Balance at 30 September 2025 (Unaudited)	3,557	635	—	4,192
Deferred income tax liabilities		Right-of-use assets	Others	Total
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 1 January 2023		347	—	347
Charged to profit or loss		1,022	761	1,783
Balance at 31 December 2023		1,369	761	2,130
Balance at 1 January 2024		1,369	761	2,130
Charged/(credit) to profit or loss		1,679	(761)	918
Balance at 31 December 2024		3,048	—	3,048
Balance at 1 January 2025				
Charged to profit or loss		3,048	—	3,048
Exchange realignment		1,144	—	1,144
Balance at 30 September 2025 (Unaudited)		4,192	—	4,192

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets in the PRC of RMB32,439,000 at 31 December 2023, RMB46,713,000 at 31 December 2024 and RMB40,891,000 at 30 September 2025 in respect of the tax losses in the amount of RMB191,478,000, RMB274,516,000 and RMB212,642,000, respectively, which will expire in one to ten years for offsetting against future taxable profits of the entity in which the losses arose.

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20 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Financial assets			
Financial assets at amortised cost			
Trade and bills receivables	93,002	93,979	141,315
Deposits and other receivables	9,848	17,055	22,535
Restricted bank deposits	36,330	200	—
Cash and cash equivalents	111,941	114,571	57,316
	<u>251,121</u>	<u>225,805</u>	<u>221,166</u>
Financial assets at FVTPL	<u>1,500</u>	<u>2,967</u>	<u>4,603</u>
Financial liabilities			
Financial liabilities at amortised cost			
Trade payables	96,470	130,618	209,940
Accruals and other payables	6,350	4,387	8,439
Bank and other borrowings	121,889	161,398	230,376
Lease liabilities	3,949	18,646	21,829
	<u>228,658</u>	<u>315,049</u>	<u>470,584</u>

21 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Unlisted equity securities	1,500	1,457	1,457
Wealth management products	<u>—</u>	<u>1,510</u>	<u>3,146</u>
	<u>1,500</u>	<u>2,967</u>	<u>4,603</u>

For the fair value measurement of financial assets at FVTPL, please refer to Note 3.3.

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During the Track Record Period, the following gains/(losses) were recognised in profit or loss:

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Fair value loss on equity investment at FVTPL	—	(43)	—	—
Fair value gain on debt instruments at FVTPL	—	17	—	—
	—	(26)	—	—

22 TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Trade and bills receivables	97,158	101,238	152,468
Less: loss allowance	(4,156)	(7,259)	(11,153)
Trade and bills receivables, net	93,002	93,979	141,315

The aging analysis of the trade and bills receivables based on revenue recognition date is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Within 90 days	55,270	32,922	83,886
Between 91 and 180 days	3,875	20,819	4,484
Between 181 and 270 days	12	6,388	178
Over 270 days	38,001	41,109	63,920
	97,158	101,238	152,468
Less: loss allowance	(4,156)	(7,259)	(11,153)
Trade receivables, net	93,002	93,979	141,315

Due to the short-term nature of the current receivables, their carrying amounts are considered to be a reasonable approximation of their fair values.

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The carrying amounts of trade receivables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
RMB	93,841	84,112	103,292
United States dollars (“US\$”)	56	247	21,492
Euro (“EUR”)	580	12,485	18,268
Great Britain Pound (“GBP”)	—	—	1,662
Australian dollars (“AUD”)	2,681	4,394	7,754
	<u>97,158</u>	<u>101,238</u>	<u>152,468</u>

The maximum exposure to credit risk at the end of the reporting period is the fair value of trade and bills receivables mentioned above.

Accounting policies on trade and bills receivables

(a) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement immediately upon the issuance of invoice and therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore it measures them subsequently at amortised cost using the effective interest method. Details about the Group’s impairment policies and the calculation of the loss allowance are provided in Note 3.1(c).

(b) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be a reasonable approximation of their fair values.

(c) Impairment and risk exposure

Information about the impairment of trade and bills receivables and the Group’s exposure to credit risk and foreign currency risk can be found in Note 3.1.

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The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Trade and bills receivables			
— Third parties	92,579	77,632	109,179
— Subsidiaries	56,017	108,850	264,315
	148,596	186,482	373,494
Less: loss allowance	(9,663)	(10,302)	(15,890)
Trade and bills receivables, net	138,933	176,180	357,604

The aging analysis of the trade and bills receivables based on revenue recognition date is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Within 90 days	73,935	51,347	242,611
91–180 days	12,190	73,692	75,573
181–270 days	4,943	24,921	1,346
Over 270 days	57,528	36,522	53,964
	148,596	186,482	373,494
Less: loss allowance	(9,663)	(10,302)	(15,890)
Trade receivables, net	138,933	176,180	357,604

The carrying amounts of trade receivables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
RMB	148,540	186,288	107,099
US\$	56	157	17,872
EUR	—	—	226,018
AUD	—	37	22,505
	148,596	186,482	373,494

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23 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Non-current portion:			
— Prepayment	3,345	—	805
— Deposits	—	217	228
	3,345	217	1,033
Current portion:			
— Prepayments for inventories and other operating expenses	9,538	9,783	13,452
— Value-added tax receivables	9,367	30,026	41,920
— Deposits	7,898	3,831	5,290
— Other receivables	1,725	12,496	16,533
— Amounts due from directors (Note 33(d))	225	511	484
	28,753	56,647	77,679
Total deposits, prepayments and other receivables	32,098	56,864	78,712

The fair values of deposits and other receivables approximate their carrying amounts.

The carrying amounts of deposits, prepayments and other receivables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
RMB	31,150	53,067	75,372
Hong Kong dollars (“HK\$”)	137	422	5
US\$	151	2,442	698
EUR	299	933	1,917
AUD	361	—	720
	32,098	56,864	78,712

Information about the impairment of financial assets and the Group’s exposure to credit risk sets out on Note 3.1.

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The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Non-current portion:			
— Prepayment	3,345	—	805
— Deposits	—	—	228
	3,345	—	1,033
Current portion:			
— Prepayments for inventories and other operating expenses	8,723	8,899	11,359
— Value-added tax receivables	9,141	28,228	40,662
— Deposits	6,773	2,653	3,419
— Other receivables	825	11,688	16,186
— Amounts due from directors (Note 33(d))	225	511	484
— Amounts due from subsidiaries	75,137	53,210	80,633
	100,824	105,189	152,743
Total deposits, prepayments and other receivables	104,169	105,189	153,776

The carrying amounts of deposits, prepayments and other receivables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
RMB	103,863	104,781	153,212
HK\$	159	281	—
US\$	95	119	564
EUR	52	8	—
	104,169	105,189	153,776

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ACCOUNTANT’S REPORT

24 CASH AND CASH EQUIVALENTS AND RESTRICTED BANK DEPOSITS

(a) Cash and cash equivalents

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Cash at bank	111,782	114,451	57,136
Cash on hand	159	120	180
	<u>111,941</u>	<u>114,571</u>	<u>57,316</u>
Maximum exposure to credit risk	<u>111,782</u>	<u>114,451</u>	<u>57,136</u>

Cash and cash equivalents approximated their fair values. As at 31 December 2023 and 2024, and 30 September 2025 are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
AUD	1,671	4,540	4,501
EUR	13,521	33,802	19,607
RMB	87,227	50,492	30,650
US\$	9,373	25,635	2,416
Others	149	102	142
	<u>111,941</u>	<u>114,571</u>	<u>57,316</u>

As at 31 December 2023 and 2024, and 30 September 2025, funds of the Group amounting to RMB93,154,000, RMB76,695,000 and RMB31,179,000, respectively, were deposited in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Cash at bank	90,343	55,146	10,858
Cash on hand	159	119	181
	<u>90,502</u>	<u>55,265</u>	<u>11,039</u>
Maximum exposure to credit risk	<u>90,343</u>	<u>55,146</u>	<u>10,858</u>

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Cash and cash equivalents approximated their fair values. As at 31 December 2023 and 2024, and 30 September 2025 are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
AUD	—	14	15
EUR	5,835	17,311	575
RMB	84,575	28,303	9,710
US\$	92	9,518	558
	90,502	55,146	10,858

(b) **Restricted bank deposits**

The restricted bank deposits represent the deposits for bill payables to suppliers. The balance is denominated in RMB.

25 INVENTORIES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Raw materials	59,202	72,876	109,323
Work in progress	19,604	70,030	57,238
Finished goods	115,653	125,494	156,863
Less: provision for impairment losses	(3,343)	(10,621)	(3,992)
Inventories, net of provision	191,116	257,779	319,432

The cost of inventories recognised as expenses and included in cost of sales amounting to approximately RMB234,677,000, RMB204,017,000 and RMB373,418,000 for the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025, respectively.

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Provision for impairment of inventories of RMB2,851,000, RMB8,227,000 and RMB1,441,000 were recognised for the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025, respectively, in the consolidated statements of comprehensive income as cost of sales.

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Raw materials	54,362	61,994	97,560
Work in progress	13,466	66,439	31,279
Finished goods	83,617	94,969	53,434
Less: provision for impairment losses	(986)	(3,489)	(745)
Inventories, net of provision	<u>150,459</u>	<u>219,913</u>	<u>181,528</u>

26 SHARE CAPITAL AND OTHER RESERVES

(a) Share capital

The Group and the Company

	Number of ordinary shares	Equivalent nominal value of ordinary share RMB'000
Authorised:		
At 1 January 2023	97,273,022	97,273
Additions of authorised ordinary shares (Note (ii))	<u>8,675,099</u>	<u>8,675</u>
As at 31 December 2023 and 1 January 2024	105,948,121	105,948
Additions of authorised ordinary shares (Note (iii))	<u>1,459,144</u>	<u>1,459</u>
As at 31 December 2024, 1 January 2025 and 30 September 2025 (Unaudited)	<u>107,407,265</u>	<u>107,407</u>

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	Number of ordinary shares	Equivalent nominal value of ordinary share <i>RMB'000</i>
Issued and fully paid:		
At 1 January 2023	78,274,869	78,275
Issue of ordinary shares (<i>Note (i)</i>)	1,407,212	1,407
Issue of ordinary shares (<i>Note (ii)</i>)	<u>8,667,317</u>	<u>8,667</u>
As at 31 December 2023 and 1 January 2024	88,349,398	88,349
Issue of ordinary shares (<i>Note (ii)</i>)	7,782	8
Issue of ordinary shares (<i>Note (iii)</i>)	<u>1,459,144</u>	<u>1,459</u>
As at 31 December 2024, 1 January 2025 and 30 September 2025 (Unaudited)	<u><u>89,816,324</u></u>	<u><u>89,816</u></u>

Notes:

- (i) On 14 November 2022, the Company allotted and issued 1,407,212 shares at a subscription price of RMB11.37 per share to an existing shareholder. The proceeds of RMB16,000,000 was received and resulted in an increase in share capital of RMB1,407,000 and share premium of RMB14,593,000 during year ended 31 December 2023.
- (ii) On 16 November 2023, the Company allotted and issued 8,675,099 shares at a subscription price of RMB20.56 per share to the shareholders. The total proceeds of RMB178,359,000 were received and resulted in an increase in share capital of RMB8,667,000 and RMB8,000 and share premium of RMB169,532,000 and RMB152,000 during years ended 31 December 2023 and 2024, respectively.
- (iii) On 7 November 2024, the Company allotted and issued 1,459,144 shares at a subscription price of RMB20.56 per share to the shareholders. The total proceeds of RMB30,000,000 were received and resulted in an increase in share capital of RMB1,459,000 and share premium of RMB28,541,000 during year ended 31 December 2024.

(b) Other reserves

	Share premium <i>RMB'000</i>	Exchange reserve <i>RMB'000</i>	Share-based payments <i>RMB'000</i> (<i>Note 13</i>)	Total <i>RMB'000</i>
Balance at 1 January 2023	131,383	10	19,887	151,280
Other comprehensive loss				
Currency translation differences	<u>—</u>	<u>(119)</u>	<u>—</u>	<u>(119)</u>
Total comprehensive loss for the year	<u>—</u>	<u>(119)</u>	<u>—</u>	<u>(119)</u>
Transactions with equity holders:				
Issuance of shares	184,125	—	—	184,125
Share-based payment expenses	<u>—</u>	<u>—</u>	<u>65,766</u>	<u>65,766</u>
	----- 184,125	----- —	----- 65,766	----- 249,891
Balance at 31 December 2023	<u><u>315,508</u></u>	<u><u>(109)</u></u>	<u><u>85,653</u></u>	<u><u>401,052</u></u>

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	Share premium	Exchange reserve	Share-based payments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Note 13)	<i>RMB'000</i>
Balance at 1 January 2024	315,508	(109)	85,653	401,052
Other comprehensive loss				
Currency translation differences	<u>—</u>	<u>568</u>	<u>—</u>	<u>568</u>
Total comprehensive loss for the year	<u>—</u>	<u>568</u>	<u>—</u>	<u>568</u>
Transactions with equity holders:				
Issuance of shares	28,693	—	—	28,693
Share-based payment expenses	<u>—</u>	<u>—</u>	<u>109,142</u>	<u>109,142</u>
	<u>28,693</u>	<u>—</u>	<u>109,142</u>	<u>137,835</u>
Balance at 31 December 2024	<u>344,201</u>	<u>459</u>	<u>194,795</u>	<u>539,455</u>
	Share premium	Exchange reserve	Share-based payments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Note 13)	<i>RMB'000</i>
Balance at 1 January 2024	315,508	(109)	85,653	401,052
Total comprehensive loss for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Transactions with equity holders:				
Share-based payment expenses	<u>—</u>	<u>—</u>	<u>89,647</u>	<u>89,647</u>
	<u>—</u>	<u>—</u>	<u>89,647</u>	<u>89,647</u>
Balance at 30 September 2024 (Unaudited)	<u>315,508</u>	<u>(109)</u>	<u>175,300</u>	<u>490,699</u>

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	Share premium	Exchange reserve	Share-based payments	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Note 13)	<i>RMB'000</i>
Balance at 1 January 2025	344,201	459	194,795	539,455
Other comprehensive loss				
Currency translation differences	—	(2,423)	—	(2,423)
Total comprehensive loss for the period	—	(2,423)	—	(2,423)
Transactions with equity holders:				
Share-based payment expenses	—	—	7,589	7,589
	—	—	7,589	7,589
Balance at 30 September 2025 (Unaudited)	<u>344,201</u>	<u>(1,964)</u>	<u>202,384</u>	<u>544,621</u>

27 TRADE PAYABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)
Trade payables	<u>96,470</u>	<u>130,618</u>	<u>209,940</u>

The aging analysis of the trade payables based on invoice date is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (Unaudited)
Within 30 days	52,020	52,751	151,350
31–60 days	9,524	21,128	30,068
61–90 days	24,865	7,785	21,012
Over 90 days	<u>10,061</u>	<u>48,954</u>	<u>7,510</u>
	<u>96,470</u>	<u>130,618</u>	<u>209,940</u>

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The carrying amounts of trade payables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
RMB	96,357	74,463	209,320
HK\$	45	13	4
US\$	7	20,993	295
EUR	9	27,328	308
GBP	50	1,730	—
AUD	2	6,091	13
	<u>96,470</u>	<u>130,618</u>	<u>209,940</u>

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Trade payables			
— Third parties	16,073	86,119	171,857
— Subsidiaries	<u>154,002</u>	<u>30,974</u>	<u>44,702</u>
	<u>170,075</u>	<u>117,093</u>	<u>216,559</u>

The aging analysis of the trade payables based on invoice date is as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Within 30 days	95,127	54,398	133,960
31–60 days	44,945	21,127	38,462
61–90 days	24,590	6,300	44,137
Over 90 days	<u>5,413</u>	<u>35,268</u>	<u>—</u>
	<u>170,075</u>	<u>117,093</u>	<u>216,559</u>

The carrying amounts of trade payables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
RMB	170,068	116,843	216,235
US\$	7	241	315
AUD	<u>—</u>	<u>9</u>	<u>9</u>
	<u>170,075</u>	<u>117,093</u>	<u>216,559</u>

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28 ACCRUALS AND OTHER PAYABLES

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Accrued wages, salaries, bonuses and staff welfare	9,927	8,905	6,342
Customers’ deposits	579	1,294	—
Provision for warranties	3,357	2,084	4,287
Other payables and accruals	4,185	1,507	6,853
Amounts due to directors (Note 33(d))	6	6	6
Amounts due to shareholders (Note 33(e))	1,580	1,580	1,580
	<u>19,634</u>	<u>15,376</u>	<u>19,068</u>

Note: As at 31 December 2023 and 2024, and 30 September 2025, amounts due to directors and shareholders are unsecured, interest-free and repayable on demand. The carrying values of the balances approximate their fair values.

