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Application Proof of

Sichuan Yingfa Ruineng Technology CO., LTD.
四川英發睿能科技股份有限公司

(the "**Company**")

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

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Sichuan Yingfa Ruineng Technology CO., LTD.
四川英發睿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] under the [REDACTED]	**:**	**[REDACTED] H Shares (subject to the [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED])**
Number of [REDACTED]	**:**	**[REDACTED] H Shares (subject to [REDACTED] and the [REDACTED])**
Maximum [REDACTED]	**:**	**HK$[REDACTED] per [REDACTED] plus brokerage of 1.0%, 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 in Hong Kong dollars, subject to refund)**
Nominal value	**:**	**RMB[1.00] per H Share**
[REDACTED]	**:**	**[REDACTED]**

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read this document in its entirety 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 forth in the section headed "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 specialized PV cell manufacturer. Based on customer needs, we provide both P-type and N-type cells to the markets. Building on our position in N-type TOPCon cells, we have advanced into the field of N-type xBC cells. According to Frost & Sullivan, we were the world's third-largest specialized N-type TOPCon cell manufacturer in terms of shipment volume in 2024, with a market share of 13.5%. We were recognized as a GEI China Unicorn Enterprise and Fastest Growing Enterprise in the Photovoltaic Storage Sector in 2025. We have participated in drafting multiple industry standards in China. Additionally, our PV cell products have obtained French Carbon Footprint Certification and TÜV SÜD certification.

Our Industry

According to Frost & Sullivan, PV power generation is the primary form of solar power generation. PV cells represent the critical component of the PV industry value chain. Advancements in PV cell technology significantly enhance photoelectric conversion efficiency while simultaneously reducing the levelized cost of electricity. The global PV cell market size by shipment volume is expected to grow from 790.7 GW in 2026 to 1,352.5 GW in 2031, representing a CAGR of 11.3%. The share of N-type TOPCon cells in the global PV cell market by shipment volume is expected to exceed 82.0% in 2026. The global N-type TOPCon cell market size by shipment volume is expected to grow from 650.7GW in 2026 to 961.0 GW in 2031, representing a CAGR of 8.1%. N-type TOPCon cells are expected to remain the primary development focus from 2026 to 2031. The PV cell market size in China by shipment volume is expected to grow from 729.1 GW in 2026 to 1,188.2 GW in 2031, representing a CAGR of 10.3%. The N-type TOPCon cell market size in China by shipment volume is expected to grow from 607.2 GW in 2026 to 844.2 GW in 2031, representing a CAGR of 6.8%.

OUR STRENGTHS

The following strengths position us to capitalize on opportunities and deliver continued growth: (i) leading specialized PV cell manufacturer; (ii) strategic business layout and strong production capacity; (iii) stable and high-quality customer resources; (iv) strategic selection production base locations which drive globalization of our business; (v) strong cost control and supply chain management capabilities; (vi) visionary management team, well-resourced strategic investors and strong talent pool; and (vii) corporate culture that places a high value on ESG.

OUR STRATEGIES

We intend to implement the following strategies: (i) focusing on PV cells, continuously improving efficiency and reducing costs; (ii) monitoring technological advancements, seizing opportunities to gain a competitive edge; (iii) being rooted in China and expanding globally; (iv) expanding marketing networks to further enhance global visibility; and (v) building a high-caliber, sustainable professional team.

OUR PRODUCTS

According to Frost & Sullivan, in August 2025, we became the world's first specialized PV cell manufacturer to commercialize N-type xBC cells. We plan to continue our focus on the R&D, production and sales of N-type TOPCon cells and N-type xBC cells. The following table sets forth a breakdown of our revenue by product and services for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
PV cells						
N-type TOPCon cells	744,093	7.1	3,539,923	81.2	7,676,016	88.1
P-type PERC cells	9,645,549	91.9	601,723	13.8	310,425	3.6
N-type xBC cells	–	–	–	–	277,686	3.2
Sub-total	**10,389,642**	**99.0**	**4,141,646**	**95.0**	**8,264,127**	**94.9**
Others[(1)]	**104,256**	**1.0**	**217,106**	**5.0**	**448,554**	**5.1**
Total	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**

Note:
(1) Primarily include PV cell manufacturing services and sales of silicon wafers.

The table below sets forth the details of our key PV cell products:

Key metrics	P-type PERC cells	N-type 183-N TOPCon cells	N-type 210R-N TOPCon cells	N-type 210-N TOPCon cells
Production specifications				
Commercialization year	2016	2023	2023	2025
No. of busbars	10	16	16	18
Thickness	130 ± 10μm	130 ± 10μm	130 ± 10μm	130 ± 10μm
Size	182mm*183.75mm	182.2mm*183.75mm	182.3mm*210mm	182mm*210mm
Fine grid line width	15μm	15μm	15μm	15μm
Featured metrics				
Mass production acceptance conversion efficiency[(1)]	23.5%	25.5%	25.5%	25.6%
Power temperature coefficient[(2)]	-0.34%/°C	-0.29%/°C	-0.29%/°C	-0.29%/°C
Potential induced degradation ("PID") Resistance[(3)]	<4% (192h)	<3% (192h)	<3% (192h)	<3% (192h)

Note:
(1) The mass production conversion efficiency of PV cells after passing factory quality inspection and entering inventory.
(2) The percentage change in conversion efficiency per degree Celsius. The lower the temperature coefficient, the more stable the conversion efficiency.
(3) The ability of a battery cell to withstand performance loss caused by high-voltage stress. The lower the parameter, the more stable the conversion efficiency.

OUR PRODUCTION

Our Production Capacities

The following table sets forth our effective production capacity, production volume and production utilization rate by product types for the periods indicated. For further details, see "Business — Production — Production Capacities."

	Year ended December 31,		
	2023	2024	2025
P-type PERC cells			
Effective production capacity (GW)	15.5	2.2	1.5
Production volume (GW)	14.8	2.1	1.4
Utilization rate (%)	95.4	97.4	89.1
N-type TOPCon cells			
Effective production capacity (GW)	2.4	20.8	35.6
Production volume (GW)	1.9	19.0	32.8
Utilization rate (%)	79.9	91.7	92.2
N-type xBC cells			
Effective production capacity (GW)	–	–	2.0
Production volume (GW)	–	–	1.7
Utilization rate (%)	–	–	85.3

Our Production Bases

During the Track Record Period and up to the Latest Practicable Date, we have established three key production bases in China and overseas, including (i) Yibin Base, (ii) Indonesia Base and (iii) Mianyang Base. For further details, see "Business — Production — Our Production Base."

OUT CUSTOMERS AND SUPPLIERS

In each year during the Track Record Period, revenue generated from our five largest customers amounted to RMB5,923.1 million, RMB2,384.3 million and RMB2,875.9 million, respectively, accounting for 56.5%, 54.7% and 33.2% of our total revenue in the same periods, respectively. Revenue from our largest customer in each year of during the Track Record Period accounted for 24.4%, 20.5% and 10.8% of our total revenue in the same periods, respectively. For further details, see "Business — Our Customers." In each year during the Track Record Period, purchases from our five largest suppliers amounted to RMB6,105.2 million, RMB3,227.5 million and RMB3,160.0 million, respectively, representing 52.7%, 34.2% and 36.4% of our total purchases in the same periods, respectively. In addition, purchases from our largest supplier accounted for 24.8%, 13.1% and 13.5% of our total purchases in each year during the Track Record Period, respectively. For further details, see "Business — Our Suppliers — Major Suppliers."

Reliance on LONGi

LONGi consistently served as our largest customers and suppliers in each period during the Track Record Period. In 2023, 2024 and 2025, revenue generated from sales to LONGi amounted to RMB2,561.5 million, RMB893.3 million and RMB937.7 million, accounting for 24.4%, 20.5% and 10.8% of our total revenue in the same periods, respectively. In 2023, 2024 and 2025, purchases from LONGi amounted to RMB2,872.3 million, RMB1,239.1 million and RMB1,173.5 million, accounting for 24.8%, 13.1% and 13.5%. We have maintained a stable partnership with LONGi since 2017. Specifically, we have entered into the below key arrangements (the "**Relevant Arrangements**") with LONGi: (i) **Cooperation Agreement**: in 2024, we signed a cooperation agreement with Yibin High-tech Industrial Park Administrative Committee (宜賓高新技術產業園區管理委員會) ("**Yibin Committee**") and LONGi for a 16GW HPBC (a type of N-type xBC PV cell) PV cell production project; (ii) **Patent Licensing Agreement**: we signed one patent licensing agreement with LONGi, governing 12 patents related to the R&D and production of N-type HPBC cell products; (iii) **Customer supply arrangements**: in 2024 and 2025, we engaged in customer supply arrangements with LONGi, where LONGi provided us with silicon wafer and other silicon materials as raw materials of our PV cell products, while we sold PV cells to them. LONGi has confirmed that, as of the Latest Practicable Date, it has no current plan to terminate the Relevant Arrangements with us. Furthermore, subject to the absence of material disputes or adverse circumstances, LONGi has indicated its intention to continue the Relevant Arrangements with us

upon expiration, through renewal or extension on mutually agreed terms. In light of the above, we believe that our relationship with LONGi is unlikely to be materially adversely changed or terminated. For further details, see "Business — Overlapping Customers and Suppliers — Relationship with LONGi."

COMPETITION

We operate in a competitive PV cell industry, characterized by global demand for advanced, high-performance PV cells, and substantial technical barriers such as R&D capabilities and improvement to conversion efficiency.

According to Frost & Sullivan, specialized PV cell manufacturers and integrated PV manufacturers are two types of players in global and China's PV cells industry. Specialized manufacturers refer to companies such as our Group that focus on the research, development, production, and sales of PV cells. With advantages in production efficiency and cost control, their PV cells are more competitive in quality and prices. With an N-type TOPCon PV cell external shipment volume of 16.7 GW, we ranked the third among specialized N-type TOPCon PV cell manufacturers, with a market share of 13.5%. For further details, see "Industry Overview."

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business and industry, (ii) risks relating to conducting business in the jurisdictions we operate and (iii) risks related to the [**REDACTED**]. These risks include, among others, the following: (i) our business is subject to volatility in the PV cell industry; (ii) our operations depend on key suppliers and the timely and cost-effective procurement of raw materials and equipment; (iii) our operations may be affected by key suppliers and raw materials required for our business; (iv) if we fail to maintain the capability of continuous innovation, we may not be able to compete effectively; (v) we face intense competition in the PV cell industry; (vi) we incurred losses in 2024 and our historical financial performance has been volatile; (vii) if we fail to effectively implement our future expansion plans, our business prospects may be adversely affected; (viii) trade restrictions imposed by the countries where we operate or sell products could materially and adversely affect our business, financial condition and results of operations; and (ix) our future success is attributable to our ability to maintain optimal utilization of our production plants.