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amounts of accruals and other payables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
RMB	17,748	10,124	17,120
HK\$	10	149	53
US\$	281	1,305	1,311
EUR	96	3,415	429
GBP	—	3	—
AUD	1,499	380	155
	<u>19,634</u>	<u>15,376</u>	<u>19,068</u>

The movement of provision of warranties are denominated in the following table:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
At beginning of the year/period	837	3,357	2,084
Charged to profit or loss	2,708	2,435	3,909
Utilisation	(188)	(3,708)	(1,706)
At the end of the year/period	<u>3,357</u>	<u>2,084</u>	<u>4,287</u>

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The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Accrued wages, salaries, bonuses and staff welfare	7,859	6,424	4,014
Customers’ deposits	79	1,294	—
Provision for warranties	2,892	1,434	4
Other payables and accruals	1,680	887	5,914
Amount due to directors	6	6	6
Amount due to shareholders	1,580	1,580	1,580
Amounts due to subsidiaries	40	26,799	33,640
	<u>14,136</u>	<u>38,424</u>	<u>45,158</u>

The carrying amounts of accruals and other payables are denominated in the following currencies:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
RMB	14,018	37,055	43,420
US\$	—	1,294	1,289
EUR	118	75	449
	<u>14,136</u>	<u>38,424</u>	<u>45,158</u>

29 BANK AND OTHER BORROWINGS

The Group

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
Secured			
— Bank borrowings	54,870	134,900	198,375
— Bill payables	47,019	—	—
— Other borrowings	—	1,498	7,001
	<u>101,889</u>	<u>136,398</u>	<u>205,376</u>
Unsecured			
— Bank borrowings	20,000	25,000	25,000
	<u>20,000</u>	<u>25,000</u>	<u>25,000</u>
	<u>121,889</u>	<u>161,398</u>	<u>230,376</u>

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The Group’s bank and other borrowings were repayable as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB’000	RMB’000	RMB’000 (Unaudited)
Within 1 year	121,889	160,031	224,693
Within 1 to 2 years	—	245	1,332
Within 3 to 5 years	—	825	4,056
Over 5 years	—	297	295
	<u>121,889</u>	<u>161,398</u>	<u>230,376</u>

All the borrowings as at 31 December 2023 and 2024, and 30 September 2025 are denominated in RMB. The weighted average effective interest rate per annum for the years ended 31 December 2023 and 2024, and the nine months ended 30 September 2025 were 3.36%, 2.97% and 2.83%, respectively.

As at 31 December 2023, 2024 and 30 September 2025, the secured bank borrowings were secured by the guarantee provided by one of the shareholders of the Company.

As at 31 December 2023, the bill payables were secured by the restricted bank deposits (Note 24(b)).

As at 31 December 2024 and 30 September 2025, the other borrowings were secured by the property, plant and equipment of RMB1,616,000 and RMB7,571,000 (Note 16).

The Company

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB’000	RMB’000	RMB’000 (Unaudited)
Secured			
— Bank borrowings	54,870	134,800	198,375
— Bill payables	<u>47,019</u>	<u>—</u>	<u>—</u>
	<u>101,889</u>	<u>134,800</u>	<u>198,375</u>
Unsecured			
— Bank borrowings	<u>20,000</u>	<u>25,000</u>	<u>5,000</u>
	<u>20,000</u>	<u>25,000</u>	<u>5,000</u>
	<u>121,889</u>	<u>159,800</u>	<u>203,375</u>

The Company’s bank and other borrowings were repayable as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB’000	RMB’000	RMB’000 (Unaudited)
Within 1 year	<u>121,889</u>	<u>159,800</u>	<u>203,375</u>

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30 DEFERRED INCOME

The Group and the Company

	As at 31 December		As at 30 September
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
Deferred government grant	—	1,677	9,997

Movement of deferred program research income is as follow:

	As at 31 December		As at 30 September
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(Unaudited)</i>
At 1 January	—	—	1,677
Addition	—	1,677	8,320
At 31 December/30 September	—	1,677	9,997

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31 CASH FLOWS INFORMATION

(a) Cash used in operations

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Loss before income tax	(153,730)	(203,473)	(164,830)	(40,280)
Adjustments for:				
Provision for/(reversal of) impairment losses on financial assets	5,456	1,806	(2,331)	4,130
Amortisation of intangible assets	804	149	120	180
Depreciation of property, plant and equipment	4,836	8,864	6,309	8,512
Depreciation of right-of-use assets	1,216	3,849	2,781	3,915
Finance income	(87)	(679)	(499)	(335)
Finance costs	1,424	3,814	2,568	4,365
Provision for impairment of inventories	2,851	8,227	6,469	1,441
Share-based payment expenses	65,767	109,141	89,647	7,589
Loss on disposal of a subsidiary	—	22	—	125
Gain on disposal of property, plant and equipment	—	(5)	—	—
Share of results of associates	—	5	—	—
Fair value loss on financial assets at FVTPL	—	26	—	—
Operating profit before changes in working capital	(71,463)	(68,276)	(59,766)	(10,358)
Changes in working capital:				
Inventories	(2,827)	(75,942)	(95,006)	(54,527)
Trade and bills receivables	(35,053)	(4,077)	14,275	(47,898)
Deposits, prepayments and other receivables	20,585	(25,453)	(34,996)	(23,775)
Trade payables	(65,870)	37,214	23,683	66,187
Accruals and other payables	(18,441)	(3,938)	(12,813)	3,428
Deferred income	—	1,677	1,677	8,320
Contract liabilities	34,217	51,179	99,391	(46,166)
Contract assets	(21,494)	21,320	14,252	(8,221)
Cash used in operations	(160,346)	(66,296)	(49,303)	(113,010)

(b) In the consolidated statements of cash flows, proceeds from disposals of property, plant, and equipment comprise

	Year ended 31 December		Nine months ended 30 September	
	2023	2024	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Net carrying amount (Note 16)	—	618	—	1,553
Gains on disposal of property, plant and equipment	—	5	—	—
Proceeds from disposal of property, plant and equipment	—	623	—	1,553

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(c) Cash flow information — financing activities

The movements of liabilities from financing activities for each of the years ended 31 December 2023 and 2024, and period ended 30 September 2025:

	Bank and other borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	16,018	3,896	19,914
Changes from financing cash flows:			
Proceeds from bank and other borrowings	121,889	—	121,889
Repayments of bank and other borrowings	(16,018)	—	(16,018)
Total changes from financing cash flows	105,871	(4,843)	101,028
Other charges:			
Interest expenses	—	53	53
Total other changes	—	4,896	4,896
As at 31 December 2023	121,889	3,949	125,838
	Bank and other borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024	121,889	3,949	125,838
Changes from financing cash flows:			
Proceeds from bank and other borrowings	161,398	—	161,398
Repayments of bank and other borrowings	(121,889)	—	(121,889)
Repayment of principal portion of lease liabilities	—	(39)	(39)
Repayment of interest portion of lease liabilities	—	(6)	(6)
Total changes from financing cash flows	55,100	(45)	39,464
Other changes			
Interest expenses	—	397	397
Addition of leases	—	14,345	14,345
Total other changes	—	14,742	14,742
As at 31 December 2024	161,398	18,646	180,044

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	Bank and other borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2024	121,889	3,949	125,838
Changes from financing cash flows:			
Proceeds from bank and other borrowings	119,465	—	119,465
Repayments of bank and other borrowings	(109,800)	—	(109,800)
Total changes from financing cash flows	<u>9,665</u>	<u>—</u>	<u>9,665</u>
Other changes			
Interest expenses	—	286	286
Addition of leases	—	13,149	13,149
Total other changes	<u>—</u>	<u>13,435</u>	<u>13,435</u>
As at 30 September 2024 (Unaudited)	<u>131,554</u>	<u>17,384</u>	<u>148,938</u>
	Bank and other borrowings	Lease liabilities	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	161,398	18,646	180,044
Changes from financing cash flows:			
Proceeds from bank and other borrowings	230,376	—	230,376
Repayments of bank and other borrowings	(161,398)	—	(161,398)
Repayment of principal portion of lease liabilities	—	(6,399)	(6,399)
Repayment of interest portion of lease liabilities	—	(328)	(328)
Total changes from financing cash flows	<u>68,978</u>	<u>(6,727)</u>	<u>62,251</u>
Other changes			
Interest expenses	—	359	359
Addition of leases	—	9,547	9,547
Total other changes	<u>—</u>	<u>9,906</u>	<u>9,906</u>
As at 30 September 2025 (Unaudited)	<u>230,376</u>	<u>21,825</u>	<u>252,201</u>

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32 COMMITMENTS

Short-term lease commitments

The Group had future aggregate minimum lease payments under short-term, non-cancellable leases in relations to rental for office premises and warehouses as follows:

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000 (Unaudited)
No later than 1 year	1,748	7,433	7,018

33 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family members of the Group are also considered as related parties.

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the Track Record Period:

Name of related parties	Relationship with the Company
Weiheng Electric Power Technology (Wuxi) Co., Ltd. (為恒電能科技(無錫)有限公司)	The Company’s shareholder
Sun Yaojie	Director of the Company
Wu Yu	Director of the Company

* The English names of certain related parties represent the best effort by the directors of the Company in translating their Chinese names as they do not have official English names.

- (b) Transactions carried out with related parties:

Save as disclosed elsewhere in this report, during the Track Record Period, no transactions were carried out with related parties.

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(c) Key management compensation

The directors of the Company are considered to be the key management of the Company. Details of key management compensation are set out in Note 9.

(d) Amounts due from/to directors

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Amounts due from directors (Note 23)	225	511	484
Amounts due to directors (Note 28)	6	6	6

(e) Amounts due to shareholders

	As at 31 December		As at 30 September
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
			(Unaudited)
Amounts due to shareholders (Note 28)	1,580	1,580	1,580

The amounts due from/(to) the directors and shareholders are non-interest bearing, unsecured, repayable on demand and denominated in RMB. Their carrying amounts approximate to their fair values due to their short maturities.

34 DIVIDEND

No dividend has been paid or declared by the Company during the TRP and up to the date of this accountant’s report.

35 SUBSEQUENT EVENTS

Series B financing

From September 2025 to November 2025, the Company, entered into a series of investment agreements with a group of investors (the “**Series B Investors**”). Pursuant to the agreements, the Series B Investors subscribed for registered capital of the Company of RMB5,498,000, at a total consideration of RMB128,000,000 (the “**Series B Financing**”).

On 23 January 2026, the Company entered into a capital increase agreement with an investor (the “**Series B+ Investor**”), pursuant to which it agreed to subscribe for 3,436,000 shares of the Company at the consideration of RMB80,000,000 (the “**Series B+ Financing**”). The registration of the capital increase was settled on 2 February 2026.

Conversion into Joint Stock Limited Company

Pursuant to the shareholders’ resolutions on 6 January 2026 and the promoters’ agreement dated the same date (the “**Promoters’ Agreement**”), the then shareholders agreed to convert the Company into a joint stock limited liability company with a registered capital of RMB112,906,000. Pursuant to the Promoters’ Agreement, the net asset value of the Company as of 30 November 2025 was converted into [112,906,000] shares of par value of RMB[1.00] each, which were subscribed by and issued to the [then shareholders] in proportion to their respective equity interest in the Company, and RMB298,247,000 were credited into the Company’s [capital reserve]. On 22 January 2026, the Company (then known as Jiangsu Weiheng Intelligent Technology Co., Ltd. (江蘇為恒智能科技有限公司)) was converted into a joint stock limited company and renamed as Weiheng Intelligent Technology Co., Ltd. (為恒智能科技股份有限公司) with a registered capital of RMB[112,906,000].

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36 RESERVE MOVEMENTS OF THE COMPANY

	<u>Share capital</u>	<u>Share premium</u>	<u>Share-based payments</u>	<u>Accumulated losses</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Balance at 1 January 2023	78,275	133,578	28,652	(101,872)	138,633
Loss for the year	—	—	—	(132,932)	(132,932)
Total comprehensive loss for the year	—	—	—	(132,932)	(132,932)
Transactions with equity holders:					
Issuance of shares	10,074	184,125	—	—	194,199
Share-based payment expense	—	—	65,766	—	65,766
	10,074	184,125	65,766	—	259,965
Balance at 31 December 2023	88,349	317,703	85,653	(234,804)	256,901
Balance at 1 January 2024	88,349	317,703	85,653	(234,804)	256,901
Loss for the year	—	—	—	(155,932)	(155,932)
Total comprehensive loss for the year	—	—	—	(155,932)	(155,932)
Transactions with equity holders:					
Issuance of shares	1,467	28,693	—	—	30,160
Share-based payment expense	—	—	109,142	—	109,142
	1,467	28,693	109,142	—	139,302
Balance at 31 December 2024	89,816	346,396	194,795	(393,638)	237,369
Balance at 1 January 2025	89,816	346,396	194,795	(393,638)	237,369
Profit for the period	—	—	—	46,689	46,689
Total comprehensive income for the period	—	—	—	46,689	46,689
Transactions with equity holders:					
Share-based payment expense	—	—	7,589	—	7,589
	—	—	7,589	—	7,589
Balance at 30 September 2025 (Unaudited)	89,816	346,396	202,384	(346,949)	291,647

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37 SUMMARY OF OTHER ACCOUNTING POLICIES

37.1 Principles of consolidation and equity accounting

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of financial position respectively.

(ii) *Separate financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(iii) *Associates*

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iv) *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 37.5.

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37.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors who make strategic decisions.

37.3 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in RMB, which is the Company’s functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statements of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the statements of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the statements of comprehensive income on a net basis within other gains/(losses).

(iii) *Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statements of financial position presented are translated at the closing rate at the end of each reporting period;
- (ii) Income and expenses for each income statements are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities is recognised in other comprehensive income. When a foreign operation is sold, the associated exchange difference is reclassified to profit or loss, as part of the gain or loss on sale.

37.4 Intangible assets

Company system and patent for design and technology are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives. The Group amortises the external-use software and patent with a limited useful life using the straight-line method over 3–10 and 5 years, respectively. Intangible assets are tested for impairment as described below in Note 37.5.

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37.5 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

37.6 Other financial assets

(i) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all of the risks and rewards of ownership.

(iii) *Measurement*

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

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FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses), net in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses), net in the statements of profit or loss as applicable.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and bills receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(c) for further details.

37.7 Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

37.8 Cash and cash equivalents

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

37.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

37.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

37.11 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statements over the period of the borrowings, using the effective interest method.

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Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are derecognised when the obligation specified in the contract is extinguished, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification at the reporting date.

37.12 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

37.13 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

37.14 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period, and they are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(ii) Pension, housing funds, medical insurances and other social insurances obligations

Employees of the Group are covered by various government-sponsored defined-contribution pension plans under which the employees are entitled to a monthly pension based on certain formulas. The relevant government agencies are responsible for the pension liability to these employees when they retire. The Group contributes on a monthly basis to these pension plans for the employees which are determined at certain percentage of their salaries. Under these plans, the Group has no obligation for post-retirement benefits beyond the contribution made. Contributions to these plans are expensed as incurred and contributions paid to the defined contribution pension plans for a staff are not available to reduce the Group's future obligations to such defined-contribution pension plans even if the staff leaves the Group.

(iii) Bonus plan

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

37.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the pre-tax expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

37.16 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option,

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ACCOUNTANT'S REPORT

- lease payments to be made under an extension option if the group is reasonably certain to exercise the option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Entity-specific details about the Group's leasing policy are provided in Note 18.

37.17 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

37.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the consolidated income statements over the period necessary to match them with the costs that they are intended to compensate.

37.19 Related parties

A person or entity is considered to be related to the Group if:

- a person or a close member of that person's family (i) has control or joint control over the Group; (ii) has significant influence over the Group; or (iii) is a member of the key management personnel of the Group;
- the entity and the Group are members of the same group, which means that each parent, subsidiary and fellow subsidiary is related to the others;
- one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- the entity is controlled or jointly controlled by a person identified in (a); or
- a person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

APPENDIX I**ACCOUNTANT'S REPORT****III. SUBSEQUENT FINANCIAL STATEMENTS**

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2024 and up to the date of this report.

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

SUMMARY OF ARTICLES OF ASSOCIATION

This appendix contains a summary of the principal provisions of the Company's Articles of Association, which will take effect on the date when the Company's H shares are [REDACTED] on the Hong Kong Stock Exchange. This appendix is primarily intended to provide potential [REDACTED] with an overview of the Company's Articles of Association. Therefore, it may not contain all the information that is important to potential [REDACTED].

SHARES AND REGISTERED CAPITAL

The Shares shall be presented by Registered Shares Certificates. The Shares issued by the Company shall be denominated in RMB. The par value per Share is RMB[0.5].

The issuance of the Company's shares shall be conducted under the principles of openness, fairness, and impartiality. Each share of the same class shall carry identical rights. Shares of the same class issued in the same offering shall have the same issue conditions and price, and any subscriber shall pay the same amount per share for the shares subscribed.

The shares of the Company [REDACTED] on the Hong Kong Stock Exchange are known as "H shares", which are authorized to be [REDACTED] on the Hong Kong Stock Exchange, with nominal value denominated in Renminbi and subscribed and traded in Hong Kong dollars.

Subject to the approval and filing by the security regulatory authority under the State Council and the consent of the Stock Exchange of Hong Kong, all or part of the Company's domestic unlisted shares may be converted into overseas listed shares, and the converted overseas listed shares may be listed and traded on overseas stock exchanges. The Shares converted shall, once listed and traded on an overseas stock exchange, be subject to the regulatory procedures, rules and requirements of such overseas securities market.

The conversion of domestic unlisted shares into shares for overseas listing and trading on an overseas securities exchange shall not require a resolution of the Shareholder's meeting.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase of Shares

In accordance with laws and regulations, the Company may, based on its operating and development needs and the resolution of a Shareholders' meeting, increase its capital in the following manners:

- (1) issuance of Shares to Non-Specific Target investors;
- (2) issuance of Shares to Specific Target investors;
- (3) bonus issue of Shares to existing Shareholders;
- (4) transfer of reserve fund into capital;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (5) adopting any other means stipulated in the laws and administrative regulations and approved by CSRC and Hong Kong Stock Exchange.

Subject to the restrictions imposed by applicable laws, regulations and the securities regulatory rules of the places where the Company's shares are listed, the Board of Directors may, upon authorization by the Shareholder's meeting, resolve within a period of three (3) years to issue shares not exceeding fifty percent (50%) of the total number of the Company's issued shares. Notwithstanding the foregoing, where shares are issued in consideration of non-cash assets, such issuance shall be subject to a resolution of the Shareholder's meeting.

Decrease of Shares

The Company may reduce its registered capital. The Company's reduction of registered capital shall be conducted in accordance with the procedures stipulated in the PRC Company Law and other relevant regulations, Hong Kong Listing Rules, other securities regulatory rules of the places where the shares of Company are listed and the Articles of Association.

Repurchase of Shares

Except under the following circumstances, the Company may not repurchase its Shares:

- (1) to reduce the registered capital of the Company;
- (2) to merger with other companies that hold shares of the Company;
- (3) to grant the shares for employee shareholding scheme or as equity incentive;
- (4) where shareholders require the Company to purchase their shares due to their disagreement on the merger or division resolution passed by a Shareholders' meeting;
- (5) to use the shares in the conversion of the convertible corporate bonds issued by the listed Company;
- (6) to preserve the Company's value and Shareholders' interests as necessary;
- (7) in other circumstances as stipulated by laws, administrative regulations and securities regulatory rules of the places where the Company's shares are listed.

The Company may acquire its own Shares through open and centralized trading, tender offers or in any other manner permitted by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed, and the CSRC (if applicable).

Where the Company acquires its own Shares under the circumstances set forth in sub paragraphs (3), (5) and (6) above, it shall do so through open and centralized trading subject to the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed. Any acquisition by the Company of its shares under any of the circumstances set forth in sub-paragraphs (1) and (2) above shall be subject to a resolution of a Shareholders' meeting; while any acquisition by the Company of its shares under the circumstances set forth in sub-paragraphs (3), (5) and (6) above

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

shall, pursuant to the Articles of Association or the authorization of a Shareholders' meeting, be subject to a resolution of a meeting of the Board of Directors at which two-thirds or more of the Directors are present.

The Shares acquired by the Company under the circumstance set forth in sub-paragraph (1) above shall be canceled and deregistered within 10 days from the date of acquisition; while under the circumstances set forth in sub-paragraph (2) or (4) above shall be disposed of or canceled and deregistered within six months; and while under the circumstances set forth in sub-paragraph (3), (5) or (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be disposed of or canceled and deregistered within three years.

If the securities regulatory rules of the places where the Company's Shares are listed provide otherwise in respect of the matters referred to in this Article, such regulatory rules shall prevail provided that they do not conflict with the PRC Company Law, the PRC Securities Law, Overseas Listing Trial Measures and other applicable PRC laws and regulations.

Following the Company's repurchase of its own shares, the Company shall perform its information disclosure obligations in accordance with the Securities Law, Hong Kong Listing Rules and other applicable laws and regulations, as well as the regulatory requirements of the places where the Company's shares are listed.

Transfer of Shares

The Company's shares may be transferred in accordance with the law. The transfer of all H Shares shall be effected by a written instrument of transfer (including the standard transfer form or instrument of transfer prescribed by the HKEX from time to time) in the general or common form, or in such other form as the board may accept; and such instrument of transfer shall be executed only by hand or under the valid seal of a company (if the transferor or transferee is a company). Where the transferor or transferee is a recognized clearing house (as defined in the relevant ordinances from time to time in effect in Hong Kong) or its nominee, the instrument of transfer may be executed either by hand or by mechanical means. All instruments of transfer shall be deposited at the registered office of the Company or at such other place as the board may from time to time determine.

The Company shall not accept its shares as the subject of a pledge.

The shares of the Company issued prior to the Company's [REDACTED] of shares shall not be transferred within one year from the date the shares of the Company being [REDACTED] and [REDACTED] on the stock exchange(s).

The Directors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office as determined when they assume the posts, the shares transferred by any of them each year shall not exceed 25% of the total number of shares of the same class of the Company held by them. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are [REDACTED] and [REDACTED] in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure.

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If the shares are pledged within the term of limited transfer prescribed by relevant laws and administrative regulations, the pledgee may not exercise the pledge right within the term of limited transfer. Where laws, administrative regulations or CSRC have separate provisions regarding the transfer of the Company's shares by its shareholders or de facto controllers, such provisions shall prevail.

If there are transfer restrictions applicable to overseas-listed shares under the Hong Kong Listing Rules or the securities regulatory rules of the places where the company's share are listed, such restrictions shall prevail.

If any of the Company's directors and senior management members or shareholders holding more than 5% of the Company's shares, sells the shares or other securities with an equity nature of the Company held by him/her within six months after buying the same, or buys shares or securities within six months after selling the same, the earnings therefrom shall belong to the Company and be taken back by the Board of Directors of the Company. However, this provision shall not apply where a securities company holds more than 5% of the Company's shares as a result of [REDACTED] and purchasing the remaining shares after [REDACTED], or under other circumstances stipulated by the CSRC or the regulatory rules of the place where the Company's shares are listed.

Shares or other securities with an equity nature held by directors, and senior management members as mentioned in the preceding Article include shares or other securities with an equity nature held by their spouses, parents, children and through other people's accounts.

If the Board of Directors of the Company fails to implement in accordance with the above provisions, shareholders are entitled to request the Board of Directors to implement within 30 days. If the Board of Directors of the Company fails to implement within the aforesaid time limit, shareholders are entitled to initiate legal proceedings directly in the people's court in their personal capacity for the interest of the Company.

If the Board of Directors of the Company fails to implement in accordance with the above provisions, the directors responsible shall bear joint liabilities in accordance with the law.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Register of Shareholders

The Company shall establish a register of Shareholders based on the certificates provided by the securities registrar of the places where the Company's shares are listed, and the register of shareholders shall be sufficient evidence of the Shareholders' shareholdings in the Company. The principal register of holders of H Shares shall be kept in Hong Kong and shall be open for inspection by shareholders. The Company may, however, suspend the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the places where the Company's shares are listed.

Shareholders shall enjoy rights and assume obligations according to the class of shares held by him/her. Shareholders who hold shares of the same class shall enjoy equal rights and assume equal obligations.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Transfers of Shares shall be registered in the register of Shareholders. The original register of holders of H Shares listed in Hong Kong shall be deposited in Hong Kong. The Hong Kong branch register must be available for inspection by shareholders, but the Company may be permitted to close the register of members on terms equivalent to those of section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

When the Company convenes a Shareholders' meeting, distributes dividends, commences liquidation or engages in other acts that require the identification of Shareholders, the Board of Directors or the convener of the Shareholders' meeting shall determine the record date of the Shareholders' registration. The Shareholders whose names appear on the register of Shareholders after the close of market trading on the record date shall be the Shareholder entitled to the relevant rights and interests.

Rights and Obligations of Shareholders

The Shareholders of the Company shall enjoy the following rights:

- (1) to receive dividends and other distributions in proportion to their shareholdings.
- (2) to request, convene preside over, attend or appoint a Shareholder's proxy to attend the Shareholders' meeting and to exercise the corresponding rights of speak and vote pursuant to applicable laws and regulations;
- (3) to supervise the Company's operations, to present proposals and to raise enquiries;
- (4) to transfer, grant or pledge shares held by them in accordance with the laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed as well as the Articles of Association;
- (5) to access and copy the Articles of Association, register of shareholders, meeting minutes of the Shareholders' meeting, resolutions of meetings of the Board of Directors and the financial and accounting reports, Shareholders who meet the requirements may inspect the company's accounting books and vouchers;
- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (7) with respect to Shareholders who vote against any resolution adopted at the Shareholders' meeting on the merger or division of the Company, the right to demand the Company to buy back their Shares;
- (8) any other rights conferred by laws, administrative regulations, departmental rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

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The Shareholders of the Company shall comply with the requirements of laws and administrative regulations such as the PRC Company Law, the Securities Law and the Hong Kong Listing Rules, as well as the securities regulatory rules of the place where the Company's Shares are listed, when inspecting and reproducing relevant materials.

If a shareholder who holds individually or collectively more than 3% of the shares of the Company for more than 180 consecutive days may request to review the accounting books and accounting vouchers of the Company. When he/she does so, he/she shall comply with Article 57, paragraphs (2), (3) and (4) of the PRC Company Law.

If a shareholder requests to review or duplicate the relevant materials of the Company's wholly owned subsidiaries, the preceding two paragraphs shall apply.

If the shareholders review or duplicate the relevant materials, they shall comply with the provisions of the Securities Law, the Hong Kong Listing Rules, and all other securities regulatory rules of the place where the Company's shares are listed.

The Shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and the articles of association;
- (2) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw its capital contributions, except under circumstances stipulated by laws and regulations;
- (4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the independent status of the Company as a legal entity and the limited liabilities of shareholders to jeopardize the interests of the Company's creditors;
- (5) to support the management of the Company and to propose rational recommendations ;
- (6) any other obligations imposed by laws, administrative regulations, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The Shareholders of the Company who abuse their shareholder rights to cause losses to the Company or other shareholders shall be liable for compensation in accordance with the laws. The Shareholders of the Company who abuse the independent status of the Company as a legal entity and the limited liabilities of shareholders to evade debts and seriously jeopardize the interests of the Company's creditors shall be jointly and severally liable for the debts of the Company.

The controlling shareholder(s) and actual controller(s) of the Company shall observe the following obligations:

- (1) to exercise shareholder rights in accordance with law, and not to abuse control or use relationships with affiliates to harm the lawful interests of the Company or other shareholders;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (2) not to, in any manner, misappropriate the Company's funds;
- (3) not to compel, instruct or require the Company or relevant persons to provide guarantees in breach of laws or regulations;
- (4) not to, by means of non-fair connected transactions, dividend distribution, asset restructuring, external investments or other forms, damage the lawful interests of the Company or other shareholders;
- (5) to ensure the Company's asset integrity, personnel independence, financial independence, institutional independence and operational independence, and not to influence the independence of the Company in any manner;
- (6) to comply with laws, administrative regulations, the CSRC rules, securities regulatory rules of the places where the Company's share are listed, and the Articles of Association.

If a controlling shareholder or actual controller does not serve as a Director but actually carries out company affairs, the provisions on duty of loyalty and duty of care applicable to Directors under these Articles shall apply.

If a controlling shareholder or actual controller instructs a Director or senior management to undertake acts that harm the interests of the Company or shareholders, such controlling shareholder or actual controller shall be jointly liable with such Director or senior management.

General Rules for the Shareholders' Meeting

The Shareholders' meeting is the organ of authority of the Company, which may exercise the following functions and powers in accordance with the laws:

- (1) to elect and remove Directors who are not representatives of the Company's employees, and to determine matters related to the remuneration of Directors;
- (2) to consider and approve the reports of the Board of the Directors;
- (3) to consider and approve the Company's profit distribution proposals and loss recovery proposals;
- (4) to decide on any increase or reduction of the Company's registered capital;
- (5) to decide on the issue of corporate bonds;
- (6) to decide on merger, division, dissolution or liquidation of the Company, or change of the corporate form of the Company;
- (7) to amend the Articles of Association;
- (8) to decide the appointment and dismissal of the accounting firms;

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

- (9) to consider and approve the transaction matters as stipulated in Article 49, the financial assistance matters as stipulated in Article 50 as well as the guarantee matters as stipulated in Article 51;
- (10) to consider matters that the Company purchased or sold or guaranteed major assets within one year exceeding 30% of the Company's latest audited total assets;
- (11) to consider the connected transactions required to be reviewed by the Shareholders' meeting pursuant to the Company's relevant connected transaction policies;
- (12) to consider and approve the change in the use of proceeds from raising;
- (13) to consider the share incentive schemes and employee shareholding scheme;
- (14) to consider and approve other matters which are required to be determined at the Shareholders' meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

The Shareholders' meeting may authorize the Board of Directors to resolve on the issuance of corporate bonds.

Except as otherwise provided by applicable laws, administrative regulations, departmental rules, the functions and powers of the Shareholders' meeting mentioned above should not be delegated to the Board of Directors or any other institution or individual.