BUSINESS SUSTAINABILITY

Our Financial Performance in 2024

Industry-Wide Supply-Demand Surplus

Since 2022, the global PV industry has attracted substantial investment due to high profitability, while the transition from P-type to N-type cells has further driven demand for new capacity, resulting in large-scale expansion from the fourth quarter of 2023. According to Frost & Sullivan, global PV cell supply rose from 799.9 GW in 2023 to 1,105.8 GW in 2025, but demand growth lagged, creating oversupply, with the supply-demand surplus widening from 248.1 GW to 491.5 GW. This intensified competition and triggered price wars, leading to a decline in PV market prices. In China, the surplus also expanded from 253.9 GW in 2023 to 470.2 GW in 2025, according to Frost & Sullivan. As a result, our financial performance temporarily deteriorated in 2024 compared to 2023. For details see "Industry Overview — Analysis of PV cell industry — Supply and Demand Analysis of PV Cell Industry." Furthermore, the price of PV cells decreased from 2023 to 2024, primarily driven by (i) a decrease in silicon wafer prices, (ii) the abovementioned supply-demand surplus, and (iii) a decrease in non-silicon costs. For details see "Industry Overview — Analysis of PV cell industry — Price Analysis of PV cells."

Our Financial Performance

We recorded gross loss of RMB322.5 million and net loss of RMB864.2 million in 2024, primarily due to a 58.5% decrease in revenue from PV cell business from RMB10,493.9 million in 2023 to RMB4,358.8 million in 2024. Such decrease was primarily due to a decrease in the revenue from P-type PERC cells, which was partially offset by an increase in the revenue from N-type TOPCon cells.

P-type PERC cells. Our revenue generated from sales of P-type PERC cells decreased by 93.8% from RMB9,645.5 million in 2023 to RMB601.7 million in 2024, primarily due to: (i) a significant decrease in the sales volume of our P-type PERC cell from 2023 to 2024, as we strategically shifted our focus to produce and promote the sales of our N-type TOPCon cells to capture the competitive advantages in the industry trend of P-N transition; and (ii) a significant decrease in the average selling price of our P-type PERC cells from 2023 to 2024, which was primarily due to the prevailing market price decline driven by the industry-wide factors described in "— Industry-Wide Supply-Demand Surplus."

N-type TOPCon cells. Our revenue generated from sales of N-type TOPCon cells increased by 375.7% from RMB744.1 million in 2023 to RMB3,539.9 million in 2024, primarily due to a significant increase in the sales volume of our N-type TOPCon cells from 2023 to 2024. The increase in the sales volume was primarily due to (i) the growth in the market demand for our N-type TOPCon cells, which was in line with the growing industry trend, according to Frost & Sullivan; and (ii) an increase in our effective production capacity for N-type TOPCon cells from 2023 to 2024 to capture such market demand. The increase in the sales volume of our N-type TOPCon cells was partially offset by a decrease in the average selling price of our N-type TOPCon cells, which was primarily attributable to the overall decline in the prevailing market price of N-type TOPCon cells in 2024 amid intensified industry competition and supply-demand imbalance as described described in "— Industry-Wide Supply-Demand Surplus." The rapid expansion of PV cell production capacity led to a supply-demand imbalance in the market, resulting in a competitive market condition. Furthermore, as silicon wafer costs declined, and non-silicon costs declined due to process improvements, PV cell manufacturers chose to reduce prices to compete for market share, ultimately resulting in the decline in selling prices of PV cells.

Our Financial Performance in 2025

Industry-Wide Supply-Demand Improvements

According to Frost & Sullivan, both global and Chinese PV cell markets have been undergoing capacity clearance and consolidation. Consequently, the surplus of PV cells amounted to 491.5 GW globally and 470.2 GW in China in 2025, according to Frost & Sullivan. In India's PV cell market, domestic production capacity lags behind the fast-growing demand, driven by module manufacturing expansion and accelerating solar installation projects. This situation is expected to persist in the forecast period. For details see "Industry Overview — Analysis of PV cell industry — Supply and Demand Analysis of PV Cell Industry."

Improvements in Our Financial Performance

We recorded gross loss of RMB322.5 million in 2024 and gross profit of RMB1,521.7 million in 2025, primarily due to (i) an increase in our revenue, and (ii) the turnaround from gross loss margin to gross profit margin.

Revenue

Our revenue increased by 99.9% from RMB4,358.8 million in 2024 to RMB8,712.7 million in 2025, primarily driven by an increase in the revenue from N-type TOPCon cells, which was partially offset by a decrease in the revenue from P-type PERC cells. Specifically:

P-type PERC cells. Our revenue generated from sales of P-type PERC cells decreased by 48.4% from RMB601.7 million in 2024 to RMB310.4 million in 2025, primarily due to our shutting down of production lines for P-type PERC cells in Tianchang Base.

N-type TOPCon cells. Our revenue generated from sales of N-type TOPCon cells significantly increased by 116.8% from RMB3,539.9 million in 2024 to RMB7,676.0 million in 2025, primarily due to a significant increase in the sales volume of our N-type TOPCon cells from 16.7 GW in 2024 to 29.8 GW in 2025. The increase in the sales volume was primarily due to: (i) the growth in the market demand for our N-type TOPCon cells, which was in line with the growing industry trend, according to Frost & Sullivan. In particular, according to Frost & Sullivan, the global shipment volume of N-type TOPCon cells increased by 38.0% from 410.8 GW in 2024 to an expected volume of 566.7 GW in 2025. The the shipment volume of N-type TOPCon cells in China increased by 37.2% from 390.8 GW in 2024 to an expected volume of 536.0 GW in 2025; (ii) our further expansion into overseas markets, in particular, Vietnam and the U.S., following the commencement of operation of our production base in Indonesia (Phase I) in November 2024; and (iii) an increase in our effective production capacity for N-type TOPCon cells in 2025 to capture our overseas expansion and the increasing market demand. For growth trend of the N-type TOPCon cell market, see "Industry Overview — Analysis of PV Cell Industry — Market Size of PV Cell Market" for details.

N-type xBC cells: We recorded revenue generated from sales of N-type xBC cells of RMB277.7 million in 2025 as we delivered the first-batch new products during the period.

Gross Profit Margin

Our gross profit margin was 17.5% in 2025, compared with gross loss margin of 7.4% in 2024, primarily due to an increase in gross profit of N-type TOPCon cells.

P-type PERC cells. Our gross loss margin of P-type PERC cells improved from a gross loss margin of 17.3% in 2024 to a gross profit margin of 15.4% in 2025.

N-type TOPCon cells. Our gross loss margin of N-type TOPCon cells was 7.3% in 2024, compared with gross profit margin of 17.9% in 2025, primarily due to: (i) a decrease by 16.7% in average cost of sales of N-type TOPCon cells from RMB0.30/W in 2024 to RMB0.25/W in 2025, which resulted from: (a) a decrease in cost of raw materials due to the decrease in the purchase price of silicon wafers to relatively lower level, which was in line with the industry trend. For instance, the unit purchase price of silicon wafers for N-type TOPCon cells decreased from RMB0.16/W in 2024 to RMB0.15/W in 2025. The price spread between the average of average selling price of N-type TOPCon cells and the unit purchase price of silicon wafers increased from RMB0.12/W in 2024 to RMB0.15/W in 2025; and (b) the decrease in manufacturing costs and labor costs due to economies of scale; (ii) the increase in the overseas revenue proportion of N-type TOPCon cells with relatively higher gross profit margin compared with those in domestic markets.

N-type xBC cells. We did not sell N-type xBC cells in 2024. We recorded a gross profit margin of 11.8% in 2025 as we delivered the first batch of new products during the period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary of consolidated financial information should be read together with the consolidated financial information to the Accountants' Report set out in Appendix I to this document, including the accompanying notes and the information set out in "Financial Information" in this document.

Summary of Consolidated Statements of Profit or Loss and Other Comprehensive Income

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
REVENUE	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**
Cost of sales	(9,574,214)	(91.2)	(4,681,246)	(107.4)	(7,190,956)	(82.5)
Gross profit/(loss)	**919,684**	**8.8**	**(322,494)**	**(7.4)**	**1,521,725**	**17.5**
Other income and gains	148,667	1.4	106,540	2.4	272,850	3.1
Selling and distribution expenses	(11,049)	(0.1)	(15,218)	(0.3)	(21,777)	(0.2)
Administrative expenses	(152,425)	(1.5)	(211,487)	(4.9)	(282,735)	(3.2)
Research and development costs	(219,327)	(2.1)	(281,018)	(6.4)	(367,001)	(4.2)
Other expenses	(177,064)	(1.7)	(213,695)	(4.9)	(66,149)	(0.8)
Finance costs	(11,328)	(0.1)	(34,365)	(0.8)	(66,977)	(0.8)
Impairment losses on financial assets, net	(2,419)	0.0	(676)	0.0	(12,156)	(0.1)
PROFIT/(LOSS) BEFORE TAX	**494,739**	**4.7**	**(972,413)**	**(22.3)**	**977,780**	**11.2**
Income tax (expense)/credit	(84,953)	(0.8)	108,189	2.5	(121,247)	(1.4)
PROFIT/(LOSS) FOR THE YEAR	**409,786**	**3.9**	**(864,224)**	**(19.8)**	**856,533**	**9.8**

Net Profit/(Loss)

We recorded net profit of RMB409.8 million in 2023, net loss of RMB864.2 million in 2024, and net profit of RMB856.5 million in 2025. For details, see "— Business Sustainability" and "Financial information — Review of Historical Results of Operations."

Summary of Selected Items of Financial Positions

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	5,934,511	7,101,187	7,919,697
Total current assets	4,241,208	4,655,395	6,540,108
Total assets	**10,175,719**	**11,756,582**	**14,459,805**
Total non-current liabilities	148,671	668,631	863,552
Total current liabilities	5,571,403	7,369,054	7,825,862
Total liabilities	**5,720,074**	**8,037,685**	**8,689,414**
Net current liabilities	**(1,330,195)**	**(2,713,659)**	**(1,285,754)**
Net assets	**4,455,645**	**3,718,897**	**5,770,391**

Net Current Liabilities

Our net current liabilities increased from RMB1,330.2 million as of December 31, 2023 to RMB2,713.7 million as of December 31, 2024, primarily due to (i) an increase in trade and bills payables of RMB1,311.7 million for the payment of the increasing stock of raw materials and finished goods, (ii) an increase in interest-bearing bank borrowings of RMB468.0 million and (iii) an increase in contract liabilities of RMB130.7 million. Our net current liabilities decreased from RMB2,713.7 million as of December 31, 2024 to RMB1,285.8 million as of December 31, 2025, primarily due to (i) an increase in trade and bills receivables of RMB823.3 million resulted from increase in sales of PV cells and (ii) an increase in pledged deposits of RMB322.1 million, which was partially offset by an increase in trade and bills payables of RMB1,023.9 million.

Net Assets

Our net assets decreased from RMB4,455.6 million as of December 31, 2023 to RMB3,718.9 million as of December 31, 2024, primarily attributable to loss for 2024 of RMB864.2 million, as partially offset by capital contribution from non-controlling interests of RMB100.0 million in 2024. Our net assets increased from RMB3,718.9 million as of December 31, 2024 to RMB5,770.4 million as of December 31, 2025, primarily due to (i) profit for the year ended December 31, 2025 of RMB856.5 million and (ii) capital contribution from non-controlling interests of RMB534.0 million in the year ended December 31, 2025.