Where the Company enters into a transaction (excluding financial assistance, provision of guarantees, or transactions involving the receipt of cash assets, debt forgiveness or other transactions that do not involve the payment of consideration and are not subject to any obligations), and such transaction meets any of the following thresholds in accordance with the definitions of transactions and the relevant calculation methods set out in the Hong Kong Listing Rules, in addition to being considered and approved by the Board of Directors, it shall also be submitted to the general meeting for consideration and approval:

- (1) major transactions;
- (2) very substantial disposals;
- (3) very substantial acquisitions; and
- (4) reverse takeovers.

Where any of the figures involved in the above thresholds is a negative value, the absolute value shall be adopted for the purpose of calculation.

For the purpose of this Article, the term "transactions" shall include, among others: the purchase or sale of assets; external investments (including entrusted wealth management and investments in subsidiaries); leasing in or leasing out of assets; entrusted or trust management of assets and businesses; gifts or acceptance of gifts of assets; external donations; restructuring of receivables and payables;

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entering into licensing agreements; transfer or acceptance of research and development projects; and the granting, acceptance, transfer, exercise, termination or waiver of rights (including waiver of rights of first refusal, pre-emptive rights to capital contributions, etc.).

The foregoing transactions shall exclude the following types of transactions conducted by the Company in the ordinary and usual course of business: purchase of raw materials, fuel and power; receipt of services; sale of products or commodities; provision of services; construction contracting and other transactions related to daily operations. However, where such transactions are involved in an asset swap, they shall still be included.

The calculation of the transaction amounts contemplated under this Article shall, where applicable, be made by reference to the relevant provisions of Chapter 14 of the Hong Kong Listing Rules.

Subject to compliance with Article 24, where any financial assistance (including interest-bearing or interest-free loans, entrusted loans and the like) provided by the Company constitutes a matter that is required to be approved by the general meeting pursuant to the Hong Kong Listing Rules, such matter shall, in addition to being considered and approved by the Board of Directors, be submitted to the general meeting for consideration and approval.

Any external guarantee provided by the Company shall be subject to consideration and approval by the Board of Directors. The following external guarantees of the Company shall be submitted to the Shareholders' meeting for consideration after being considered and approved by the Board of Directors:

- (1) any guarantee provided after the total amounts of the external guarantees provided by the Company and its holding subsidiaries reaches or exceeds 50% of the latest audited net assets of the Company;
- (2) any guarantee provided after the total amounts of the external guarantees reaches or exceeds 30% of the latest audited total assets;
- (3) a guarantee provided to a guaranteed party whose asset-liability ratio exceeds 70%;
- (4) the total amount of guarantees for twelve consecutive months exceeds 30% of the latest audited total assets of the Company;
- (5) a single guarantee the amount of which exceeds 10% of the latest audited net assets of the Company;
- (6) any guarantees to be provided for Shareholders, de facto controllers and their related parties;
- (7) other guarantees that are required to be considered and approved by the general meeting stipulated in the laws, administrative regulations, normative documents, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

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When the Board of Directors to consider guarantee matters, such matters must be approved by at least two-thirds (2/3) of the Directors present at the meeting of the Board of Directors. The above external guarantees of the Company shall be submitted to the Shareholders' meeting for consideration after being considered and approved by the Board of Directors.

If the Company provides guarantees to a wholly-owned subsidiary, or to a holding subsidiary with other shareholders providing guarantees pro rata to their shareholding interests, and such guarantees do not prejudice the interests of the Company, the application of sub-paragraphs (1), (3) and (5) of this Article may be exempted, provided that they are submitted for review by the Board of Directors. Unless otherwise required by the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association. When the Shareholders' meeting to consider guarantee matters under sub-paragraph (4), such matters must be approved by at least two-thirds (2/3) of the voting shares held by shareholders present. When the Shareholders' meeting considers guarantees for shareholders, actual controllers and their affiliates, the relevant shareholder(s) controlled by such actual controller(s) shall abstain from voting, and the proposal shall be passed by a simple majority of the voting rights held by the other shareholders present.

Without approval by the Board of Directors or Shareholders' meeting, the Company may not provide external guarantees. For any person responsible for external guarantees provided in violation of the approval authority or procedures, the Company shall hold such person accountable.

The Shareholders' meetings are classified into annual Shareholders' meetings and interim Shareholders' meetings. The annual Shareholders' meetings shall be convened once a year and be held within 6 months of the end of the previous accounting year.

In any of the following circumstances, the Company shall convene an interim Shareholders' meeting within 2 months from the date upon which the circumstance occurs:

- (1) when the number of Directors falls short of the minimum statutory number specified in the PRC Company Law or is less than two-thirds of the number specified in the Articles of Association (i.e. [6] Directors);
- (2) when the unrecovered losses of the Company amount to one-third of the total paid-up share capital;
- (3) when requested by Shareholders who individually or jointly hold more than 10% voting rights (excluding the voting rights of treasury shares) of the Company;
- (4) when the Board of Directors deems necessary;
- (5) when proposed by the Audit Committee;
- (6) other circumstances stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association.

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Convening of Shareholders' Meeting

The Shareholders' meetings shall be convened by the Board of Directors in accordance with the laws.

A majority of Independent Directors have the right to propose to the Board of Directors to convene an interim shareholders' meeting. In response to a proposal from Independent Directors that request to convene an interim shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the interim shareholders' meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene an interim shareholders' meeting, the Board of Directors will issue a notice of convening the interim shareholders' meeting within 5 days after the Board of Directors' resolution is made; if the Board of Directors disagrees to convene an interim shareholders' meeting, it will state the reasons.

The Audit Committee have the right to propose to the Board of Directors to convene an interim shareholders' meeting and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the interim shareholders' meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene an interim shareholders' meeting, the Board of Directors will issue a notice of convening the interim shareholders' meeting within 5 days after the Board of Directors' resolution is made, and any changes to the original proposal contained in the notice shall be approved by the Audit Committee.

If the Board of Directors disagrees to convene an interim shareholders' meeting or fails to provide feedback within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable to perform or fails to perform its duty to convene the shareholders' meeting, and the Audit Committee shall convene and preside over the interim shareholders' meeting of its own accord.

Shareholders individually or jointly holding 10% or more of the Company's shares have the right to request the Board of Directors to convene an interim shareholders' meeting and shall submit such request to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association, give written feedback on whether it agrees or disagrees with the convening of the interim shareholders' meeting within 10 days upon receipt of the request.

If the Board of Directors agrees to convene an interim shareholders' meeting, the Board of Directors will issue a notice of convening the interim shareholders' meeting within five days after the Board of Directors' resolution is made, and any changes to the original request contained in the notice shall be approved by the shareholders concerned.

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If the Board of Directors disagrees to convene an interim shareholders' meeting or fails to provide feedback within 10 days upon receipt of the request, shareholders individually or jointly holding 10% or more of the Company's shares shall have the right to propose to the Audit Committee to convene an interim shareholders' meeting and shall submit such request to the Audit Committee in writing.

If the Audit Committee agrees to convene an interim shareholders' meeting, the Audit Committee will issue a notice of convening the interim shareholders' meeting within 5 days upon receipt of the request, and any changes to the original request contained in the notice shall be approved by the shareholders concerned.

If the Audit Committee fails to send a notice of Shareholders' meeting before deadline, the Audit Committee shall be deemed to be unable to convene and preside over the meeting, the Shareholder(s) holding 10% or more of the voting Shares of the Company separately or in aggregate for 90 or more consecutive days may convene and preside over a meeting on its/their own.

Where the Audit Committee or shareholder(s) individually or jointly holding 10% or more of the company's shares decide(s) to convene a Shareholders' meeting on their own initiative, they shall notify the Board of Directors in writing.

Prior to the announcement of the resolution of the Shareholders' meeting, the proportion of shares held by the convening shareholders shall not be less than 10%.

The Board of Directors and the secretary to the Board of Directors shall cooperate with the Audit Committee or shareholders to convene Shareholders' meetings on their own. The Board of Directors shall provide the register of shareholders on the record date of equity interests.

Where the Shareholders' meeting is convened independently by the Audit Committee or shareholders, all necessary costs and expenses of the meeting shall be borne by the Company.

Proposals and Notices of Shareholders' Meeting

The content of a proposal to be considered shall fall within the scope of powers of the Shareholders' meeting, have a clear topic and specific matter for resolution, and comply with the provisions of laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. The proposal shall be submitted or delivered to the convener in writing.

At the Shareholders' meeting, the Board of Directors, the Audit Committee and the Shareholder(s) individually or jointly holding at least 1% Shares of the Company may propose a proposal to the Company.

Shareholders who individually or collectively hold at least 1% of the Company's Shares may put forward a provisional proposal and submit it in writing to the convenor ten days prior to the convening of the Shareholders' meeting. Provisional proposals should have a clear topic and a specific resolution. The convenor shall issue a supplementary notice of the Shareholders' meeting with the contents of the provisional proposal no later than ten (10) business days prior to the date of the Shareholders' meeting after receiving the proposal and submit the provisional proposal to the Shareholders' meeting for consideration. However, that the provisional proposal shall be in compliance with the provisions of the

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laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed and the Articles of Association or shall fall within the scope of functions and powers of the shareholders' meeting. Where, pursuant to the securities regulatory rules of the place(s) where the Company's shares are listed, the general meeting is required to be adjourned as a result of the publication of a supplemental notice of the general meeting, the holding of such general meeting shall be adjourned in accordance with the securities regulatory rules of the place(s) where the Company's shares are listed. Subject to the above provisions, the convener after sending a notice of meeting shall not modify the motion listed in the notice of meeting or add a new motion.

A proposal that is not specified in the notice of a Shareholders' meeting or does not comply with the provisions of Article 62 shall not be put to a vote or resolved upon at the meeting.

The convener shall give each shareholder written notice (including by way of announcement) of an annual Shareholders' meeting at least twenty-one (21) days prior to the date of such meeting, and written notice (including by way of announcement) of an extraordinary Shareholders' meeting at least fourteen (14) days prior to the date of such meeting..

Written Notice of a Shareholders' meeting shall include the following contents:

- (1) the date, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) an express statement that the entire ordinary shareholders are entitled to attend the Shareholders' meeting, and to appoint proxy(ies) in writing to attend and vote on his/her behalf at the meeting, and that a proxy needs not be a shareholder of the Company
- (4) the record date on which the shareholders are entitled to attend the Shareholders' meeting;
- (5) the name and telephone number of permanent contact persons for the affairs of the meeting;
- (6) the voting time and procedure via internet or through other means;
- (7) other requirements by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The notice of a Shareholders' meeting and any supplementary notice shall contain full and specific details of all proposals.

Convention of Shareholders' Meeting

All shareholders or their proxies registered on the record date have the right to attend and speak at any Shareholders' meeting, in compliance with all applicable laws, regulations, securities regulatory rules of the place where the Company's shares are listed and these Articles of Association. They are also entitled to exercise their voting rights in accordance with these provisions. Shareholders may attend in person or appoint proxies to attend and vote at Shareholders' meetings on their behalf.

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Each shareholder is entitled to appoint one or more proxies (who need not be Shareholders) to attend and vote on their behalf.

An individual shareholder who attends the meeting in person shall produce his/her own identification card or other valid documents or proof evidencing his/her identity. If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy shall produce his/her own valid proof of identity and the power of attorney from the shareholder.

A legal person shareholder shall attend the meeting by its legal representative or proxy appointed by the legal representative. A partnership enterprise shareholder shall attend the meeting by its managing partner (if a natural person) or its designated representative (if the managing partner is a non-natural person), or a proxy appointed by the managing partner or the designated representative. Where the legal representative attends the meeting, he/she shall produce his/her own identification card and valid certificates evidencing his/her capacity as the legal representative. Where the managing partner (if a natural person) or its designated representative (if the managing partner is a non-natural person) attends the meeting, he/she shall produce his/her own identification card and valid certificates evidencing his/her capacity. Where a proxy is appointed to attend the meeting, he/she shall produce his/her own identification card and the written power of attorney issued by the legal representative of the legal person shareholder or by the managing partner (if a natural person) or its designated representative (if the managing partner is a non-natural person) of the partnership enterprise shareholder according to law (except for a shareholder which is a recognized clearing house and its nominees ("**clearing house**"), as defined in the relevant ordinances of Hong Kong or securities regulatory rules of the place where the Company's shares are listed from time to time).

If the shareholder is a recognized clearing house (or its nominee), such shareholder may authorize one or more persons as he/she deems appropriate to act on his/her behalf at any Shareholders' meetings or creditors' meetings; however, if more than one persons are thus authorized, the power of attorney shall specify the numbers and classes of shares in respect of which such persons are authorized, and signed by the authorized person of the recognized clearing house. The person(s) so authorized may represent the recognized clearing house (or its nominee) to exercise its rights, without producing certificates of shareholding, the notarized power of attorney and/or further evidence to prove that he/she has been duly authorized, and shall be entitled to the legal rights equivalent to those of the other Shareholders, including the right to speak and vote, as if that proxy is an individual Shareholder of the Company

The proxy form issued by a Shareholder for a Shareholders' meeting shall specify:

- (1) the name of the principal, class and number of shares of the Company held by the principal;
- (2) the name of the proxy;
- (3) the specific instructions for voting for, against or abstaining from voting on each matter to be considered on the agenda of the Shareholders' meeting;
- (4) the date and validity of the proxy form;

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- (5) the signature (or seal) of the appointing Shareholder; if the appointing Shareholder is a legal person/other organization, this proxy shall be either affixed with the corporate/organizational seal or signed by one of its Directors or a duly authorized agent.

The proxy form shall contain a statement that in the absence of instructions from the Shareholder, his/her proxy may vote at his/her discretion.

If the power of attorney authorizing voting rights is authorized by the principal to be signed by others, the power of attorney signed under authorization or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, and the voting proxy form shall be kept at the Company's domicile or at other places as may be specified in the notice of convening the meeting at least twenty-four (24) hours prior to the date of the meeting for which the authority to vote is granted, or at least twenty-four (24) hours prior to the designated voting time.

If the appointing Shareholder is a legal person or other institution, then its proxy to attend the Shareholders' meeting shall be the legal representative (person in charge)/managing partner, or any other person authorized by the Board of Directors or other decision-making body.

A shareholders' meeting shall be presided by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his/her duties, a Director jointly elected by a majority of the Directors shall preside over the meeting.

A shareholders' meeting convened by the Audit Committee on its own initiative shall be presided over by the convener of the Audit Committee. If the convener fails or is unable to perform such duties, the meeting shall be presided over by one member of the Audit Committee elected by a majority of the Audit Committee members.

The shareholders' meeting convened by shareholders of their own accord shall be presided over by the convener or a representative elected by the convener.

When a shareholders' meeting is held and the chairman violates the rules of procedure in a way that makes it difficult for the shareholders' meeting to continue, a person may be elected at the shareholders' meeting to act as the chairman so as to carry on with the meeting, subject to the approval of a majority of the attending shareholders holding voting rights.

The shareholders' meeting has meeting minutes, which shall be taken by the secretary to the Board of Directors, and include the following contents:

- (1) Date, location, agenda, and name of the convener of the meeting;
- (2) The name of the meeting chairman, the Directors, and other senior management officers attending or attending the meeting as non-voting participants;
- (3) Number of shareholders and proxies attending the meeting, the total number of shares with voting rights held by such shareholders, and the proportion over total shares of the Company;
- (4) Consideration and approval process, key points of discussion, and voting results for each proposal;

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- (5) the shareholders' inquiries or suggestions and the corresponding replies or explanations thereto;
- (6) Names of tellers and scrutineers;
- (7) Other contents that shall be recorded in the meeting minutes in accordance with the Articles of Association

Voting and Resolutions of Shareholders' Meeting

Resolutions of Shareholders at the Shareholders' meeting shall take the forms of ordinary resolutions and special resolutions.

Ordinary resolution at a Shareholders' meeting shall be adopted by an attending Shareholders holding a majority vote of the voting rights.

Special resolution at a Shareholders' meeting shall be adopted by attending Shareholders holding at least two-thirds of the voting rights.

For the purposes of this Article, the term "shareholder" includes a shareholder who attends a shareholders' meeting by a proxy.

The following matters shall be passed by an ordinary resolution at a Shareholders' meeting:

- (1) reports on the work of the Board of Directors;
- (2) profit distribution plans and loss recovery plans drawn up by the Board of Directors;
- (3) the appointment and removal of members of the Board of Directors and the method of their remuneration and payment;
- (4) to decide the appointment and dismissal of the accounting firms and to determine the remuneration of such accounting firm or the method of determining such remuneration;
- (5) to consider and approve the transaction matters as stipulated in Article 49, the financial assistance matters as stipulated in Article 50 as well as the guarantee matters as stipulated in Article 51 (excluding item (3) thereof);
- (6) to consider the connected transactions which are required to be reviewed by the general meeting pursuant to the Company's relevant connected transaction policies, and matters relating to any change in the use of proceeds raised;
- (7) any other matters not otherwise required by the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association to be passed by special resolution.

The following matters shall be passed by a special resolution at a Shareholders' meeting:

- (1) the increase or reduction of the Company's registered capital;

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- (2) the separation, division, merger, division, dissolution, liquidation and change of corporate form of the Company;
- (3) amendments to the Articles of Association of the Company;
- (4) the purchase or sale of material asset(s) or the provision of guarantee(s) by the Company within one year with amount(s) exceeding 30% of the Company's latest audited total assets;
- (5) the provision of guarantee(s) by the Company within one year with amount(s) exceeding 30% of the Company's latest audited total assets;
- (6) equity incentive plans;
- (7) any variation of the rights attached to a class of shares (where class shares exist);
- (8) Any other matters prescribed by the laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the places where the Company's shares are listed or the Articles of Association, and those matters approved by ordinary resolution at a shareholders' meeting as having a material impact on the Company and are required to be approved by a special resolution.

Shareholders have the right to speak and vote at any Shareholders' meeting, with each shareholder entitled to one vote for each share it represents; provided that a shareholder shall abstain from voting on a particular matter if so required by the Hong Kong Listing Rules. A shareholder (including a proxy) casting two or more votes need not cast all the votes in the same way.

Any Shareholder who, in accordance with the Hong Kong Listing Rules, is required to waive their voting rights or is limited to only casting affirmative or negative votes on a certain matter shall waive their voting rights in accordance with the provisions. Any Shareholder vote or representative vote that violates relevant regulations or restrictions will not be counted in the voting results.

The Shares held by the Company do not have voting rights, and these Shares are not included in the total number of Shares with voting rights present at the Shareholders' meeting. Where laws, administrative regulations, departmental rules, or the securities regulatory rules of the place where the Company's shares are listed stipulate that a shareholder must not exercise any voting right, must abstain from voting, or is restricted to voting only in favor of or against a particular proposal, any vote cast by such shareholder or its proxy in violation of such stipulations or restrictions shall not be counted in the voting results.

For the purposes of this Article, the term "shareholder" includes a shareholder who attends a Shareholders' meeting by a proxy.

In the consideration of a connected transaction at a Shareholders' meeting, a connected shareholder (including any shareholder having a material interest in the transaction) and their close associates (as defined in the Hong Kong Listing Rules) are prohibited from voting. The number of voting shares represented by such shareholder shall be disregarded for the purpose of determining the total number of valid votes cast. The announcement of the resolution of the Shareholders' meeting shall, as required by applicable rules, provide full disclosure of the voting results of the non-connected shareholders.

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A list of candidates for Directors shall be submitted to the Shareholders' meeting for consideration by way of a proposal.

When the Shareholders' meeting votes on the election of Directors, a cumulative voting system may be implemented in accordance with the provisions of these Articles or a resolution of the Shareholders' meeting.

A cumulative voting system shall be implemented when the Shareholders' meeting elects two (2) or more independent Directors.

The aforementioned cumulative voting system means that in an election, each share carries a number of votes equal to the total number of Directors to be elected. A shareholder may distribute his/her votes equally among all candidates or may concentrate his/her votes on one or a portion of the candidates, with the right to write in another candidate. The Directors shall be elected based on the number of votes received by each candidate and the qualifications for Directors as stipulated in these Articles.

A resolution of the Shareholders' meeting shall be announced promptly. The announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and their proportion to the total number of voting shares of the Company, the voting method, the voting results for each proposal, and the details of the resolutions passed.

If a proposal is not passed, or if a resolution of the current Shareholders' meeting amends a resolution passed at a previous Shareholders' meeting, a special note shall be made in the announcement of the Shareholders' meeting resolution.

Where a Shareholders' meeting passes a proposal on the election of a Director, the newly elected Director shall assume office from the date when the resolution is passed by the Shareholders' meeting or the date specified in the resolution.

Where a Shareholders' meeting passes a proposal on the distribution of cash dividends, bonus shares, or capitalization issue from the capital reserve, the Company shall implement the specific plan within 2 months after the conclusion of the Shareholders' meeting.

BOARD OF DIRECTORS

Directors

Directors of the Company shall be natural persons. A natural person who falls into any of the following circumstances shall not serve as Director of the Company:

- (1) a person who suffers from any incapacity or restricted capacity from undertaking civil liabilities;
- (2) a person who has been convicted of and sentenced for offenses relating to corruption, bribery, trespass to assets, misappropriation of assets or causing socialist market economy disorder and a period of 5 years has not elapsed since the completion of the term of the sentence or

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deprivation or who has been deprived of his political rights and imposed a suspended sentence as a result of he/she having committed an offense and a period of 2 years has not elapsed since the completion of the term of the suspended sentence;

- (3) a person who is a Director or factory manager or manager of a company or enterprise which has become insolvent and liquidated and who incurs personal liability for the insolvency of that company or enterprise, and a period of 3 years has not elapsed since the date of completion of insolvent liquidation of that company or enterprise;
- (4) a person who is a legal representative of a company or enterprise, the business license of which is revoked and ordered to close down on the grounds of contravention of law, and who incur personal liability therefor, and a period of 3 years has not elapsed since the date of revocation of the business license of that company or enterprise or that company or enterprise being ordered to close down;
- (5) a person who has been as a dishonest party by the People's Court due to with comparatively large debts that have fallen due but have not been settled;
- (6) a person who is currently being prohibited from participating in securities market by the CSRC, where the term has not yet expired;
- (7) other matters stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or other securities regulatory rules of the places where the Company's shares are listed.

For any election and appointment of a Director in contravention of the provisions prescribed by this Article, such election, appointment or employment shall be void and null. Where a Director falls into any of the aforesaid circumstances in his term of office, the Director shall be removed from office.

Directors shall be elected and removed by a Shareholders' meeting and may be dismissed by Shareholders' meeting before the expiry of their term. Directors shall have a term of three years, which can be renewable upon expiry if re-elected in accordance with the securities regulatory rules of the places where the Company's shares are listed.

The tenure of office of a Director shall be calculated from the date of appointment until the expiry of the current term of the Board of Directors. If the tenure of office of a Director expires but re-election is not made in a timely manner, the said Director shall continue to perform the duties as a Director in accordance with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association until the re-elected Director assumes office. The Directors shall comply with the provisions of laws, administrative regulations, departmental rules, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association.

Directors shall fulfill the following duties of loyalty to the Company:

- (1) not encroach on the Company's property and misappropriating the Company's funds;

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- (2) not depositing the Company's assets or funds into any accounts under their own names or the names of other individuals;
- (3) not abusing their powers to accept bribes or any other unlawful income;
- (4) not entering into any contracts or transactions with the Company directly or indirectly in violation of the Articles of Association or without reporting or approval of the Shareholders' meeting and Broad of Director;
- (5) not exploit his position to appropriate for himself or for any third party any commercial opportunity that rightfully belongs to the Company, except in circumstances where: (a) the opportunity has been reported to the Broad of Director or the Shareholders' meeting and subsequently approved by a resolution of the Shareholders' meeting; or (b) the Company is, in accordance with the law, administrative regulations, the Hong Kong Listing Rules, or the provisions of these Articles, incapable of exploiting such opportunity;
- (6) not operate, either on his/her own account or for others, a business of the same kind as that of the Company, unless such activity has been reported to the Board of Directors or the Shareholders' meeting and a resolution approving it has been passed by the Shareholders' meeting;
- (7) not accepting for their own benefit any commissions in relation to transactions with the Company;
- (8) not disclosing without authorization any confidential information of the Company;
- (9) not using their connected relationships to harm the interests of the Company;
- (10) performing any other duties of loyalty provided by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

The Company may have a claim against the breaching Director for an account of profits for any income earned by such Director in violation of the aforesaid provisions; such Director is liable for compensation if any loss is caused to the Company.

A close relative of a Director or senior management personnel, an enterprise directly or indirectly controlled by a Director, senior management personnel, or their close relative(s), or a connected person having other connections with a Director or senior management personnel, enters into a contract or conducts a transaction with the Company, the above provisions (4) of this Article shall apply.

A Director shall comply with the provisions of laws, administrative regulations, the securities regulatory rules of the places where the Company's shares are listed and the Articles of Association, and owes a duty of care to the Company. When performing their duties, they shall exercise the reasonable care typically expected of a manager for the best interests of the Company.

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Directors shall fulfill the following duties of care to the Company:

- (1) to exercise the powers conferred by the Company with prudence, care and diligence to ensure that the commercial activities of the Company comply with the provisions of the national laws, administrative regulations and various state economic policies and not exceed the business scope specified in the business license;
- (2) to treat all shareholders impartially;
- (3) to keep track of the operation and management of the Company on a timely basis;
- (4) to provide the Audit Committee with truthful information and materials, and not to intervene in the performance of the Audit Committee of their functions and powers;
- (5) to perform any other duties of care provided by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and the Articles of Association.

Directors may submit their resignation prior to the expiry of their terms of office. The resigning Director is required to submit a resignation report to the Board of Directors in writing. The Board of Directors shall disclose the relevant information within 2 days. Any person appointed by the Board of Directors as a Director to fill a casual vacancy on the Board of Directors or to increase the number of Board of Directors' members shall only hold office until the first annual Shareholders' meeting of the Company following his/her appointment, and shall be eligible for re-election at that time.

If the resignation of a Director results in the number of Board of Directors' members falling below the quorum, the original Director shall still perform his/her duties as a Director under the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's Shares are listed and the Articles of Association until the alternate Director holds office.

Except for the circumstances listed in the preceding paragraph, a Director's resignation shall be effective from the time such a resignation report is delivered to the Company.

Upon the resignation of a Director taking effect or upon the expiration of his term of office, such Director shall duly complete all handover procedures with the Board of Directors. The fiduciary duties owed by such Director to the Company and its shareholders shall not be automatically discharged upon the end of his term of office, but shall continue to be effective for a reasonable period as prescribed in these Articles. Any liabilities incurred by a Director during his term of office in the performance of his duties shall not be exempted or extinguished by reason of his resignation or cessation of office. The period during which a Director shall continue to be subject to fiduciary duties following the effectiveness of his resignation or the expiration of his term of office shall be three (3) years. A Shareholders' meeting may resolve to remove a Director, and the removal shall be effective upon the date the resolution is made.

If a Director is removed prior to the expiration of his/her term of office without just cause, the Director may claim compensation from the company.

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Unless otherwise provided by the laws, regulations or the securities regulatory rules of the places where the Company's shares are listed, the Company shall have the power to remove any Director (including any executive Director) before the expiration of his term of office by an ordinary resolution at a Shareholders' meeting. Such removal shall not prejudice the right of such Director to claim damages or compensation in respect of any contract.

The Company shall have Independent Non-executive Directors (hereinafter referred to as "**Independent Directors**"). Matters such as the qualification, nomination, resignation of an Independent Director shall be carried out in accordance with the laws and regulations, other regulatory documents, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company's Shares are listed and the relevant provisions of the Company's management system.

Board of Directors

The Company shall have a Board of Directors, which shall be composed of 8 Directors. The Board shall comprise Executive Directors, Non-executive Directors and Independent Directors. The Company shall have one Chairman, who shall be elected by a majority vote of all the Directors.

The Board of Directors exercises the following functions and powers:

- (1) to convene Shareholders' meetings and report on its work to the Shareholders' meetings;
- (2) to implement the resolutions of the Shareholders' meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's profit distribution plan and loss recovery plan;
- (5) to formulate proposals for the increase or reduction of the Company's registered capital, issuance of bonds or other securities, and listing plans;
- (6) subject to compliance with the securities regulatory rules of the places where the Company's shares are listed, to formulate plans for merger, division, dissolution and change of form of our Company;
- (7) within the scope authorized by the Shareholders' meeting, to decide on the Company's external investment, acquisition and sale of assets, asset pledge, external guarantee matters, entrusted wealth management, related transactions, and external donations;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to decide on the appointment or dismissal of the Company's general manager and to determine their remuneration, rewards, and penalties; based on the general manager's nomination, to decide on the appointment or dismissal of the Company's deputy general manager, financial officer, secretary to the Board of Directors and other senior management personnel, and to determine their remuneration, rewards, and penalties;
- (10) to formulate the Company's basic management system;

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- (11) to formulate proposals for any amendment to the Articles of Association;
- (12) to manage the information disclosure matters of the Company;
- (13) to propose to the Shareholders' meeting the appointment or change of the accounting firm acting as the auditors of our Company;
- (14) to receive the work report of the Company's general manager and examine the general manager's work;
- (15) to resolve on the specific administration and implementation of the employee equity incentive plan in accordance with the provisions of such plan, or to designate a responsible party to administer and implement the employee equity incentive plan;
- (16) other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's Shares are listed or the Articles of Association and the Shareholders' meeting.

Matters beyond the scope of authorization of the Shareholders' meeting shall be submitted by the Board of Directors to the Shareholders' meeting for consideration.

The Board of Directors shall establish three special committees: the Audit Committee, the Nomination Committee, and the Remuneration and Assessment Committee. These special committees are responsible to the Board of Directors, perform their duties in accordance with these Articles of Association and the authorization granted by the Board of Directors, and shall submit their proposals to the Board of Directors for review and decision. All members of the special committees shall be composed of Directors. The Board of Directors shall be responsible for formulating the working procedures for the special committees to regulate their operations.

The chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside over the shareholders' meeting and to convene and preside over the meetings of the Board of Directors;
- (2) to supervise and inspect the implementation of resolutions of the Board of Directors;
- (3) to sign company shares, corporate bonds, and other securities;
- (4) to sign material documents of the Board of Directors;
- (5) in the event of force majeure emergencies, such as a major natural disaster, to exercise special disposition powers in relation to the Company's affairs in compliance with legal requirements and the interests of the Company. and subsequently report such activities to the Board of Directors and the shareholders' meeting of the Company;
- (6) to exercise any other functions and powers conferred by the Articles of Association, the Shareholders' meeting, the Board of Directors, or as provided by laws, administrative regulations and the securities regulatory rules of the places where the Company's shares are listed.

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The Board of Directors shall hold at least four meetings each year, which shall be convened by the Chairman. Written notice shall be provided to all Directors at least 14 days prior to the date of the meeting.

An interim meeting of Board of Directors may be convened upon the proposal of shareholders representing more than one tenth of the voting rights, more than one third of the Directors or the Audit Committee. Chairman of the Board of Directors shall convene and chair the meeting of Board of Directors within 10 days after receiving such proposal.

A meeting Board of Directors may be held only if more than half of the Directors are present. A resolution of the Board of Directors must be passed by more than half of all Directors. Unless otherwise provided in these Articles, applicable laws, regulations or normative documents, or the securities regulatory rules of the places where the Company's shares are listed, such provisions shall prevail. Each Director shall have one vote in the Board of Directors' resolution.

GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Senior Management Officers

The Company shall have a president who are appointed or dismissed by the Board of Directors.

The general manager, deputy general manager financial officer and secretary to the Board of Directors are senior management of the Company.

The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to lead the Company's production, operation and management, organize the implementation of the resolutions of the Board of Directors, and report to the Board of Directors;
- (2) to organize the implementation of the Company's annual operation plan and investment proposal;
- (3) to prepare the plan for the establishment of the Company's internal management structure;
- (4) to prepare the basic management system of the Company;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager, financial officer and other senior management personnel ;
- (7) to decide on the appointment or dismissal of responsible management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (8) other functions and powers authorized by the law, regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association or the Board of Directors.

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General manager shall attend meetings of the Board of Directors as a non-voting participant.

The Chief Financial Officer shall be nominated by the general manager and be appointed and removed by the Board of Directors. The term of office for the Chief Financial Officer is 3 years, and they may be reappointed upon re-nomination.

The Company shall appoint a secretary to the Board of Directors, who is responsible for the preparation of the Company's shareholders' meeting and meetings of the Board of Directors, the custody of documents as well as the management of the information of the Company's shareholders, and the disclosure of information.

FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDITING

Financial and Accounting Systems

The Company shall establish its financial and accounting system in accordance with the law, administrative regulations and the provisions stipulated by the relevant authorities of the People's Republic of China. If the financial and accounting system is otherwise provided in the Hong Kong Listing Rules or relevant regulatory rules of the places where the Company's shares are listed, such regulatory rules shall prevail.

The accounting year of the Company shall be consistent with the Gregorian calendar year, i.e. from 1 January to 31 December on the Gregorian calendar.

The Company shall not maintain books of accounts other than those provided for by law. No assets of the Company shall be deposited into any account opened in the name of any individual.

In distributing the after-tax profits in the current year, the Company shall allocate 10% of such profits into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is 50% or more of its registered capital, further allocations are not required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the previous year, the profits of the current year shall be used to make up for such losses before making allocation to its statutory reserve fund in accordance with the preceding paragraph.

After allocation of its after-tax profits to its statutory reserve fund, the Company may, subject to the approval by resolutions of the shareholders' meeting, allocate its after-tax profits to its discretionary reserve fund.

After making up for the losses and making allocations to the reserve fund, any remaining after-tax profits shall be distributed by the Company to its shareholders in proportion to their respective shareholdings unless it is stipulated that such distribution shall not be made in proportion to the shareholdings pursuant to the Articles of Association.

If the shareholders' meeting has, in violation of the PRC Company Law, the shareholders shall return to the Company the profit distributed in violation of the provision. If the Company incurs losses due to such distribution, the shareholders and the Directors and senior management officers who are held accountable shall be liable for compensation.

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The Company's shares held by the Company are not entitled to any profit distribution.

The Company shall appoint one or more receiving agents in Hong Kong for the holders of H Shares. Such receiving agent(s) shall, on behalf of the relevant H Shareholders, receive and hold dividends and other amounts payable by the Company in respect of the H Shares, pending payment to such H Shareholders. The receiving agent(s) appointed by the Company shall comply with the requirements of applicable laws and regulations and the securities regulatory rules of the places where the Company's shares are listed.

The share premium arising from the issue of shares by the Company at a price exceeding their par value, the amount of proceeds from the issue of no-par value shares that is not credited to the registered capital, and any other income required by the financial department of the State Council to be credited to the capital reserve, shall be recorded as the Company's capital reserve.

The reserve funds of the Company may be applied for making up for losses of the Company, expansion of the Company's production and operation or increase the capital of the Company.

When applying the reserve funds to make up for the Company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if such funds are still insufficient to make up for losses, the capital reserve fund may be applied in accordance with relevant provisions.

Where the statutory reserve fund is converted into capital, the balance of the reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

The Company may distribute dividends in the form of cash or shares.

The Company implements a continuous and stable dividend distribution policy every year, taking into full consideration the interests of shareholders in accordance with the operating conditions and market environment.

When the Company realizes profits in the year and meets the conditions for profit distribution, the Board of Directors of the Company shall formulate a profit distribution plan based on the Company's specific operating conditions and submit it to the shareholders' meeting for approval before implementation.

Internal Auditing

The Company shall adopt an internal audit system and appoint full-time audit personnel to conduct internal audit supervision over the Company's financial revenues and expenditures and economic activities.

The Company's internal audit system and the duties of its audit personnel shall be implemented upon approval by the Board of Directors. The head of audit shall be accountable to and report to the Board of Directors.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Appointment of Accountant Firm

The Company shall appoint an accounting firm that complies with the provisions of the Securities Law, the Hong Kong Listing Rules and other securities regulatory rules of the places where the Company's shares are listed to conduct audits of accounting statements, verification of net assets, and other related consulting services, etc., with a term of one year, which is renewable.

The engagement and dismissal of the accounting firm by the Company shall be approved by more than half of the members of the Audit Committee, submitted to the Board for consideration and approval and shall be decided at the Shareholders' meeting. The Board of Directors shall not appoint an accounting firm prior to the decision made by the shareholders' meeting.

The Company shall ensure the provision of true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the appointed accounting firm without any refusal, concealment or misrepresentation.

The audit fees of the accounting firm shall be determined by the shareholders' meeting, which may authorize the Board of Directors to handle such matters specifically.

When the Company removes or does not renew the appointment of the accounting firm, it shall notify the accounting firm 30 days in advance, and the accounting firm shall be allowed to state its opinions when the Company's shareholders' meeting votes on the removal of the accounting firm.

If the accounting firm resigns, it shall make clear to the shareholders' meeting whether there is any impropriety on the part of the Company.

NOTICE

Notices of the Company may be delivered through the following means:

- (1) delivered in person;
- (2) Sent by telephone or other online communication tools;
- (3) sent by express courier;
- (4) Sent by post, fax, email, or other similar means;
- (5) by other forms recognized by the regulator of the place where the Company's shares are listed or as provided for in the Articles of Association.

Notices given by the Company by way of announcements shall be deemed to be received by all parties concerned once published.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

MERGER, DIVISION, INCREASE AND DECREASE OF CAPITAL, DISSOLUTION AND LIQUIDATION

Merger, Demerger, Capital Increase and Reduction

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Merger by absorption refers to the merger realized by a company through the absorption of other companies, in which case the absorbed companies are dissolved. Merger by the establishment of a new entity refers to the merger of two or more companies to create a new company, in which case the merging parties are dissolved.

In the event of a merger, the companies involved shall enter into a merger agreement and prepare balance sheets and inventories of property. The Company shall notify its creditors within 10 days from the date the merger resolution is adopted and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System/or on the website of the places where the Company's shares are listed within 30 days. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, the Company shall prepare balance sheets and inventories of properties. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favor of the division and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System/or on the website of the places where the Company's shares are listed within 30 days from the date of such resolution.

Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the division, the surviving companies after the division shall be jointly and severally liable for the debts of the Company which have been incurred before such division.

The Company shall prepare balance sheets and inventories of properties when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date on which a resolution to reduce the registered capital is adopted and shall publish an announcement in a newspaper or in the National Enterprise Credit Information Publicity System/or on the website of the places where the Company's shares are listed within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

APPENDIX III SUMMARY OF ARTICLES OF ASSOCIATION OF THE COMPANY

Dissolution and Liquidation

The Company shall be dissolved in any of the following circumstances:

- (1) The business period specified in the Articles of Association is expired or other causes of dissolution specified therein take place;
- (2) The shareholders' meeting resolves to dissolve the Company;
- (3) Dissolution is necessary due to a merger or demerger of the Company;
- (4) The business license is revoked, or the company is ordered to close or be shut down according to law;
- (5) Where the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters, shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

When causes for the dissolution as stipulated in the preceding paragraph occur, it shall disclose the reasons for dissolution through the National Enterprise Credit Information Publicity System/or on the website of the places where the Company's shares are listed within ten days.

Where the Company is in the situation described in items (1) and (2) above and has not distributed any property to shareholders, it may continue to exist by amending the Articles of Association or a resolution passed by the Shareholders' meeting.

The amendments to the Articles of Association in accordance with the provisions in the preceding article or decisions made by Shareholders' meeting shall require the approval of at least two-thirds of the voting rights held by Shareholders attending the Shareholders' meeting.

Where a company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the law related enterprise bankruptcy.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Company shall amend its articles of association in one of the following circumstances:

- (1) Subsequent to the amendment of the PRC Company Law or relevant laws and administrative regulations and the Hong Kong Listing Rules, the matters stipulated in the Articles of Association are in conflict with the provisions of the amended laws, administrative regulations and the Hong Kong Listing Rules;
- (2) The Company has experienced changes, resulting in matters inconsistent with those recorded in the Articles of Association;
- (3) The shareholders' meeting decides to amend the Articles of Association.

The Board of Directors shall amend the Articles of Association in accordance with the resolution of the Shareholders' meeting to amend the Articles of Association and the approval of the relevant competent authorities.

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STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was initially established on July 4, 2017 in the PRC as a limited liability company and was converted into a joint stock company with limited liability on January 22, 2026.

Our Company has established a place of business in Hong Kong at Room 3901, Far East Finance Center, 16 Harcourt Road, Admiralty, Hong Kong. Our Company [has] been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance, with Mr. Chan Kam Kwan, Jason (陳錦坤) appointed as the authorized representative of our Company for acceptance of the service of process and any notices required to be served on our Company in Hong Kong.

As we were established in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in “Regulatory Overview” in this document and Appendix III to this document, respectively.

2. Changes in the Share Capital of our Company

Save as disclosed in “History, Development and Corporate Structure” in this document, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

3. Changes in the Share Capital of our Subsidiaries

There has been no alteration in the share capital of our subsidiaries within the two years immediately preceding the date of this document.

4. Resolutions of Our Shareholders

Pursuant to a general meeting of our Shareholders held on February 4, 2026, the following resolutions, among others, were passed by our Shareholders:

- (a) the [REDACTED] has been approved and the Board has been authorized to apply for the [REDACTED] of our H Shares on the Stock Exchange as well as to approve matters in relation to the [REDACTED];
- (b) the [REDACTED] by our Company of H Shares with a nominal value of RMB[0.50] each up to [REDACTED] H Shares in total (assuming the [REDACTED] is fully exercised) and such H Shares be [REDACTED] on the Stock Exchange, effective upon [REDACTED];
- (c) subject to the completion of filing with CSRC, upon completion of the [REDACTED], [REDACTED] Unlisted Shares will be converted into H Shares on a one for-one basis (“**Full Circulation**”);

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STATUTORY AND GENERAL INFORMATION

- (d) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [REDACTED], the [REDACTED] and [REDACTED] of the H Shares;
- (e) authorization of the Board and its authorized persons to deal with, individually or jointly, all matters relating to the application for the Full Circulation; and
- (f) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of the Shares in issue as at the date of the completion of the [REDACTED] (excluding additional H Shares which may be issued pursuant to the exercise of the [REDACTED] and treasury shares, if any);
- (g) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to repurchase H Shares [REDACTED] on the Stock Exchange with an aggregate number of not exceeding 10% of the number of the total number of H Shares in issue as at the date of the completion of the [REDACTED] (excluding additional H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED] and treasury shares, if any);
- (h) the Board has been authorized to revise and amend the Articles of Association, which shall become effective on the [REDACTED], in accordance with relevant laws, regulations and regulatory documents, the requirements and recommendations of the relevant regulatory authorities and the actual situation of the [REDACTED].

5. Restrictions of share repurchase

For details of the restrictions on the share repurchase by our Company, please refer to the sections headed "Appendix III — Summary of Articles of Association of the Company" to this document.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

- (a) the [REDACTED].

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STATUTORY AND GENERAL INFORMATION

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Owner	Registration Number	Class	Place of Registration	Expiry Date
1	WHES	Our Company	79293853	9	PRC	December 13, 2034
2	WHES	Our Company	79285212	33	PRC	December 13, 2034
3	WHES	Our Company	79275695	42	PRC	December 13, 2034
4	WHES	Our Company	79294300	30	PRC	December 20, 2034
5	为恒	Our Company	79286496	42	PRC	February 27, 2035
6	为恒	Our Company	79279807A	9	PRC	January 27, 2035
7	WEIHENG	Our Company	62202651	40	PRC	July 20, 2032
8	WEIHENG	Our Company	62202635	39	PRC	September 27, 2032
9	WEIHENG	Our Company	62193515	39	PRC	September 27, 2032
10	WEIHENG	Our Company	62185796	40	PRC	July 20, 2032
11	为恒智能	Our Company	63415140	42	PRC	May 6, 2032
12	ECACTUS	Our Company	48295057	9	PRC	March 6, 2031
13	ECACTUS	Our Company	48284269	42	PRC	March 6, 2031
14	ECACTUS	Our Company	48284235	35	PRC	March 20, 2031
15	eCactus	Our Company	2075492	35	Australia	March 12, 2030
16	eCactus	Our Company	2075491	9	Australia	March 12, 2030
17	eCactus	Our Company	UK00003831918	9,35,42	United Kingdom	September 22, 2032
18	eCactus	Our Company	30202232872	9,35,42	Germany	September 30, 2032
19	eCactus	Our Company	18857716	9,42	European Union	April 4, 2033
20	eCactus	Our Company	2075493	42	Australia	March 12, 2030
21	WEIHENG	Our Company	2426191	9	Australia	February 7, 2034
22	WEIHENG	Our Company	18983736	9	European Union	February 7, 2034
23	ECOS	Our Company	UK00004012460	9	United Kingdom	February 8, 2034
24	ECOS	Our Company	18983670	9	European Union	February 7, 2034

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No.	Trademark	Owner	Registration Number	Class	Place of Registration	Expiry Date
25		Our Company	19139585	9,42	European Union	February 6, 2034
26		Our Company	UK00004156781	9,42	United Kingdom	February 6, 2034
27		Our Company	2520102	9	Australia	February 7, 2035
28		Our Company	2520103	42	Australia	February 7, 2035
29		Our Company	328679	9	The Dominican Republic	December 11, 2035

Trademarks under application

As of the Latest Practicable Date, we have applied the following trademarks which are material to our business:

No.	Trademark	Applicant	Application number	Class	Place of application	Status
1		Our Company	307035804	9,42	Hong Kong	Under application

(b) Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be or may be material to our business:

No.	Patent Name	Patentee(s)	Patent Number	Type	Date of Application	Expiry Date
1	A Bidirectional Battery Charging and Discharging Device (一種電池雙向充放電設備)	Our Company	2018215631753	Utility Model	September 20, 2018	September 19, 2028
2	A High-Precision Bidirectional Overvoltage Hysteresis Protection Circuit (一種高精度雙向過壓滯回保護電路)	Our Company	2018215632101	Utility Model	September 20, 2018	September 19, 2028
3	An Intelligent Lightning Protection Device (一種智能防雷裝置)	Our Company	2018215406736	Utility Model	September 20, 2018	September 19, 2028
4	A Novel Output Topology for Energy Storage Inverters (一種新型儲能逆變器輸出拓撲)	Our Company	2020206786269	Utility Model	April 28, 2020	April 27, 2030
5	A Novel Driving Circuit for a Relay (一種繼電器的新型驅動線路)	Our Company	2019223975502	Utility Model	December 26, 2019	December 25, 2029
6	A Leakage Detection Patch and Leakage Detection Device (液漏檢測貼以及液漏檢測裝置)	Our Company	2020226938419	Utility Model	November 19, 2020	November 18, 2030
7	A High-Precision DC-to-Ground Insulation Impedance Detection Circuit (一種高精度的直流對地絕緣阻抗檢測電路)	Our Company	2020227883358	Utility Model	November 25, 2020	November 24, 2030