Summary of Consolidated Statements of Cash Flows

The following table sets forth selected cash flow statement information for the periods indicated:

	Year Ended December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from operating activities	72,259	113,151	52,672
Net cash flows used in investing activities	(1,149,574)	(1,515,839)	(982,489)
Net cash flows from financing activities	411,281	1,227,634	923,047
Net decrease in cash and cash equivalents	(666,034)	(175,054)	(6,770)
Cash and cash equivalents at the beginning of the year	1,505,904	840,294	666,451
Effect of foreign exchange rate changes, net	424	1,211	(4,529)
Cash and cash equivalents at the end of the year	840,294	666,451	655,152

KEY FINANCIAL RATIOS

The table below sets forth our key financial ratio for the years or periods, or as of the dates indicated. For further details, see "Financial Information — Key Financial Ratios."

	As of/Year Ended December 31,		
	2023	**2024**	**2025**
Gross profit margin	8.8%	(7.4)%	17.5%
Return on equity	10.1%	(21.1)%	18.1%
Return on assets	4.5%	(7.9)%	6.5%
Gearing ratio	6.8%	37.3%	23.4%
Debt to equity ratio	(12.1)%	19.4%	12.0%

LEGAL PROCEEDINGS AND NON-COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions. We believe that the business operations we engaged in had been carried out in compliance with applicable laws and regulations in the jurisdictions we operate in all material respects during the Track Record Period and up to the Latest Practicable Date.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was held as to (i) approximately 45.63% by Nanjing Yingfa, which was in turn held as to 36% by Mr. Zhang Fayu, 24% by Ms. Luo Baoying, 20% by Ms. Zhang Min and 20% by Mr. Zhang Jie; (ii) approximately 2.62% by Yinfa Qinhe, whose general partner is Mr. Zhang Fayu; and (iii) approximately 0.85% by Mr. Zhang Fayu. Mr. Zhang Fayu and Ms. Luo Baoying are spouses and the parents of Ms. Zhang Min and Mr. Zhang Jie (collectively, the "**Zhang Fayu Family**"). The Zhang Fayu Family collectively controlled approximately 49.10% of the voting rights at the general meetings of our Company as of the Latest Practicable Date. Immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the Zhang Fayu Family will, directly and indirectly through Nanjing Yingfa and Yingfa Qinhe, be able to control approximately [**REDACTED**]% of the voting rights at general meetings of our Company. Accordingly, the Zhang Fayu Family, Nanjing Yingfa and Yingfa Qinhe will constitute a group of Controlling Shareholders of our Company upon [**REDACTED**]. Our Controlling Shareholders confirmed that as of the Latest Practicable Date, they did not have any interest in other 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. Our Directors believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the [**REDACTED**]. See "Relationship with Our Controlling Shareholders" in this document for further details.

OUR PRE-[REDACTED] INVESTORS

We received four rounds of Pre-[**REDACTED**] Investments since June 2022 from the Pre-[**REDACTED**] Investors including but not limited to Yibin High-tech Investment, Yibin Ruineng Investment, Yibin Gaotou Industrial, Yibin Lvneng, National Green Fund, Donghe VC, Jianxin Investment, Jinyu Maowu, Pengying VC and Qiancheng II. For further details of the identity and background of the Pre-[**REDACTED**] Investors and the principal terms of the Pre-[**REDACTED**] Investments, see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments" in this document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with the transactions after the [**REDACTED**] which will constitute the partially exempt continuing connected transaction non-exempt continuing connected transactions under Chapter 14A of Listing Rules. We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Chapter 14A of the Listing Rules in respect of the transactions. See "Connected Transaction" in this document for further details.

[**REDACTED**]

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by us during the in 2023, 2024 and 2025. Currently, we do not have a fixed dividend distribution ratio and a formal dividend policy. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. For further details, see "Financial Information — Dividends and Dividend Policy." We recorded earnings per share of RMB0.84 and RMB2.21 in 2023 and 2025, respectively. We recorded loss per share of RMB2.14 in 2024.

FUTURE PLANS AND USE OF [**REDACTED**]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] Range stated in this document), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] (equivalent to approximately RMB[**REDACTED**]) from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. We intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the following amounts: (i) approximately [**REDACTED**] of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be allocated for our two technological advancement projects, half-cell passivation cell project and Poly-finger project; (ii) approximately [**REDACTED**] of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be allocated for the research and development of advanced technologies applicable to the development of PV cell products; (iii) approximately [**REDACTED**] of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the enhancement and optimization of our domestic and overseas sales channel; and (iv) approximately [**REDACTED**] of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the working capital and general corporate uses.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] will be approximately HK$[**REDACTED**] (at the mid-point [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] and no exercise of the [**REDACTED**]), representing approximately [**REDACTED**]% of the gross [**REDACTED**] (based on the mid-point [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. We expect to incur [**REDACTED**] of approximately HK$[**REDACTED**], of which approximately HK$[**REDACTED**] had been and is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately HK$[**REDACTED**] is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our [**REDACTED**] are composed of (i) [**REDACTED**] of approximately HK$[**REDACTED**] and (ii) [**REDACTED**] expenses of approximately HK$[**REDACTED**], which consist of fees and expenses of Joint Sponsors, legal advisors and the Reporting Accountant of approximately HK$[**REDACTED**] and other fees and expenses of approximately HK$[**REDACTED**]. RMB[**REDACTED**] (HK$[**REDACTED**]) was recognized and charged to our consolidated statements of profit or loss and other comprehensive income in 2025.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

In January and February 2026, sales volume of our N-type TOPCon cells and N-type xBC cells amounted to 4.6GW and 0.7GW. Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest consolidated financial statements, and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

Recent Development on U.S. Tariff Policies

Tariff Policies

For further details, see "Regulatory Overview — U.S. Tariff Policies."

Impact Assessment

Export. Our Directors are of the view that the Applicable U.S. Tariffs would not have a material and adverse impact on our business and results of operations, for the following reasons: in terms of direct impact, (i) **terminated tariffs**: as of Latest Practicable Date, (a) the reciprocal tariffs and fentanyl-related tariffs have been terminated; (b) the Section 201 tariff policy has expired, and our products exported from Indonesia had not been subject to Section 201 tariffs; (ii) **minimal amount of export from China to U.S.**: in 2023, 2024 and 2025, the amount of unit sold by us from China to the U.S. were less than 0.0001GW in each period and less than 0.01% of our PV cell products (mainly sample products) sold in the same periods; (iii) **no tariffs incurred for sales from Indonesia to U.S from January 1, 2022 to April 6, 2025**: from January 1, 2022 to April 6, 2025, we did not incur U.S. tariffs for direct sales of our PV cell products from Indonesia to U.S.; (iv) **the majority of tariffs bore by our customers since April 7, 2025**: from April 7, 2025 to the Latest Practicable Date, over 96% of the direct sales volume from Indonesia to the U.S., were to customers who assume the clearance and tariff responsibility based on our sales agreements; (v) **manageable impact from ongoing Indonesia AD/CVD investigations**: the potential impact of the AD and CVD investigations is manageable as (a) the investigations not being a final determination, (b) the likelihood of cash deposit requirement being remote after consulting with our external AD/CVD counsel; (c) our Indonesian production capacity representing 17% of our total production capacity in 2025; (d) our five largest customers being primarily PRC PV module manufacturers; (e)

PV module manufacturers typically having diversified customer bases across non-U.S. market; and (vi) **remote impact from completed AD/CVD determinations on other Affected Southeast Asian Countries**: as our domestic and overseas customers primarily serving non-U.S. markets.

In addition, in terms of indirect effects, we do not expect material adverse impact on us either, considering: (i) **no adverse impact on our customer relationship or supply chain**: during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material adverse changes in order volume, price, customer payment or logistics arrangements, nor have we received any requests from customers to renegotiate the sales agreement, cancel orders or suspend delivery of products due to the imposition of the U.S. tariffs; (ii) **major customer bases in Chinese Mainland**: almost all of our five largest customers in each year during the Track Record Period are PV module manufacturers in China; and (iii) **diversified overseas customer bases**: in terms of our existing overseas customers, our primary overseas market were India and Vietnam during the Track Record Period. In addition, to the best of our knowledge, none of our top five customers in each year during the Track Record Period was a U.S. Company.

Import. On import side, our Directors are of the view that the Applicable U.S. Tariffs would not have a material and adverse impact, considering: (i) **no procurement of U. S.-origin raw materials**: during the Track Record Period and up to the Latest Practicable Date, we have not imported raw materials of U.S. origin; and (ii) **primarily sourced from Chinese Mainland**: we primarily procure key raw materials from qualified suppliers in Chinese Mainland.

Internal Control Measures

We have implemented a series of internal control measures: (i) **counterparty and transaction screening**: we screen counterparties and transactions against applicable sanctions and export control lists on a periodic and event-triggered basis; (ii) **regulatory monitoring protocols**: we monitor changes in trade policies, export controls, and import requirements across key markets; (iii) **contractual safeguards**: we incorporate force majeure and change-in-law clauses into our commercial agreements, and reserve rights to suspend or terminate performance where compliance is at risk; (iv) **cross-functional coordination**: we maintain coordination among our legal, sales, and logistics teams, primarily on compliance with product classification, origin documentation, and shipping requirements; (v) **internal escalation**: we escalate material trade-related risks to senior management and the Board; (vi) **record-keeping**: we maintain records of screening results, regulatory assessments, approvals, and retain such records to support audit and regulatory review; and (vii) **training**: we provide periodic compliance training to relevant personnel and assign clear responsibilities to reinforce awareness of sanctions and export control compliance requirements.

In this document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in "Glossary of technical terms".