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No.	Patent Name	Patentee(s)	Patent Number	Type	Date of Application	Expiry Date
8	A DC-to-Ground Insulation Impedance Detection Circuit for Bridge-Arm Topology Converters (用於橋臂拓撲變流器的直流對地絕緣阻抗檢測電路)	Our Company	2020227606285	Utility Model	November 25, 2020	November 24, 2030
9	A DC-to-Ground Insulation Impedance Detection Circuit for Variable Bus Voltage (用於母線電壓可變的直流對地絕緣阻抗檢測電路)	Our Company	2020227697015	Utility Model	November 25, 2020	November 24, 2030
10	A DC-to-Ground Insulation Impedance Detection Circuit for Multi-Channel DC Inputs (適用多路直流輸入的直流對地絕緣阻抗檢測電路)	Our Company	2020227718505	Utility Model	November 25, 2020	November 24, 2030
11	An Adjustable Lithium Battery Pack Mounting Device (一種可調節鋰電池包安裝裝置)	Our Company	2021231004381	Utility Model	December 10, 2021	December 9, 2031
12	Online Repair and Maintenance System for Battery Packs (蓄電池組在線修護系統)	Our Company	2019109717718	Invention	October 14, 2019	October 13, 2029
13	Equipment and Method for Photovoltaic Panel Fault Hazard Detection Based on Wireless Communication (基於無線方式通訊的光伏極板故障危害檢測設備和方法)	Our Company	2011101245888	Invention	May 16, 2011	May 15, 2031
14	A Method for Controlling a Desaturation Detection Protection Circuit in a T-Type Three-Level Inverter (一種T字型三電平逆變器中控制退飽和檢測保護電路的方法)	Our Company	2012104990567	Invention	November 30, 2012	November 29, 2032
15	A DC Fault Arc Detection Method for Photovoltaic Systems Using Multiple Criteria (一種使用多重判據的光伏系統直流故障電弧檢測方法)	Our Company	2013101559653	Invention	May 2, 2013	May 1, 2033
16	An Overtemperature Derating Device and Method for PV-Storage Integrated Inverters (光儲一體逆變器的過溫降載裝置及方法)	Our Company	2020112922316	Invention	November 18, 2020	November 17, 2040
17	Remote Online Capacity Verification Management System for Battery Packs (蓄電池組遠程式在線核容管理系統)	Our Company	2020112922424	Invention	November 18, 2020	November 17, 2040
18	A High-Precision Bidirectional Overvoltage Hysteresis Protection Circuit (一種高精度雙向過壓滯回保護電路)	Our Company	201811102439X	Invention	September 20, 2018	September 19, 2038
19	A Bidirectional Battery Charging and Discharging Device with Insulation Detection Function (一種帶絕緣檢測功能的電池雙向充放電設備)	Our Company	2018111062550	Invention	September 20, 2018	September 19, 2038
20	A Grid-Connected Inverter Impedance Measurement Device (併網逆變器阻抗測量裝置)	Our Company	2019109718231	Invention	October 14, 2019	October 13, 2039
21	An Inverter Protection Circuit Based on BUS Voltage Segmentation (基於BUS電壓分檔的逆變器保護電路)	Our Company	2019109717084	Invention	October 14, 2019	October 13, 2039

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STATUTORY AND GENERAL INFORMATION

No.	Patent Name	Patentee(s)	Patent Number	Type	Date of Application	Expiry Date
22	A Method for Simultaneous Program Upgrade of Multiple MCU Units (一種適用於多組MCU單元程序同時升級的方法)	Xi'an Weiheng	2019113777177	Invention	December 27, 2019	December 26, 2039
23	A DC-to-Ground Insulation Impedance Detection Circuit and Method for Multi-Channel DC Inputs (適用多路直流輸入的直流對地絕緣阻抗檢測電路及方法)	Our Company	2020113397490	Invention	November 25, 2020	November 24, 2040
24	A Detection Device and Method for Battery Pack Sampling Line Disconnection (蓄電池組採樣線斷線檢測裝置及方法)	Our Company	2020113485646	Invention	November 26, 2020	November 25, 2040
25	An Off-Grid MPPT Control Device and Method for Hybrid Energy Storage Inverters (混合儲能逆變器離網MPPT控制裝置及方法)	Our Company	202011344851X	Invention	November 25, 2020	November 24, 2040
26	A DC-to-Ground Insulation Impedance Detection Circuit and Method for Variable Bus Voltage (用於母線電壓可變的直流對地絕緣阻抗檢測電路及方法)	Our Company	2020113397679	Invention	November 25, 2020	November 24, 2040
27	An Online Capacity Verification Management Device for Battery Packs (蓄電池組在線核容管理裝置)	Our Company	2020112922195	Invention	November 18, 2020	November 17, 2040
28	A Grid-Connected/Off-Grid Switching Circuit and Method for PV-Storage Integrated Inverters Based on UPS Load (基於UPS負載的光儲一體逆變器併離網切換電路及方法)	Our Company	2020112721139	Invention	November 13, 2020	November 12, 2040
29	A Hierarchical Power Transaction Matching Method for Distributed Electricity Markets Based on Blockchain (基於區塊鏈的分布式電力市場下分層電力交易匹配方法)	Fudan University, Our Company	2021116006366	Invention	December 24, 2021	December 23, 2041
30	Intelligent Security System for Energy Storage Devices (儲能裝置的智能安防系統)	Our Company	2021106587870	Invention	June 15, 2021	June 14, 2041
31	A Capacity Configuration Method for Commercial and Industrial Energy Storage Systems Based on Optimal Economic Evaluation (一種基於最優經濟測算的工商業儲能系統容量配置方法)	Our Company	2022107228545	Invention	June 24, 2022	June 23, 2042
32	A Permission Control Method for Safety Classification of Battery Energy Storage Systems (一種對電池儲能系統安全分級的權限控制方法)	Our Company	2022114642836	Invention	November 22, 2022	November 21, 2042
33	A Power Limiting Method Based on a PV-Storage Shared DC Bus System (一種基於光儲共直流母線系統的功率限制方法)	Our Company	2022115145686	Invention	November 30, 2022	November 29, 2042

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No.	Patent Name	Patentee(s)	Patent Number	Type	Date of Application	Expiry Date
34	A Method for Constructing an Energy Storage Digital Twin Model Based on Blockchain and the Internet of Things (一種基於區塊鏈和物聯網的儲能學生數字模型的構建方法)	Our Company	2023102241603	Invention	March 10, 2023	March 9, 2043
35	A Management Method for Vehicle-Mounted Battery Systems Based on the Internet of Things and Blockchain (一種基於物聯網和區塊鏈對車載蓄電池系統的管理方法)	Our Company	2023102268381	Invention	March 10, 2023	March 9, 2043
36	A Campus Energy Management System and Zero-Carbon Operation Method Based on Digital Twin Technology (基於數字學生技術的園區能量管理系統及零碳運營方法)	Our Company	2023103446723	Invention	April 3, 2023	April 2, 2043
37	A Heating System for Residential Energy Storage Devices Based on Graphene Thermal Conductive Sheets (一種基於石墨烯導熱薄片的戶用儲能設備加熱系統)	Our Company	2023207755045	Utility Model	April 10, 2023	April 9, 2033
38	A Battery Pack with a Thermal Runaway Early Warning System (一種帶有熱失控預警系統的電池包)	Our Company	2023207727666	Utility Model	April 10, 2023	April 9, 2033
39	An AC/DC Load Power Supply System Based on Intelligent Grid-Connected PV-Storage (基於智能併網光儲的交直流負載供電系統)	Our Company	2023217048619	Utility Model	June 30, 2023	June 29, 2033
40	A Large-Scale Energy Storage Charge/Discharge Method and Model Based on Reinforcement Learning Algorithms (一種基於強化學習算法的大規模儲能充電方法以及模型)	Our Company	2023104625792	Invention	April 26, 2023	April 25, 2043
41	A Cloud-Edge Collaborative Multifunctional Intelligent Home Energy Management System (雲邊協同多功能智能化家庭能源管理系統)	Our Company	2024111418787	Invention	August 20, 2024	August 19, 2044
42	A Commercial and Industrial Energy Storage Capacity Configuration and Revenue Estimation Method and System (一種工商業儲能容量配置與收益測算方法及系統)	Our Company	2023115486562	Invention	November 21, 2023	November 20, 2043
43	An Energy Storage Battery Module Temperature Management System, Method, and Energy Storage System (一種儲能電池模組溫度管理系統、方法及儲能系統)	Our Company	2023116928902	Invention	December 11, 2023	December 10, 2043
44	A Method for Establishing a Time-Series Forecasting Model Based on Vector Clustering (一種基於向量聚類的時序預測模型建立方法)	Our Company	2023117289732	Invention	December 15, 2023	December 14, 2043
45	A Monitoring System, Method, and Storage Medium for Centralized Management of Distributed Energy Storage Systems (一種分布式儲能系統集中管理的監控系統、方法及介質)	Our Company	2024103085679	Invention	March 18, 2024	March 17, 2044

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No.	Patent Name	Patentee(s)	Patent Number	Type	Date of Application	Expiry Date
46	A Grid-Connected Converter Circuit with AC-Side Power-Tapping Protection (一種具有AC側取電保護的併網變流電路)	Our Company	202323381659X	Utility Model	December 12, 2023	December 11, 2033
47	An Environmental Monitoring Device and Monitoring Chamber for Energy Storage Batteries (一種儲能電池的環境監測裝置及監測室)	Weiheng Shanghai	2023228398546	Utility Model	October 20, 2023	October 20, 2033
48	An Energy Storage Converter (一種儲能變流器)	Xi'an Weiheng	2024203616052	Utility Model	September 20, 2018	September 19, 2028
49	A Method, Device, and Storage Medium for Formulating Energy Storage Charge/Discharge Strategies Based on Multi-Factor Prediction (基於多因素預測制定儲能充放電策略的方法、設備及介質)	Our Company	2024119859824	Invention	September 20, 2018	September 19, 2028
50	An Active Battery Regulation Method Based on External Excitation (一種基於外部激勵的電池主動調控方法)	Fudan University, our Company	2021113677763	Invention	April 28, 2020	April 27, 2030

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(c) Copyrights

As of the Latest Practicable Date, we have registered the following copyrights which we consider to be or may be material to our business:

No.	Name of Copyright	Owner	Registration Number	Type	Registration Date
1	Weiheng Energy Storage Device System Software V1.0 (為恒儲能機系統軟件V1.0)	Our Company	2020SR0215671	Software	March 5, 2020
2	Weiheng AC-Coupled Energy Management System V1.0 (為恒AC Couple能量管理系統V1.0)	Our Company	2021SR1541647	Software	October 21, 2021
3	Weiheng AC-Coupled Control Software V1.0 (為恒AC Couple控制軟件V1.0)	Our Company	2021SR1544140	Software	October 22, 2021
4	ECOS Software V1.0 (ECOS軟件V1.0)	Our Company	2021SR1541338	Software	October 21, 2021
5	Weiheng Large-Scale Energy Storage EMS Software V1.0 (為恒大儲能EMS軟件V1.0)	Our Company	2021SR1541648	Software	October 21, 2021
6	Weiheng Battery Management System Software V1.0 (為恒電池管理系統V1.0)	Our Company	2021SR1541649	Software	October 21, 2021
7	ECOS Software Hub Back-End Management System V1.0 (ECOS軟件Hub後台管理系統V1.0)	Our Company	2022SR0646976	Software	May 26, 2022
8	PANGU OS Energy Management Software V1.0 (PANGU OS能源管理軟件V1.0)	Our Company	2023SR0205647	Software	February 7, 2023
9	Energy Storage System Operating Status Analysis and Intelligent Diagnosis Software V1.0 (儲能系統運行狀態分析與智能診斷軟件V1.0)	Our Company	2023SR0208441	Software	February 8, 2023
10	Weiheng Agave Series PV-Storage All-in-One Unit Control Software V1.0 (為恒Agave系列光伏儲能一體機控制軟件V1.0)	Our Company	2023SR0208440	Software	February 8, 2023
11	Weiheng Copia-SH Series Control Software V1.0 (為恒Copia-SH系列控制軟件V1.0)	Our Company	2023SR0205304	Software	February 7, 2023
12	Weiheng Cloud Edition PV-Storage System Monitoring and O&M Software V1.0 (為恒雲版光儲系統監控運維軟件V1.0)	Our Company	2023SR0205093	Software	February 7, 2023

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No.	Name of Copyright	Owner	Registration Number	Type	Registration Date
13	User-Side Energy Storage Charge/Discharge Control and Load Balancing Management Platform Based on Time-of-Use Tariffs V1.0 (基於分時電價的用戶側儲能充放電控制和負載均衡管理平台V1.0)	Our Company	2024SR1688803	Software	November 4, 2024
14	Energy Storage System Low-Temperature Heating Control Software V1.0 (儲能系統低溫加熱控制軟件V1.0)	Our Company	2024SR1713192	Software	November 6, 2024
15	Power Allocation Software for Multi-Battery Parallel Operation in Energy Storage Systems V1.0 (儲能系統多電池併聯的功率分配軟件V1.0)	Our Company	2024SR1722172	Software	November 7, 2024
16	Intelligent Model-Driven Energy Management Big Data Interaction System V1.0 (智能模型驅動的能源管理大數據交互系統V1.0)	Our Company	2025SR0402133	Software	March 6, 2025
17	Weiheng Virtual Power Plant Aggregation Dispatch and Management Platform V1.0 (為恒虛擬電廠聚合調度管理平台V1.0)	Our Company	2025SR1036630	Software	June 18, 2025
18	Battery Life Detection and Monitoring Software V1.0 (電池壽命檢測監控軟件V1.0)	Our Company	2025SR2107295	Software	October 30, 2025
19	Grid Awareness Monitoring Software V1.0 (電網感知監控軟件V1.0)	Our Company	2025SR2107297	Software	October 30, 2025
20	SiteController Multi-Protocol Integrated Embedded Real-Time Control Software V1.0 (SiteController多協議融合嵌入式實時控制軟件V1.0)	Our Company	2026SR0033023	Software	January 7, 2026
21	PowerMind Edge Intelligence Collaborative Controller Embedded Software V1.0 (PowerMind邊緣智能協同控制器嵌入式軟件V1.0)	Our Company	2026SR0032969	Software	January 7, 2026
22	Multi-Energy Off-Grid Microgrid Intelligent Coordinated Dispatching and Optimization Control System V1.0 (多能源離網微電網智能協調調度與優化控制系統V1.0)	Our Company	2026SR0032956	Software	January 7, 2026

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No.	Name of Copyright	Owner	Registration Number	Type	Registration Date
23	High-Availability Multi-Layer Dual-Machine Disaster Recovery Management System under a Cloud-Edge-End Collaborative Architecture V1.0 (雲邊端協同架構下高可用多層雙機容災管理系統V1.0)	Our Company	2026SR0032936	Software	January 7, 2026
24	PV-Storage-Charging Multi-Energy Coordinated Control Software V1.0 (光儲充多能調控軟件V1.0)	Weiheng Shanghai	2023SR0509551	Software	April 28, 2023
25	Power Load Forecasting and Optimal Coordinated Control Software V1.0 (電力負荷預測與優化調控軟件V1.0)	Weiheng Shanghai	2023SR0515258	Software	May 5, 2023
26	Energy Storage Battery Full Life-Cycle Monitoring and Management System V1.0 (儲能電池全生命周期監測管理系統V1.0)	Weiheng Shanghai	2023SR0515257	Software	May 5, 2023
27	Active Grid-Connected/Off-Grid Switching Control Software for Energy Storage Grid-Connected Inverters V1.0 (儲能併網逆變器主動併離網切換控制軟件V1.0)	Xi'an Weiheng	2023SR1696313	Software	December 20, 2023
28	Energy Storage Battery Monitoring, Early Warning, and Firefighting System V1.0 (儲能電池監測預警及消防系統V1.0)	Xi'an Weiheng	2023SR1696330	Software	December 20, 2023
29	Power Control Software for Parallel Multi-Converter Operation under Complex Loads V1.0 (複雜負荷下多機併聯變流器功率控制軟件V1.0)	Xi'an Weiheng	2023SR1696320	Software	December 20, 2023
30	SOC Prediction Software for PV-Storage Distributed Energy Management System V1.0 (光儲分布式能源管理系統SOC預測軟件V1.0)	Xi'an Weiheng	2023SR1696322	Software	December 20, 2023
31	Control Software for Modular Multilevel DC-DC Converters V1.0 (模塊化多電平DCDC變換器控制軟件V1.0)	Xi'an Weiheng	2023SR1696315	Software	December 20, 2023
32	Energy Storage Cabinet Power-Environment Dual-Factor Driven Liquid-Cooling Energy-Saving Control Software (儲能櫃功率環境雙因子驅動液冷節能控制軟件)	Xi'an Weiheng	2025SR2080622	Software	October 27, 2025
33	Temperature Iterative Calculation-Based Liquid-Cooling Heat Dissipation Control Software for Energy Storage Cabinets (溫度迭代計算儲能櫃液冷散熱控制軟件)	Xi'an Weiheng	2025SR2080664	Software	October 27, 2025

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(d) Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material to our business:

<u>No.</u>	<u>Owner</u>	<u>Website Filing/ License Number</u>	<u>Domain Name</u>	<u>Registration Date</u>
1	Our Company	蘇ICP備18004427號-4	weiheng-tech.com	May 17, 2022
2	Our Company	蘇ICP備18004427號-5	ecactus-energy.com	June 9, 2023
3	Our Company	蘇ICP備18004427號-11	whes.com	March 28, 2025

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests of Directors and Chief Executive

Save as disclosed below, immediately following the completion of the [REDACTED], and Conversion of Unlisted Shares into H Shares, assuming that the [REDACTED] are not exercised, the interests and/or short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and any interests and/or short positions in shares, underlying shares or debentures of any of our Company’s associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to our Company, once the H Shares are [REDACTED] on the Stock Exchange:

Name of Director/ Chief Executive	Nature of interest	Description of Shares	As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares (assuming the Share Subdivision is completed and the [REDACTED] is not exercised)		
			Number of Shares ⁽¹⁾	Approximate percentage of interest in our Company	Number of Shares ⁽¹⁾	Unlisted Shares or H Shares (as appropriate)	Approximate percentage of interest in our Company ⁽²⁾
Mr. Sun Yaojie	Interest in controlled corporation ⁽³⁾	Unlisted Shares	15,000,000	12.89%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Xu Yuanyuan	Interest in controlled cooperation ⁽⁴⁾	Unlisted Shares	2,282,322	1.96%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Guo Ce	Interest in controlled cooperation ⁽⁵⁾	Unlisted Shares	243,191	0.21%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	—	—	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

- (1) All the above interests stated are long positions, and are interests of our Company.
- (2) Aggregate of [REDACTED] H Shares to be converted from the Unlisted Shares and (ii) [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED] (assuming that the Share Subdivision is completed and the [REDACTED] is not exercised).
- (3) As at the Latest Practicable Date, Weiheng New Energy directly held 15,000,000 Shares. Mr. Sun Yaojie, our executive Director and Chairman of the Board, controlled an aggregate of 73.40% voting rights in Weiheng New Energy. Mr. Sun is deemed to be interested in the 15,000,000 Shares under the SFO.
- (4) As at the Latest Practicable Date, Shanghai Yuanhengchu directly held 2,282,322 Shares. The general partner of Shanghai Yuanhengchu is Mr. Xu Yuanyuan, our executive Director and general manager. Mr. Xu is deemed to be interested in the 2,282,322 Shares under the SFO.
- (5) As at the Latest Practicable Date, Shanghai Hengyingchu directly held 243,191 Shares. The general partner of Shanghai Hengyingchu is Mr. Guo Ce, our executive Director. Mr. Guo is deemed to be interested in the 243,191 Shares under the SFO.

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2. Disclosure of Interests of Substantial Shareholders

(a) Interest in the Shares of our Company

Save as disclosed in the section headed “Substantial Shareholders” in this document, immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares and without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED], our Directors are not aware of any other person (other than our Directors or chief executive) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(b) Interest in our Company’s subsidiaries

Save as disclosed in the following table, immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares and without taking into account any Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED], our Directors are not aware of any other person (other than our Directors or chief executive) who will have an interest or short position in our Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of any members of our Group (other than our Company).

<u>Our subsidiaries</u>	<u>Parties with 10% or more equity interest</u>	<u>Approximate percentage of shareholding</u> (%)
Jiangsu Keshang Intelligent Technology Co., Ltd.* (江蘇科尚智能科技有限公司)	Mr. Sun Yaojie	13.00
Xuzhou Weiheng Digital Energy Technology Co., Ltd.* (徐州為恒數字能源科技有限公司)	Xuzhou High-Tech Zone Safety and Emergency Equipment Industry Technology Research Institute* (徐州高新區安全應急裝備產業 技術研究院)	20.00
Weiheng Intelligent Technology (Datong) Co., Ltd.* (為恒智能科技(大同)有限公司)	Mr. Shi Zheng (施政) Mr. Li Zheren (李哲仁)	25.00 24.00
Shanghai Weihengpangu Energy Storage Technology Co., Ltd.* (上海為恒盤古儲能科技有限公司)	Shanghai Anting Economic Development Center* (上海安亭經濟發展中心)	10.00
Guangdong Weiheng Yuanzhi Energy Storage Technology Co., Ltd.* (廣東為恒元知儲能科技有限公司)	Guangdong Yuanqianzhi Technology Co., Ltd.* (廣東元乾知科技有限責任公司)	49.00

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<u>Our subsidiaries</u>	<u>Parties with 10% or more equity interest</u>	<u>Approximate percentage of shareholding (%)</u>
Xinjiang Weiheng Energy Storage Technology Co., Ltd.* (新疆為恒儲能科技有限公司)	Guohe Mengjiang (Shaanxi) New Energy Development Co., Ltd.* (國合蒙疆(陝西)新能源發展有限公司)	49.00
Hengyi (Shaoxing) New Energy Development Co., Ltd.* (恒鈺(紹興)新能源開發有限公司)	Zhejiang Jiayi Energy Storage Technology Co., Ltd.* (浙江嘉鈺儲能科技有限公司)	49.00
Xuanwei (Wenzhou) New Energy Technology Co., Ltd.* (宣為(溫州)新能源科技有限公司)	Wenzhou Xuanwo Energy Technology Co., Ltd.* (溫州宣沃能源科技有限公司)	49.00
Weiheng Fujin	Guangdong Fujin New Energy Technology Co., Ltd.* (廣東復金新能源科技有限公司)	49.00
Beijing Shouheng Smart Energy Storage Technology Co., Ltd.* (北京首恒智慧儲能科技有限公司)	Zhang Zhenjie (張振杰)	30.00
Shaanxi Weihengyun Energy Storage Technology Co., Ltd.* (陝西為恒雲儲能科技有限公司)	Guohe Power Investment Technology (Shaanxi) Co., Ltd.* (國合電投科技(陝西)有限公司)	49.00
Weiheng Weiwei (Shanghai) New Energy Development Co., Ltd.* (為恒微為(上海)新能源開發有限公司)	Shanghai Weiwei Investment Consulting Co., Ltd.* (上海微為投資諮詢有限公司)	49.00
Chongqing Weiheng Energy Storage Technology Co., Ltd.* (重慶為恒儲能科技有限公司)	Guohe Mengjiang (Shaanxi) New Energy Development Co., Ltd.* (國合蒙疆(陝西)新能源發展有限公司)	39.00
	Chongqing Yuyaxin Enterprise Management Consulting Co., Ltd.* (重慶渝亞欣企業管理諮詢有限公司)	10.00
Shaanxi Weiheng Innovation Energy Storage Technology Co., Ltd.* (陝西為恒創新儲能技術有限公司)	Shaanxi Zhongheng Chuangxing Energy Technology Partnership Enterprise (Limited Partnership)* (陝西中恒創興能源科技合夥企業(有限合夥))	49.00
Sichuan Hengyi New Energy Co., Ltd.* (四川省恒怡新能源有限公司)	Wang Jianguo (汪建國)	49.00
Shanxi Weiheng Energy Storage Technology Co., Ltd.* (山西省右玉縣為恒儲能科技有限公司)	Zhang Zhenxiao (張鎮霄)	25.00
Shanxi Weiheng Energy Storage Technology Co., Ltd.* (山西威恒儲能科技有限公司)	Zhang Zhenxiao (張鎮霄)	25.00

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<u>Our subsidiaries</u>	<u>Parties with 10% or more equity interest</u>	<u>Approximate percentage of shareholding (%)</u>
Huai'an Hengyi New Energy Co., Ltd.* (淮安恒鈺新能源有限公司)	Zhejiang Jiayu Energy Storage Technology Co., Ltd.* (浙江嘉鈺儲能科技有限公司)	49.00
Shaoxing Hengyi Pangu New Energy Development Co., Ltd.* (紹興恒鈺盤古新能源開發有限公司)	Zhejiang Jiayu Energy Storage Technology Co., Ltd.* (浙江嘉鈺儲能科技有限公司)	49.00
Shanwei Hengnan Cloud Storage Energy Technology Co., Ltd.* (汕尾市恒南雲儲能源科技有限公司)	Guangdong Yuanqianzhi Technology Co., Ltd.* (廣東元乾知科技有限責任公司)	49.00
Hangzhou Weichu New Energy Technology Co., Ltd.* (杭州為儲新能源科技有限公司)	Zhejiang Jiayu Energy Storage Technology Co., Ltd.* (浙江嘉鈺儲能科技有限公司)	49.00
Huairan Weiheng Energy Storage Technology Co., Ltd.* (懷仁市為恒儲能科技有限公司)	Cui Youwen (崔有文) Xie Zijun (謝子俊)	25.00 24.00
Shuozhou Yingxian Weiheng Energy Storage Technology Co., Ltd.* (朔州市應縣為恒儲能科技有限公司)	Cui Youwen (崔有文) Xie Zijun (謝子俊)	25.00 24.00
Guangdong Weiheng Jiuhe Energy Storage Technology Co., Ltd.* (廣東為恒九合儲能科技有限公司)	Guangzhou Jiuhe Energy Technology Co., Ltd.* (廣州九合能源科技有限公司)	49.00
Weiheng Fujin Intelligent Technology (Zhongshan) Co., Ltd.* (為恒復金智能科技(中山)有限公司)	Yunguanjiang New Energy Technology (Zhongshan) Co., Ltd.* (雲管匠新能源科技(中山)有限公司)	49.00

3. Service Contracts

We [have] entered into a service contract with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations and observance of the Articles of Association. The principal particulars of these service contracts comprise (a) a term of three years; and (b) termination provisions in accordance with their respective terms. Our Directors may be re-appointed subject to Shareholders' approval.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

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4. Remuneration of Directors

Save as disclosed in “Directors and Senior Management” in this document and Note 9 to the Accountant’s Report in Appendix I to this document, during the Track Record Period, none of our Directors received other remunerations or benefits in kind from us.

5. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors or any of the parties listed in “Other Information — 5. Qualifications of Experts” of this Appendix is:
 - (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Company; or
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (b) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in “Qualifications of Experts” of this Appendix:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;
- (c) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are [REDACTED] on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO; and
- (d) so far as is known to our Directors, none of our Directors or their respective close associates (as defined under the Listing Rules) or Shareholders who owns more than 5% of the issued shares of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

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D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

As at the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and, so far as we are aware, no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group's results of operations or financial condition, taken as a whole.

3. Joint Sponsors

Each of the Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], our H Shares. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules, and each will receive a fee of US\$500,000 to act as a sponsor to our Company in connection with the [REDACTED].

4. Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any preliminary expenses.

5. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this document are as follows:

<u>Name</u>	<u>Qualification</u>
Huatai Financial Holdings (Hong Kong) Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) regulated activities
CMB International Capital Limited	Licensed corporation under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities

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<u>Name</u>	<u>Qualification</u>
Tian Yuan Law Firm	Legal advisors to our Company as to PRC laws
Beijing Dacheng Law Offices, LLP (Wuxi)	Legal advisors to our Company as to PRC data compliance law
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588 of the Laws of Hong Kong)
Frost & Sullivan	Independent industry consultant

As of the Latest Practicable Date, save as disclosed in this document and in connection with the [REDACTED], none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

6. Consents of Experts

Each of the experts as referred to “E. Other Information — 5. Qualifications of Experts” in this appendix has given, and has not withdrawn its respective written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion(s) (as the case may be) and references to its name included in the form and context in which it respectively appear.

7. Compliance Advisor

We have appointed Maxa Capital Limited as our Compliance Advisor upon the [REDACTED] in compliance with Rule 3A.19 of the Listing Rules.

8. Taxation of Holders of H Shares

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.10% on the higher of the consideration for or the market value of the H Shares, will be payable by the purchaser on every purchase and by the seller on every sale of any Hong Kong securities, including H Shares (in other words, a total of 0.20% is currently payable on a typical sale and purchase transaction involving H Shares). In addition, a fixed stamp duty of HK\$5.00 is currently payable on any instrument of transfer of H Shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to 10 times the duty payable may be imposed.

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9. No Material Adverse Change

Our Directors confirm that, as of the date of this document, there has been no material adverse change in our financial position or prospects since September 30, 2025.

10. Promoters

The promoters of our Company are all of the 24 then shareholders of our Company immediately before our conversion into a joint stock company with limited liability. Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities, or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters named above in connection with the [REDACTED].

11. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Documents from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as disclosed in this document:

- (a) within the two years preceding the date of this document, no share or loan capital of our Company or any of our subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;
- (c) our Company has not issued nor agreed to issue founder, management or deferred shares;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (f) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;
- (g) our Company is not presently [REDACTED] on any stock exchange or [REDACTED] on any trading system; and
- (h) our Company is a joint stock limited company and is subject to the PRC Company Law.

APPENDIX V	DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in the section headed “Appendix IV — Statutory and General Information — B. Further Information about Our Business — Summary of Material Contracts” in this document; and
- (b) the written consents referred to in the sub-section headed “Appendix IV — Statutory and General Information — D. Other Information — Consents of Experts” in this document.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.whes.com during a period of 14 days from the date of this document:

- (a) the Articles of Association of the Company;
- (b) the Accountant’s Report prepared by PricewaterhouseCoopers, the text of which is set out in Appendix I to this document;
- (c) the audited consolidated financial statements of our Company for the years ended December 31, 2023 and 2024 and the unaudited consolidated financial statements of our Company for the nine months ended September 30, 2025;
- (d) the report from PricewaterhouseCoopers on the unaudited [REDACTED] financial information, the text of which is set out in Appendix II to this document;
- (e) the PRC legal opinion issued by Tian Yuan Law Firm, our PRC Legal Advisor, in respect of certain aspects of our Group;
- (f) the data compliance legal opinion issued by Beijing Dacheng Law Offices, LLP (Wuxi), our legal advisors as to PRC data compliance law;
- (g) the industry report issued by Frost & Sullivan;
- (h) the material contracts referred to in the section headed “Appendix IV — Statutory and General Information — B. Further Information about Our Business — Summary of Material Contracts” in this document;
- (i) the written consents referred to in the section headed “Appendix IV — Statutory and General Information — D. Other Information — Consents of Experts” in this document;

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**DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY**

- (j) the service contracts referred to in the sub-section headed “Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — Service Contracts” in this document;
- (k) the PRC Company Law, the PRC Securities Law, and the Trial Measures for the Administration Related to the Overseas Securities Offering and Listing by Domestic Companies, together with their unofficial English translations.