"Accountants' Report"	the accountants' report of our Company for the Track Record Period, as included in Appendix I to this document
"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"	Accounting and Financial Reporting Council of Hong Kong
"Articles of Association" or "Articles"	the articles of association of our Company, conditionally adopted on August 23, 2025 with effect from the [**REDACTED**], as amended, supplemented, or otherwise modified from time to time, a summary of which is set out in Appendix V to this document
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our 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
"CAGR"	compound annual growth rate

[**REDACTED**]

"China" or "the PRC"	the People's Republic of China, and, for the purposes of this document only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules

"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
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Company", "our Company" or "the Company"	Sichuan Yingfa Ruineng Technology CO., LTD. (四川英發睿能科技股份有限公司) (formerly known as Anhui Yingfa Ruineng Technology Co., Ltd. (安徽英發睿能科技股份有限公司), which was incorporated under the laws of the PRC as a joint stock company with limited liability on June 23, 2016
"Company Law" or "PRC Company Law"	Company Law of the People's Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	has the meaning ascribed thereto under the Listing Rules
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and, unless the context otherwise requires, refers to Mr. Zhang Fayu (張發玉), Ms. Luo Baoying (羅寶英), Ms. Zhang Min (張敏), Mr. Zhang Jie (張傑), Nanjing Yingfa and Yingfa Qinhe, as further detailed in the section headed "Relationship with Our Controlling Shareholders" in this document
"Conversion of Unlisted Shares into H Shares" or "Full Circulation"	the conversion of [**REDACTED**] Unlisted Shares in aggregate held by our existing Shareholders into [**REDACTED**] H Shares upon the completion of the [**REDACTED**]
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code in Appendix C1 to the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
	[**REDACTED**]
"Director(s)"	the director(s) of our Company
"EIT"	enterprise income tax

"EIT Law"	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"ESG"	environmental, social and governance
"ESG Committee"	the environmental, social and governance committee of our Board
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FIL"	Foreign Investment Law of the PRC (中華人民共和國外商投資法)

[**REDACTED**]

"Governmental Authority"	any governmental, regulatory, or administrative commission, board, body, authority, or agency, or any stock exchange, self-regulatory organization, or other non-governmental regulatory authority, or any court, judicial body, tribunal, or arbitrator, in each case, whether national, central, federal, provincial, state, regional, municipal, local, domestic, foreign, or supranational
"Group", "our Group", "we", "us", or "our"	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
"Guide", "Listing Guide" or "Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024, as amended, supplemented or otherwise modified from time to time
"H Share(s)"	overseas [**REDACTED**] foreign Share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are to be [**REDACTED**] for and [**REDACTED**] in HK dollars and are to be [**REDACTED**] on the Stock Exchange

[**REDACTED**]

"HK$", "HK dollars" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

[**REDACTED**]

[**REDACTED**]

"IDR"	Indonesian rupiah, the lawful currency of Indonesia
"IFRS"	IFRS Accounting Standards, as issued by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules, as far as our Directors are aware after having made all reasonable enquiries

[**REDACTED**]

[**REDACTED**]

"Joint Sponsors"	the joint sponsors of the [**REDACTED**] as named in the section headed "Directors and Parties Involved in the [**REDACTED**] — Parties Involved in the [**REDACTED**]" in this document
"Latest Practicable Date"	March 10, 2026, being the latest practicable date for ascertaining certain information in this document before its publication

[**REDACTED**]

"Listing Committee"	the Listing Committee of the Stock Exchange

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"LONGi"	LONGi Green Energy Technology Co., Ltd. (隆基綠能科技股份有限公司), a joint stock limited company established under the laws of the PRC on February 14, 2000 and listed on the Shanghai Stock Exchange (stock code: 601012)
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)

"Nanjing Yingfa"	Nanjing Yingfa Ruineng Technology Co., Ltd. (南京英發睿能科技有限公司), a limited liability company established under the laws of the PRC on December 12, 2013, and one of our Controlling Shareholders
"Nomination Committee"	the nomination committee of our Board

[**REDACTED**]

"Overseas Listing Trial Measures"	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and 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 in the PRC

"PRC Legal Advisor"	Grandall Law Firm (Nanjing), our legal advisor as to PRC laws
"Pre-[**REDACTED**] Equity Incentive Plan"	the pre-[**REDACTED**] equity incentive plan of our Company, adopted and taking effect in December 2020, as amended from time to time, a summary of the principal terms of which is set forth in "Statutory and General Information — Pre-[**REDACTED**] Equity Incentive Plan" in Appendix VI
"Pre-[**REDACTED**] Investment(s)"	the investment(s) in our Company undertaken by the Pre-[**REDACTED**] Investors pursuant to the respective investment agreement(s), details of which are set out in the section headed "History, Development and Corporate Structure" in this document
"Pre-[**REDACTED**] Investor(s)"	the investor(s) from whom our Company obtained several rounds of investments, details of which are set out in the section headed "History, Development and Corporate Structure" in this document
	[**REDACTED**]
"province(s)"	for the purpose of this document and for geographical reference only, "province(s)" include(s) municipalities, autonomous regions and special administrative regions in China
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"R&D"	research and development
"SAFE"	the State Administration for 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)
"Securities Law" or "PRC Securities Law"	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
"SFC"	Securities and Futures Commission of Hong Kong

"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)" or "Ordinary Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of our Share(s)

[**REDACTED**]

"STA"	the State Taxation Administration of the PRC (中華人民共和國國家税務總局)

[**REDACTED**]

"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Strategy Committee"	the strategy committee of our Board
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto in section 15 of the Companies Ordinance
"Substantial Shareholder(s)"	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 financial years ended December 31, 2023, 2024 and 2025
"UFLPA"	Uyghur Forced Labor Prevention Act
"U.S.", "US" or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. dollars", "US dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	United States Securities Act of 1933 and the rules and regulations promulgated thereunder

[**REDACTED**]

[**REDACTED**]

"Unlisted Share(s)"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are not [**REDACTED**] on any stock exchange
"VAT"	value-added tax
"Yingfa Dekun"	Yibin Yingfa Dekun Technology Co., Ltd. (宜賓英發德坤科技有限公司), a limited liability company established under the laws of the PRC on June 16, 2023 and our non wholly-owned subsidiary
"Yingfa Desheng"	Anhui Yingfa Desheng Technology Co., Ltd. (安徽英發德盛科技有限公司), a limited liability company established under the laws of the PRC on June 1, 2020 and our wholly-owned subsidiary
"Yingfa Derui"	Yibin Yingfa Derui Technology Co., Ltd. (宜賓英發德睿科技有限公司), a limited liability company established under the laws of the PRC on February 14, 2025 and our non wholly-owned subsidiary
"Yingfa Deyao"	Yibin Yingfa Deyao Technology Co., Ltd. (宜賓英發德耀科技有限公司), a limited liability company established under the laws of the PRC on June 16, 2022 and our non wholly-owned subsidiary
"Yingfa Qinhe" or "Equity Incentive Platform"	Anhui Yingfa Qinhe Enterprise Operation Management Center (Limited Partnership) (安徽英發勤合企業運營管理中心(有限合夥)), a limited partnership established under the laws of the PRC on December 24, 2020, the equity incentive platform of our Group and one of our Controlling Shareholders, of which Mr. Zhang Fayu (張發玉), our Chairperson of our Board and executive Director, is the sole general partner
"%"	per cent

The English translation of PRC entities, enterprises, nationals, facilities and regulations in Chinese or another language in this document is for identification purposes only. In this document, should there be any discrepancy between the Chinese names of the entities or enterprises established in China and its English translation, the Chinese names shall prevail.

GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, explanations and definitions of certain terms used in this document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

"ALD"	atomic layer deposition
"bifaciality"	the ability of a PV cell to capture sunlight and generate electricity from both its front and rear surfaces, increasing overall energy yield
"BSG"	borosilicate glass
"busbars"	thin metal strips placed between PV cells, intended to separate the cells and conduct the direct current generated by the cells from solar photons to the solar inverter
"cross-license"	a reciprocal intellectual property arrangement under which licensee receives rights to use certain existing patents owned by a licensor in exchange for granting the licensor a royalty-free license to any new intellectual property the licensee develops that improves upon or derives from the licensed patents
"conversion efficiency"	The ratio of solar energy that a PV cell absorbs and converts into usable electricity. For the purpose of the PV cells described in this document, it specifically refers to the median conversion efficiency of the PV cells
"edge passivation"	the chemical or physical treatment of the exposed edge areas of silicon wafers after they are cut or etched, aiming to reduce surface defects and thereby enhance the photoelectric conversion efficiency and overall performance of the solar cell
"fine grid lines"	the narrow conductive lines printed on the front of a PV cell which help collect electrical current while minimizing shading losses
"GFA"	gross floor area
"grid line width"	measurement of the metal contact lines printed on a PV cell, optimized to reduce shading loss while maintaining sufficient conductivity for efficient current collection

GLOSSARY OF TECHNICAL TERMS

"GW"	gigawatt, a unit of power, one GW equals to 1,000,000,000 watt. Together with other units of power, it is the primary metric used in the PV industry to measure PV cell production capacity, shipment volume, backlog, etc. When doing so, it can be calculated by multiplying the number of PV cells by the average power that the individual PV cells could generate
"HBC"	N-type xBC cells incorporating HJT technology
"HPBC"	a type of N-type xBC PV cells that combines TOPCon's passivation contact with IBC's back-contact design
"HJT"	heterojunctions that are formed between semiconductors with dissimilar band gaps, on which HJT PV cells, a type of N-type cells, are based
"integrated PV manufacturers"	companies that operate across multiple segments of the PV industry, including the production of silicon materials, silicon wafers, PV cells, PV modules, and other related products, with more than half of their PV cell shipments used for in-house PV module production
"ISO"	the International Organization for Standardization
"Mass production acceptance conversion efficiency"	Mass production acceptance conversion efficiency refers to the mass production conversion efficiency of PV cells after passing factory quality inspection and entering inventory
"Mass production test conversion efficiency"	the mass production conversion efficiency of PV cells tested on the production line
"MES"	manufacturing execution system
"metallization"	the process of applying metal contacts on the surface of PV cells to collect the electrical current generated by the cells from light exposure
"microscale pyramid texturing"	a structuring process that creates microscopic pyramid structures on the surface of PV cells through chemical etching, enhancing light absorption and reducing reflection to improve photovoltaic efficiency
"N-type cells"	a type of PV cell made from N-type semiconductor material, which has been doped with elements that provide an excess of electrons, including N-type TOPCon cell
"N-type TOPCon cells"	tunnel oxide passivated contact cell, a type of N-type cell with a delicate tunnel oxide layer between the transparent conductive oxide layer and a p-doped crystalline silicon layer

"ohms"	the unit of electrical resistance in the International System of Units, represented by the symbol Ω
"ohms per square"	ohms per square meter, which refers to the sheet resistance measurement of thin films like semiconductor layers in PV cells
"PECVD"	plasma-enhanced chemical vapor deposition
"perovskite tandem PV cells"	cells that uses two layers of perovskite that tap into different wavelengths of light, plus a special surface treatment that reduces wasted energy
"polycrystalline cells"	a PV cell composed of numerous silicon crystals that are grown in multiple directions
"Poly-finger Metallization"	a key process technology applied in high-efficiency crystalline silicon solar cells, which involves creating precise finger-like patterned structures on the polysilicon layer of the cell, aiming to simultaneously optimize the electrical contact performance and optical performance, thereby enhancing the overall conversion efficiency of the cell
"production capacity"	refers to the maximum output achievable by a plant's production facilities, calculated based on the full operational rate of various machines operating for 360 days per year. In cases where a plant begins operations mid-year, the production capacity is adjusted to reflect the actual number of days from the commencement of production to the end of that year. The production capacity for each facility is determined under the assumption of continuous 24-hour daily operation, accounting for necessary downtime for maintenance, upgrades, adjustments, and employee shift transitions
"PSG"	Phosphorus-silicon glass
"P-type cells"	a type of photovoltaic cell made from P-type silicon wafer
"P-type PERC cells"	passivation emitter rear contact cell, a type of PV cell that has an extra layer of material on the back side of the cell to achieve higher energy conversion efficiency
"PV cells"	an electronic device that converts the energy of light directly into electricity through the photovoltaic effect
"RCA cleaning"	a standard series of cleaning procedures for silicon wafers, typically carried out before high-temperature processing, commonly used in PV cell manufacturing
"R&D"	research and development

"sales volume"	refers to the total quantity of products sold within a defined time period, encompassing both products produced under our own brand and those manufactured for customers as part of our contract manufacturing services.
"select emitter"	a process where certain regions of the PV cell emitter are heavily doped to improve conductivity while maintaining lower doping in other areas to reduce recombination losses
"silicon rods"	round monocrystalline rods produced from polysilicon melted with high heat and then cooled into rods
"silicon wafer"	a thin slice of crystalline silicon cut from silicon rod that serve as the substrate for fabricating PV cells
"small spot processing"	a precision laser doping or etching method that creates localized fine features, optimizing charge collection and minimizing resistance losses
"specialized PV cell manufacturers"	companies that focus on the research, development, production, and sales of PV cells, with over half of their PV cell output directly delivered to external customers
"sq.m."	square meters
"sulfur dioxide"	a gaseous air pollutant composed of sulfur and oxygen
"temperature coefficient"	the specification that defines how a voltage reference's output voltage will drift over a given temperature
"TOPCon"	an advanced photovoltaic cell technology that utilizes an N-type silicon base and tunnel oxide passivated contact to enhance the efficiency and performance of photovoltaic cells
"Treasury"	U.S. Department of the Treasury
"utilization rate"	utilization rate is calculated as dividing production volume by the production capacity for the same period
"wet processing"	a critical stage in the production of PV cells, involving the removal of saw damage from as-cut wafers, texturing the surface to enhance solar radiation absorption, and isolating the edges after the diffusion process
"xBC"	back contact is an advanced photovoltaic cell platform technology designed to enhance conversion efficiency by relocating all electrode grids from the front to the back side of the photovoltaic cell. This configuration minimizes the shading caused by the electrodes on the front side, allowing for greater sunlight absorption and improved efficiency

FORWARD-LOOKING STATEMENTS

Certain statements in this document are forward-looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions, future events, or performance (often, but not always, through the use of words or phrases such as "will", "expect", "anticipate", "estimate", "believe", "going forward", "ought to", "may", "seek", "should", "intend", "plan", "projection", "could", "vision", "goals", "aim", "aspire", "objective", "target", "schedules" and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this document), uncertainties and other factors, some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to: (i) our operations and business prospects; (ii) our business and operating strategies and our ability to implement such strategies; (iii) our ability to develop and manage our operations and business; (iv) our expectations with respect to our ability to acquire and maintain regulatory licenses or permits; (v) our ability to control costs and expenses; (vi) our ability to identify and satisfy consumer demands and preferences; (vii) our ability to maintain good relationships with business partners; (viii) the actions and developments of our competitors; (ix) changes to regulatory and operating conditions in the industry and geographical markets in which we operate; (x) relevant government policies, legislations and regulations relating to our business and industry, as well as interpretation and positions adopted by, and actions taken by, the relevant regulatory agencies; and (xi) all other risks and uncertainties described in "Risk Factors".

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any such intentions may change in light of future developments.

All forward-looking statements in this document are expressly qualified by reference to this cautionary statement.

An [**REDACTED**] *in our H Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. In any such case, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**].

These factors are contingencies that may or may not occur and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business is subject to volatility in the PV cell industry.

Our PV cell products are key components of photovoltaic modules used in solar power generation. Accordingly, our business is directly affected by conditions in the PV cell and broader renewable energy industries, which are influenced by global and regional supply-demand dynamics, industry competition, technological advancements, customer preferences and government policies.

The PV industry is highly cyclical and sensitive to regulatory changes. Government incentives, subsidies, tax policies, renewable energy mandates and trade measures in major markets may be adjusted or withdrawn due to political or economic developments, which could adversely affect demand and pricing for PV products. In addition, the competitiveness of PV cell technology relative to fossil fuels and other renewable energy sources, the availability and cost of capital, macroeconomic conditions and end-user capital expenditure patterns may also impact market demand. Since 2023, the PV industry has experienced significant price adjustments following rapid capacity expansion across the value chain. According to Frost & Sullivan, increased upstream silicon material production capacity has led to declining silicon wafer and PV cell prices and compressed industry-wide profit margins. If industry capacity continues to expand at a pace exceeding downstream demand growth, we and other manufacturers may face intensified competition, further price declines and reduced profitability. Any sustained oversupply, reduction in government support, adverse regulatory developments or slower-than-expected growth in market demand could materially and adversely affect the average selling prices of our products, our revenue growth, profitability and cash flows.

Our operations depend on key suppliers and the timely and cost-effective procurement of raw materials and equipment.

Our production primarily relies on key raw materials, including silicon wafers, metallic pastes, silicon rods, chemicals, consumables and other components, as well as production equipment supplied by third parties. During the Track Record Period, purchases from our five largest suppliers accounted for a significant portion of our total purchases. Any disruption in the supply of adequate raw materials or equipment, deterioration of our relationships with key suppliers, or operational difficulties faced by such suppliers could impair our ability to manufacture and deliver products on schedule.

If our suppliers fail to provide materials or equipment that meet our quality, quantity or cost requirements in a timely manner, our production may be disrupted, costs may increase and we may fail to fulfill sales obligations, potentially resulting in order cancellations or liabilities. We may not be able to identify or secure alternative suppliers on commercially reasonable terms or in a timely manner, and our inventories may not be sufficient to mitigate such disruptions.

Raw material costs account for a substantial portion of our cost of sales, and fluctuations in raw material prices may significantly affect our profitability. Market volatility, supply-demand imbalances, energy shortages, logistics constraints or other unforeseen events may further exacerbate procurement risks. We may not be able to fully pass increased raw material costs on to customers without affecting our competitiveness or sales volume. Failure to procure raw materials and equipment at commercially acceptable prices, or to effectively manage supplier concentration and price volatility risks, could materially and adversely affect our business, financial condition and results of operations.

If we fail to maintain the capability of continuous innovation, we may not be able to compete effectively.

The industry in which we operate is characterized by constant technology evolution and innovations. We compete with both local and global companies that focus on developing, producing and commercializing PV cell products. Our competitive position therefore depends largely on our ability to continually improve our technology, as well as develop and refine our products. We experienced technology emergences which significantly changed our customers' product demands. The market is gradually shifting toward N-type cells technology. See "Industry Overview — Analysis of PV Cell Industry — Development Trends of PV Cell Market". There is no assurance that we can keep abreast of the technology development or enhance the functionality, performance and reliability of our products in a manner that responds to our customers' evolving demands. Our inability to continuously innovate in the realm of new cell technology could pose significant risks on us. Additionally, if we are unable to promptly apply research and development outcomes to mass production and deliver products that align with customer demands, we may position ourselves at a competitive disadvantage in the market.

We face intense competition in the PV cell industry.

Competitors in the PV cell industry are constantly developing new technologies to reduce costs, improve product efficiency and realize scale production. In addition, industry players with stronger brand recognition, greater financial resources, alternative technology pathways or more diversified product portfolios may be better positioned to secure customer relationships, negotiate favorable terms with suppliers or withstand fluctuations in demand. As competition intensifies, we may need to devote more management, financial or marketing resources to our operations.

We also compete with participants in other renewable and non-renewable energy industries. Our business operations are largely influenced by the general conditions of other renewable and non-renewable industries, which are subject to uncertainties and may be impacted by factors beyond our control, including: (i) the fluctuation in the prices of renewable, such as PV energy, wind energy and tidal energy, and non-renewable energy, such as petrol, natural gas and other fossil fuels; (ii) the changes in government policies, incentives and regulatory actions for the PV cell industry and other renewable and non-renewable industries; (iii) the cost-effectiveness, performance and reliability of PV energy compared to other renewable and non-renewable energy; and (iv) the technological development of other renewable and non-renewable energy.

Our global operations further expose us to competition in international markets where competitors may have deeper local expertise, more established distribution networks or preferential access to government incentives. Failure to adapt to this dynamic competitive environment may materially and adversely affect our business, financial condition and results of operations.

We incurred losses in 2024 and our historical financial performance has been volatile.

Our financial performance has fluctuated significantly during the Track Record Period. Our revenue decreased from RMB10,493.9 million in 2023 to RMB4,358.8 million in 2024, but increased to RMB8,712.7 million in 2025. Such fluctuations were primarily driven by changes in industry supply-demand dynamics, product pricing and market conditions. Besides, we recorded a net loss of RMB864.2 million and a gross loss of RMB322.5 million in 2024. Although we returned to gross profit of RMB1,521.7 million in 2025, there can be no assurance that we will achieve or sustain profitability in the future.

If we fail to effectively implement our future expansion plans, our business prospects may be adversely affected.

Our planned expansion plan is critical to our long-term growth and ability to serve global customers. However, we cannot assure that such plans will be completed on schedule or achieve the expected commercial benefits. The implementation of our expansion projects is subject to various risks beyond our control, including adverse weather conditions, natural disasters, accidents, construction delays and other unforeseen events. In addition, our expansion plans may be affected by changes in government policies and regulatory requirements. Any delay in obtaining necessary approvals or tightening of relevant policies could hinder or postpone our projects.

Trade restrictions imposed by the countries where we operate or sell products could materially and adversely affect our business, financial condition and results of operations.

In 2023 and 2024, and 2025, our revenue from the overseas markets was RMB341.5 million, RMB468.1 million and RMB3,525.8 million, respectively, representing 3.3%, 10.7% and 40.5% of our total revenue for the respective periods. In 2023, 2024, and 2025, substantially all of our PV cell products sold to the U.S. were sold from Indonesia. Any trade restrictions such as anti-dumping duties, new tariffs, countervailing duty petitions or quota fees imposed, as well as any resulting retaliatory tariffs, by the countries where we conduct our business could significantly affect the prices of our products offered therein. Changes in trade policies, treaties and tariffs in those countries and regions could adversely affect our business and financial condition. For further details, see "Regulatory Overview — U.S. Tariff Policies."

We cannot assure you that the above escalations will not worsen, or new circumstances will not arise that negatively impact global trade system in general and our business operations in particular, our business operation in Indonesia. Furthermore, the uncertainty on trade restriction policies resulting from the political tension and trade wars may cause difficulties for some customers to project their purchasing plans and may cause them to reduce their orders from us. Any occurrence of these situations could materially and adversely affect our business, financial condition and results of operations both in domestic and international markets.

Our future success is attributable to our ability to maintain optimal utilization of our production plants.

During the Track Record Period and up to the Latest Practicable Date, we had three production bases, two in China and one in Indonesia. Our success is attributable to our ability to manufacture products in a cost-effective manner, which in turn depends on our ability to accurately forecast customer demand and maintain optimal utilization of our production plants, as well as to effectively utilize the production capabilities in both China and overseas to achieve economies of scale and improve production efficiency. Our ability in optimizing our production efficiencies, however, is subject to risks and uncertainties which are beyond our control, including fluctuations in market demand for our products, rise in cost of establishment of production plants and delays in construction schedule. Failure in mitigating such risks may incur additional production costs and lead to an increase in our operational costs.

A reduction in orders from our customers could negatively impact our operating results.

Our customers primarily consist of PV module manufacturers that use our PV cell products as key raw materials. Our results of operations depend on our ability to maintain stable relationships with these customers, secure purchase orders and support their commercial success. We cannot assure that such relationships will continue or that customers will place orders at the same levels as in prior periods. Customers may delay, reduce or cancel purchase orders, or breach their purchase agreements with us. In addition, production disruptions, product defects or other operational issues may impair our customer relationships. If we fail to maintain our existing customer base or replace lost customers on commercially acceptable terms in a timely manner, our business, financial condition and results of operations could be materially and adversely affected.

Any decrease or loss of business with any of our major customers and failure to obtain new customers could significantly reduce our revenue and harm our results of operation.

We derived a significant portion of our revenue from our five largest customers during the Track Record Period. In each year during the Track Record Period, revenue generated from our five largest customers amounted to RMB5,923.1 million, RMB2,384.3 million and RMB2,875.9 million, respectively, accounting for 56.5%, 54.7% and 33.2% of our total revenue in the same periods, respectively. See "Business — Our Customers."

Certain customers are vertically integrated PV cell manufacturers and may expand their in-house production, thereby reducing their purchases from us. Our customers may also experience operational, regulatory or financial difficulties, suspend operations or change their business models, which could negatively affect their demand for our products. If significant customers reduce or cancel orders and we are unable to secure alternative customers on commercially reasonable terms in a timely manner, we may not recover certain supplier-related costs and our business, financial condition and results of operations could be materially and adversely affected.

Fair value change for financial assets at fair value through profit or loss ("FVTPL") may adversely affect our results of operations and financial condition.

We made investments in certain financial products during the Track Record Period and recorded a carrying amount of financial assets at FVTPL of RMB394.5 million, RMB220.8 million and RMB24.5 million as of December 31, 2023, 2024 and 2025, respectively. Our financial assets primarily consist of wealth management products. See Note 36 to the Accountants' Report in Appendix I to this document for further details.

We face exposure to fair value change for the financial assets at FVTPL. Going forward, we may continue to invest in wealth management products. We cannot assure you that factors beyond our control, such as general economic and market conditions, changes in market interest rates, stability of the capital markets and regulatory environment, will result in fair value gains on the financial products we invest in, or we will not incur any fair value losses on our investments in the financial products in the future. If we incur such fair value losses, our results of operations and financial condition may be materially and adversely affected. In addition, the fair value of these financial products may fluctuate significantly, which contributes to the uncertainties in valuation. Any failure to realize the benefits we expected from these financial products may materially and adversely affect our business and financial condition.

Our sales and results of operations are subject to seasonal variations.

Demand for our PV cell products may be affected by seasonal variations in sunlight and installation activity across different regions. Purchases may also fluctuate due to public holidays, particularly the Lunar New Year in China, which typically results in factory shutdowns and reduced construction activity in the first quarter. International holidays, such as summer vacations in Europe and the Christmas season, may also slow overseas orders. We generally experience stronger sales

toward the end of the first and fourth quarters, driven by demand from India ahead of its fiscal year-end and domestic projects seeking year-end grid connection. Sales may soften from the late second quarter to early third quarter due to seasonal construction delays and reduced project activity. As a result, comparisons of our operating results across different quarters may not be indicative of future performance.

Unsatisfactory performance of or defects in our products, or failure to maintain an effective quality control system, may materially and adversely affect our business, financial condition and results of operations.

Our success depends in part on our ability to maintain customer confidence in the performance and quality of our PV cell products. Our quality control system includes supplier management, raw material inspection, production processes, product testing, and post-sale services. See "Business — Quality Control". We cannot assure you that we will be able to detect, prevent or effectively respond to all product quality issues. Any defects may result in regulatory penalties, product liability claims, recalls or returns, which could increase our costs and impair customer confidence and brand reputation.

Any interruption, damage or loss of our production facilities could materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we operated three domestic production bases in China and one overseas production base in Indonesia. See "Business — Production." Any interruption, damage or destruction of our production facilities due to adverse weather conditions, natural disasters, accidents and unforeseen circumstances and problems, and other factors beyond our control, could be costly and time-consuming to repair and could disrupt our operations. In such event, we would be forced to cease our production to repair our production facilities and equipment, which we may be difficult to fully repair in a relatively short period of time given the highly specialized and large-scale nature of our facilities.

We manufacture our products in China and Indonesia and may deliver them to various customer-designated locations, which exposes us to various risks relating to long-distance transportation of our PV cells.

During the Track Record Period and up to the Latest Practicable Date, we had production bases in China and Indonesia. The geographical separation of our production bases in China and overseas, many of our customers necessitates constant long-distance transportation of substantial volumes of our PV cells across China and overseas. The constant long-distance transportation of a large volume of our PV cells may expose us to various risks, including (i) increases in transportation costs, (ii) loss of PV cells as a result of any accidents that may occur in the transportation process, and (iii) delays in the transportation of our PV cells as a result of any bad weather conditions, natural disasters or other conditions adversely affecting road traffic. Any of these risks could have a material adverse effect on our business and results of operations.

Any failure to offer high-quality customer services for our customers may materially and adversely affect our business, financial condition and results of operations.

We are committed to providing personalized service to each of our customers. However, if we are not able to recruit or retain sufficient qualified service professionals with experience in supporting customers of our products and solutions, or to modify the future scope of our technical or maintenance support to compete with changes in the customer services provided by our competitors, we may be unable to quickly respond to accommodate short-term increases in customer demand for technical or maintenance support. If we are unable to provide efficient customer services, our business, financial condition and results of operations may be materially and adversely affected.

The reduction or discontinuation of preferential tax treatments, export tax refunds and government incentives may adversely affect our profitability.

During the Track Record Period, certain of our subsidiaries qualified as "High and New Technology Enterprises" in the PRC and were subject to a preferential income tax rate of 15%. We also benefited from export tax refunds, government subsidies and other preferential tax treatments in the jurisdictions where we operate. Any reduction, expiration or cancellation of such incentives could increase our tax expenses and reduce other income, thereby adversely affecting our operating results. In addition, the PV cell industry benefits from government incentives aimed at promoting renewable energy. The availability of such incentives depends on policy priorities and macroeconomic conditions, and may be reduced as industry technology matures. Any significant reduction or discontinuation of these incentives could adversely affect the industry and our business, financial condition and results of operations.

We have invested and will continue to invest in research and development, which may negatively impact our profitability and operating cash flow in the short-term and may not generate the results we expect to achieve.

We have invested and will continue to invest in research and development of new technologies. Continuous investment in research and development may adversely affect our profitability and operating cash flow in the short term. In addition, as research and development activities are inherently uncertain, we cannot assure you that our research and development efforts can achieve the expected results. Even if we generate the results we expect, we may still encounter practical difficulties in commercializing the expected results. If we overspend on research and development or if we are not able to commercialize our research and development results, our business, financial conditions and results of operations may be materially and adversely affected.

We rely on third-party warehousing and logistics service providers, and any disruption, service failure or cost increase may adversely affect our operations.

We engage third-party warehouses to store our products and logistics providers to deliver them to customers. Warehousing operations may be disrupted by accidents, natural disasters, public health incidents or other unforeseen events, which could result in delivery delays or inventory losses. Although we maintain insurance coverage for certain inventory losses, such coverage may be insufficient and losses arising from delivery delays may not be recoverable. Prolonged disruptions may also lead to lost sales. In addition, we may be unable to renew warehouse lease agreements on favorable terms, or at all. We also depend on third-party logistics providers for timely and satisfactory delivery. Any delay, suspension or service failure may disrupt product deliveries, increase costs or damage our reputation, and could result in product liability claims. Service fees and transportation costs are subject to factors beyond our control, including increases in rent, labor, fuel prices, tolls and regulatory changes. Any significant increase in warehousing or logistics costs may adversely affect our business, financial condition and results of operations.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

During the Track Record Period, we established subsidiaries to carry out our operations in various countries and regions. We could face material and adverse tax consequences if relevant tax authorities determine that certain of our intra-group transactions do not represent arm's length negotiations and consequently adjust any of those entities' income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by relevant tax authorities, relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. See "Business — Intra-Group Transactions".

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any inquiry, audit, investigation, or challenge by any relevant tax authorities in the jurisdictions where we operate in relation to our intra-group transactions. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

Disruption or failure of our IT systems, including cybersecurity incidents, could materially and adversely affect our operations.

We rely on IT systems and network infrastructure to support our operations and process electronic information. These systems may be vulnerable to cyberattacks, unauthorized access, ransomware, technical failures, power outages, natural disasters or other unforeseen events. Any significant disruption could interrupt our business operations and require substantial remediation costs. Cybersecurity incidents may also result in the loss, misuse or unauthorized disclosure of confidential or personal data, exposing us to litigation, regulatory investigations, fines and reputational damage. In addition, the costs of strengthening our cybersecurity defenses and complying with evolving regulatory requirements may increase. There is no assurance that such measures will prevent all incidents. Any major IT system failure or cybersecurity breach could materially and adversely affect our business and results of operations.

Our business depends on our management, key R&D and technical personnel, and the loss of their services could adversely affect our operations.

Our continued success relies on the services of our senior management, executive officers and other key personnel. If any of them are unable or unwilling to remain in their positions, we may face difficulties in replacing them in a timely manner. If key personnel join competitors or establish competing businesses, we may also lose customers. There is no assurance that such agreements will be enforceable in all relevant jurisdictions. In addition, competition for qualified R&D staff, engineers and technicians is intense. If we fail to attract and retain skilled personnel necessary to support our product development and manufacturing processes, our business performance could be materially and adversely affected.

Our failure to adequately protect our intellectual property may weaken our competitive position and expose us to disputes.

Our production process-related know-how and technologies are critical to our product quality and cost efficiency. As of the Latest Practicable Date, we held 191 granted patents in China (including 39 invention patents), as well as software copyrights, trademarks and domain names. There is no assurance that patents will be granted in a timely manner or that protection will be consistent across jurisdictions. Third parties may independently develop similar technologies or infringe our intellectual property. Enforcing our rights may require costly and time-consuming litigation, the outcome of which is uncertain. Any failure to protect our intellectual property or any adverse determination in related disputes could impair our competitive position and materially and adversely affect our business and results of operations.

We generate a large portion of our revenue from one of our key customers.

We generate a large portion of our revenue and derive a large portion of our total purchases from LONGi. In 2023, 2024 and 2025, sales to our largest customer, LONGi, accounted for 24.4%, 20.5% and 10.8% of our total revenue in the respective period.

Despite our long-standing relationship, we cannot assure you that we will be able to maintain our relationship with LONGi or other major customers. If any major customer substantially reduces purchases, terminates cooperation, fails to renew collaboration arrangements, or transacts with us

on terms less favorable than historical levels, we may not be able to secure suitable alternative customers in a timely manner, or at all. In particular, failure to renew our collaboration with LONGi could adversely affect our N-type xBC cell research and development, product sales and overall operations.

Certain of our collaboration arrangements with LONGi may restrict our ability to sell certain products to other customers, which could adversely affect our business, results of operations and financial condition.

We have entered into a series of collaboration arrangements with LONGi, including customer supply arrangements, patent licensing agreements and cooperation agreements. For example, in February 2025, we entered into patent licensing agreement regarding N-type HPBC cells, a type of N-type xBC PV cell products with LONGi. As of the Latest Practicable Date, we had one patent licensing agreement with LONGi in effect governing 12 patents related to the R&D and production of N-type HPBC cell products (the "**Licensed Patent Products**"). For further details, see "Business — Overlapping Customers and Suppliers — Relationship with LONGi." In particular, LONGi has priority procurement rights over the production capacity of our N-type xBC production line and is contractually required to procure 100% of the production capacity in 2025 and no less than 70% in 2026. In 2025, all N-type xBC cells produced by us were sold to LONGi. For the remaining production capacity in 2026, sales to third-party customers are subject to LONGi's prior consent and the payment of a licensing fee.

LONGi's consent for sales to other customers may not be granted in circumstances where such sales could affect LONGi's own supply security, procurement planning, cost structure, competitive positioning or the utilization of LONGi–sourced silicon wafers under the agreed procurement framework. In addition, LONGi may withhold consent if proposed third-party sales involve pricing, volumes, delivery schedules or customer profiles that could conflict with its commercial interests or the agreed production and procurement arrangements. If LONGi does not grant consent for such sales, we may be required to allocate a greater portion of our N-type xBC production capacity to LONGi or delay or forgo sales opportunities with other customers. This could limit our customer diversification, reduce our flexibility in responding to market demand, and expose us to higher customer concentration risk. In addition, where sales to third-party customers are permitted, the requirement to pay licensing fees to LONGi may reduce our gross profit margins on such sales.

We may be exposed to intellectual property infringement or misappropriation claims.

Our success depends on our ability to use and develop our technology and know-how, and to manufacture and sell our PV cells or otherwise operate our business in the PV cell industry without infringing the intellectual property or other rights of third parties. We may be subject to litigation involving claims of patent or other intellectual property infringement or violation of intellectual property rights of third parties from time to time. The validity and scope of claims relating to PV cell patents involve complex scientific, legal and factual questions and analyses and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings, trademark disputes and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert our resources and the attention of our technical and management personnel. An adverse ruling in any such litigation or proceedings could subject us to significant liability to third parties, require us to seek licenses from third parties, to pay ongoing royalties, or to redesign our products or subject us to injunctions prohibiting the manufacture and sale of our products or the use of our technologies. Protracted litigation could also result in our customers or potential customers deferring or limiting their purchase or use of our products until resolution of such litigation.

Our success depends on our relationship with employees to some extent.

We cannot assure you that we can maintain stable and good relationships with our employees without any material labor problems. Deterioration in our relationships may result in decreases in employees' quality of performance, causing customers' dissatisfaction or loss of labor. In addition, if we cannot consistently provide attractive job opportunities, we may experience potential labor shortages. Failure to find qualified employees in a timely manner may result in potential delays in our production. We may also need to increase our employees' compensation to retain them and prevent labor shortages, which will increase our labor costs.

We have limited insurance coverage and may incur significant losses resulting from operating hazards, product liability claims, project construction or business interruptions.

Our operations involve the use, handling and disposal of hazardous materials, which may give rise to fires, explosions, spills or other accidents resulting in personal injury, property or environmental damage and business interruption. To the extent risks are not covered by insurance, we may bear the liability directly or share it with counterparties in accordance with applicable agreements and laws. Any uninsured or underinsured incident could materially and adversely affect our business, financial condition and results of operations. We are also exposed to product liability risks if the use of our PV cells results in injury or damage. Claims exceeding our insurance coverage or financial resources could have a material adverse effect on our business. In addition, accidents, power supply disruptions, equipment failures or natural disasters may interrupt the operation of our production facilities, and any significant interruption could materially and adversely affect our results of operations.

Fluctuations in exchange rates could adversely affect our results of operations.

We derive a growing portion of our sales from international customers. Therefore, a portion of our total revenue have been denominated in foreign currencies, particularly U.S. dollars. In 2023 and 2024, and 2025, our revenue from the overseas markets was RMB341.5 million, RMB468.1 million and RMB3,525.8 million, respectively, representing 3.3%, 10.7% and 40.5% of our total revenue for the respective periods. As a result, we face risks resulting from currency exchange rate fluctuations, particularly, between Renminbi and U.S. dollars. Furthermore, we have outstanding debt obligations, and may continue to incur debts from time to time, denominated and repayable in foreign currencies. We incurred net foreign exchange gains of RMB1.8 million in 2023. We cannot predict the impact of future exchange rate fluctuations on our results of operations and may incur net foreign currency losses in the future.

Our failure to meet contractual commitments could harm the results of our operations.

In our contracts with customers, we regularly give representations and warranties in connection with the performance and delivery time of the products we supply. Our products may be used in the manufacturing facilities of our customers, which can be located domestically and overseas in conditions not subject to our control. Unexpected technical problems, unforeseen developments at factories of our customers, problems with partner companies, suppliers or supplies from our own manufacturing facilities and other logistic difficulties can delay our product delivery and lead to additional costs. We cannot guarantee that we will not be subject to additional liability or costs in the subsequent period. During the warranty period of our products, if the products are unsuccessful in performing in a manner that we have warranted, we may have to pay penalties or cure our performance at our own expense. Furthermore, we may not be able to seek indemnification from a supplier for the delivery of deficient or faulty raw materials and components.

The increasing awareness of ESG issues may lead to the adoption of more stringent laws and regulations and increase our compliance costs. Failure to comply with relevant laws and regulations may adversely affect our business, financial condition and results of operations.

With the rising awareness of ESG issues, including with respect to waste, greenhouse gas emissions and environmental protection, more stringent laws and regulations that affect our business operations may be adopted. Accordingly, we may need to devote more effort and resources to ensure our compliance with such laws or regulations. We have adopted a series of measures aiming to ensure our compliance with the ESG-related laws and regulations applicable to us. For example, we have developed comprehensive ESG policies. See "Business — Environmental, Social and Governance". Implementing our ESG Policy may result in increased costs in our supply chain, fulfillment, and corporate business operations, and could deviate from our initial estimates and have a material adverse effect on our business and financial condition. If we fail to comply with such ESG-related laws and regulations, our business, financial condition and results of operations may be adversely affected.

Adverse third-party conduct, including regulatory complaints or negative publicity, could harm our reputation and materially affect our business, financial condition and results of operations.

We may be subject to anti-competitive, harassing or other detrimental conduct by third parties, including complaints to regulatory authorities, unfair competition practices or the public dissemination of negative or misleading information about our business. Such conduct may trigger regulatory investigations and require us to devote significant management time and incur substantial costs to respond, and we may not be able to conclusively refute all allegations in a timely manner, or at all. In addition, negative or inaccurate information about us may be disseminated through the internet or social media platforms, often anonymously and without verification. Customers may act on such information without further investigation, and the rapid and widespread nature of online communications may cause immediate reputational harm. Any damage to our reputation could result in the loss of market share, customers and revenues, and materially and adversely affect our business and financial performance.

Failure to respond to changes in the economic or social conditions or government policies in the jurisdictions where we operate, as well as the global economy, could affect our business, financial condition and results of operations.

Uncertainties about global economic conditions, regulatory changes, geographic tensions and other factors, including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, customer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our solutions. The Palestinian-Israeli conflict, the conflict in Ukraine and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. The relationship between China and other countries with respect to trade policies, treaties, government regulations and tariffs, among other matters, may affect the macroeconomic environment, both domestically and internationally, and potentially leave an impact on the market we operate in. All of the above-mentioned factors could adversely affect our business, financial conditions and results of operations.

We may be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions, import and export control and similar laws, and non-compliance with such laws could adversely affect our business, results of operations, financial condition and reputation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions import and export control and similar laws in multiple jurisdictions. Our compliance policies and procedures for our Directors, employees and business partners may not prevent all misconduct, and we may be held responsible for improper acts committed by associated persons.

The U.S., the EU, the U.K., Australia, Canada and other jurisdictions maintain economic sanctions import and export control and similar laws targeting certain countries, sectors, companies and individuals. Our global operations involve exports to numerous countries and reliance on an international supply chain for raw materials and equipment. Any imposition of sanctions, tariffs, import or export restrictions or other trade barriers affecting our products, customers or suppliers could disrupt our sales or procurement activities, increase compliance and operating costs, restrict access to certain markets or require us to adjust our business arrangements. If authorities determine that any of our activities violate applicable sanctions or compliance requirements, we may be subject to investigations, administrative, civil or criminal penalties, reputational damage and significant legal costs. Such events could materially and adversely affect our business, financial condition and results of operations. Sanctions-related concerns may also discourage certain investors from investing in or holding our securities, which could adversely affect our financial performance. Certain jurisdictions have also imposed trade restrictions affecting China-based supply chains. During the Track Record Period, two of our suppliers were added to a sanctions-related list, and we ceased transactions with them in January 2025. Although we believe this did not materially affect our operations, we may face future supply chain disruptions if additional suppliers become subject to similar restrictions. We cannot ensure that we will identify all risks or replace affected suppliers on commercially acceptable terms in a timely manner.

In relation to the U.S. outbound investment restrictions, as of the Latest Practicable Date, we do not believe that we are a covered foreign person. Our Directors, having consulted with our legal advisor as to U.S. Foreign Investment Law, are of the view that we do not engage in any "covered activities", or considered a "covered foreign person" for purposes of the outbound investment rule, considering that (i) we do not develop, produce, or enable technologies or products that relate to the specific sectors, such as semiconductor, quantum computing and artificial intelligence sectors as targeted by the outbound investment rule; (ii) we are primarily engaged in the production of PV cells, which are not covered under the specified high-tech sectors; and (iii) we do not provide manufacturing capabilities or R&D services that would support advancements in the restricted technologies identified by the U.S. government. We therefore do not believe that an equity investment by a U.S. person in our H shares constitutes a covered transaction under the outbound investment rule. Accordingly, as a result of the Final Rule currently in effect, upon completion of the [**REDACTED**], our Directors are of the view that it is expected that U.S. persons are allowed to purchase our offered shares on the Hong Kong Stock Exchange without notification obligations. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' views mentioned above. However, even though the purchase of our shares by U.S. persons from the Stock Exchange will be exempted from the scope of covered transactions under the outbound investment rule, the relevant laws, regulations, and policies continue to evolve, and we cannot rule out potential amendments to the outbound investment rule that further restrict U.S. person investment. In addition, the Treasury has issued only limited guidance to clarify the coverage of the outbound investment rule and there has been no enforcement action taken. Moreover, the America First Investment Policy will likely broaden the scope of the outbound investment rule. As such, there are uncertainties under the outbound investment rule, and we cannot assure you that the Treasury will not take a different view from us and treat an equity investment in our H shares by a U.S. person as a covered transaction that requires timely notification or is prohibited. In addition, we cannot predict how the outbound investment rule will be enforced. The uncertainty in the interpretation and

enforcement of the outbound investment rule may reduce U.S. investors' interest in our equity securities. In such a case, the future prevailing market price and the liquidity of our H shares may be adversely affected. It could also be detrimental to our business, financial condition and prospects.

Our net current liabilities may expose us to certain liquidity risks and could restrain our operational flexibility and ability to expand our business.

We recorded net current liabilities of RMB1,330.2 million, RMB2,713.7 million and RMB1,285.8 million as of December 31, 2023, 2024 and 2025. Net current liabilities may expose us to liquidity risks and may constrain our operational flexibility, as well as adversely affect our ability to expand our business. Our future liquidity, payment of trade and other payables when they become due, will primarily depend on our ability to generate adequate cash inflows from our operating activities and external financing, which will be affected by our future operating and financial performance, the performance of the industry in which we operate and prevailing economic and capital market conditions, among other factors, many of which are beyond our control. If we do not maintain sufficient working capital to meet future financial needs, we may need to resort to external funding. Our inability to obtain additional external financing on a timely basis and on acceptable terms, or at all, may force us to abandon or delay our development and expansion plans, and our businesses, financial positions and results of operations may be materially and adversely affected.

We may make additional impairment loss on our assets.

During the Track Record Period, we conducted regular impairment assessment on carrying amounts of our property, plant and equipment to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant assets is estimated in order to determine the extent of the impairment loss, if any. In particular, according to our accounting policies, we may only retain an asset when it is capable of generating enough cash to pay for itself and, preferably, produce some profit, failing which, its carrying amount would have to be reduced to reflect the loss of capability to produce cash and profit. Such test involves business judgement of our management, which is subjective in nature and subject to inherent limitations and risks.

If we cannot obtain additional funding on satisfactory terms when needed, our growth prospects and future profitability may be materially and adversely affected.

Our business requires substantial working capital, including payments to suppliers for raw materials, and we may need additional funds to support expansion, investments and ongoing research and development to remain competitive. Our ability to obtain external financing depends on factors beyond our control, including our future financial performance, conditions in the global capital markets, regulatory support for the PV industry, confidence of financial institutions, macroeconomic and political conditions, and our ability to comply with financing covenants. Additional equity financing may dilute existing shareholders, while debt financing may impose restrictive covenants and increase financial risk. There is no assurance that additional funding will be available on commercially acceptable terms or at all. If we fail to secure adequate financing or manage capital needs effectively, our ability to execute our business strategy and achieve our growth objectives could be adversely affected.

Prepayment arrangements with our suppliers for procurement may materially and adversely affect us.

We had prepayments for property, plant and equipment, and land-use right during the Track Record Period. As of December 31, 2023, 2024 and 2025, our prepayment for property, plant and equipment, and land-use right amounted to RMB92.6 million, RMB9.4 million and RMB9.1 million, respectively. An increase in prepayment requirements could strain our liquidity, creating a

mismatch between cash outflows for property, plant and equipment and land-use right and the delayed collection of trade receivables. We may be unable to recover such prepayments in a timely manner, which may materially and adversely affect our business, financial conditions and results of operations.

We are subject to credit risk related to delay in payment and defaults of customers.

We are exposed to credit risk related to delay in payment and defaults of our various customers. As of December 31, 2023, 2024 and 2025, we had trade and bills receivables of RMB1,470.3 million, RMB1,264.2 million and RMB2,087.5 million, respectively. We may not be able to collect all of our trade and bills receivables due to factors beyond our control, such as adverse operating conditions or financial conditions of our customers, and customers' inability to pay due to delays in payment from their own end users. If our customers delay or default on their payments to us, we may need to make impairment provisions and write off the relevant receivables. This would have a negative impact on our liquidity and financial condition. We may make provisions for doubtful debts based on certain assumptions, estimates and assessments about the recoverability of our trade and bills receivables, including the creditworthiness and past collection history of our customers. However, such collectability estimates may prove to be inaccurate or there may be a change in the underlying basis of such assumptions, estimates and assessments. In the event that we are required to make future adjustments or our actual losses exceed our provisions, this could result in a material and adverse effect on our results of operations and financial condition.

Failure to maintain an optimal inventory level may materially and adversely affect our business, financial condition and results of operations.

We are required to maintain an appropriate level of inventories to support our production and sales. As of December 31, 2023, 2024, and 2025, our inventories were RMB276.8 million, RMB1,152.9 million and RMB1,893.6 million, respectively. Our inventory turnover days were 10 days, 47 days and 69 days for 2023, 2024 and 2025, respectively. See "Financial Information — Selected Balance Sheet Items — Net Current Assets/Liabilities — Inventories." Our demand forecasts may not always be accurate. Unexpected declines in market demand may result in excess inventory, while insufficient inventory may cause us to miss sales opportunities. Ineffective inventory management may lead to obsolescence, write-downs or value deterioration.

Our plants and fixed assets may require substantial investment and upgrading due to depreciation or business growth.

Our plants and operations may require substantial investment due to depreciation or business growth, which may increase our cost. If we cannot successfully recover such cost, our profitability may be decreased. Additionally, the timely completion of planned upgrading is subject to factors, including our ability to raise and maintain sufficient funds for such upgrading, our ability to obtain the required licenses and permits from government authorities, and adequate supply and timely delivery of products. If upgrading is not completed in a timely manner, our operations may be restrained, which may further materially and adversely affect our business, financial condition, results of operations and prospects.

Force majeure events, natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may materially and adversely affect our business, financial condition and results of operations.

Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, Covid-19, adverse weather conditions or natural disasters, such as snowstorms, earthquakes, fires or floods, or other events, such as acts of wars, terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in the PRC or elsewhere in the world

could materially disrupt our business and operations. These events could also significantly impact the industry we operate in and cause a temporary closure of the facilities we use for our operations, which would severely disrupt our operations and have a material adverse impact on our business, financial conditions and results of operations.

Share-based incentive awards under our share incentive scheme may result in increased share-based compensation expenses and have a dilutive effect on your Shareholding.

We have adopted equity incentive schemes that grant shares to eligible employees, and we expect to continue granting share-based awards in the future. We recorded share-based compensation expenses of RMB18.6 million, RMB13.1 million and RMB21.5 million in 2023, 2024 and 2025, respectively. Future grants may increase our share-based compensation expenses and cause fluctuations in our results of operations, particularly for performance-based awards. In addition, the exercise of share awards will dilute existing shareholders' interests.

Compliance with environmental, hazardous substance handling, construction and renewable energy regulations is costly, and non-compliance may result in fines, adverse publicity or suspension of operations.

Our production, storage and transportation activities are subject to extensive environmental protection and hazardous substance regulations. We are required to obtain construction permits and environmental approvals before commencing production and must comply with energy conservation and renewable energy regulatory requirements. We commenced certain production activities before completing all required inspections. In particular, our N-type xBC cell production line upgrade project commenced operation prior to obtaining the required energy conservation examination and energy conservation acceptance, which is expected to be obtained by August 2026. See "Business — Legal Proceedings and Compliance — Environmental Impact Assessment and Energy Conservation Assessment." We cannot assure you that we will not be subject to penalties for such non-compliance. In addition, ongoing compliance with environmental and construction regulations is costly and time-consuming and may divert management resources. Any failure to comply with applicable requirements or delays in obtaining approvals could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTIONS WE OPERATE

Any potential changes in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

We derived and continue to derive a growing amount of our revenue through our overseas markets. Given the growth in global market demand for PV cells and the initial success of our global strategy, we have been identifying and seeking suitable opportunities of overseas production capacity expansion to better serve relevant markets. We plan to continuously extend overseas annualized production capacity to better serve our existing and prospective overseas clientele. As a result, we will be subject to laws and regulations applicable to foreign investment and, in particular, laws applicable to wholly foreign-owned enterprises and joint venture companies. The rules and regulations can change. The implementation, interpretation and enforcement of many laws, regulations and rules may change, and may limit legal protections available to us. In addition, any litigation may be protracted and may result in substantial costs and divert our resources and the attention of our management.

We may become party to litigation, other legal and contractual disputes, claims, and administrative proceedings that may materially and adversely affect our business and reputation.

We may be involved in litigation, other legal and contractual disputes, claims, and administrative proceedings related to, among other things, products or other types of liability, labor disputes, overdue payments, contractual disputes or intellectual property disputes that may adversely affect our financial condition. These actions could also expose us to adverse publicity, which might adversely affect our reputation and customer preference for our products. If we become a party in any litigation or other legal proceedings, the outcome could be uncertain and lead to legal expenses and result in settlements or outcomes that adversely affect our results of business, financial conditions and results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions. See "Business — Legal Proceedings and Compliance".

Our business requires various approvals, licenses, permits and certificates, and any failure to obtain, renew or maintain them may materially and adversely affect our operations.

Failure to secure or maintain any required authorization may result in regulatory actions, including orders to suspend operations, corrective measures or capital expenditures, which could materially disrupt our business and adversely affect our financial condition and results of operations. We cannot assure you that renewals will be granted on acceptable terms or at all. If we fail to renew or maintain required approvals, our operations could be restricted or suspended. There is no assurance that we will be able to obtain additional authorizations as required by regulatory developments in a timely manner or at reasonable cost, which could increase our compliance burden and adversely affect profitability.

Any failure to make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to participate in various employee benefit plans, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund and contribute to the amounts equal to certain percentage of salaries of their employees up to a maximum amount specified by the local government at locations where they operate. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. After consulting with our PRC Legal Advisor, we believe we were in compliance with applicable laws and regulations related to social insurance and housing provident funds in all material aspects during the Track Record Period based on the confirmation from the relevant competent authorities. We cannot assure you that new laws and regulations or changes in the implementation of existing laws and regulations will not require us to pay contribution shortfall retroactively, thereby adversely affecting our results of operations.

We may face risks relating to labor relations, labor disputes, labor shortages, increases in labor costs and labor law compliance.

The production and sale of PV products are labor-intensive and our success depends on our ability to recruit, retain and motivate employees. Any deterioration in labor relations or labor disputes, liability claims, regulatory investigations or negative publicity arising from workplace safety incidents or occupational hazards involving our employees or third parties. Such events could damage our reputation and employee relations and interrupt production. In addition, rising wage levels, labor shortages and demographic trends may increase our labor costs. We may need to raise compensation to attract skilled personnel, and sustained labor cost inflation could adversely affect our profitability and financial condition.

We may face penalties for the non-registration of our lease agreements in China.

As of the Latest Practicable Date, we had not completed lease registration of our leased properties across China, with an aggregate GFA of approximately 205,570 sq.m., which were mainly as our offices and employee dormitories. According to the relevant PRC laws and regulations, relevant government authorities may order the lessor and us to register the relevant lease agreements within a prescribed period, and the lessor or us may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease. As advised by our PRC Legal Advisor, the lack of registration of the lease agreements does not affect the validity of such lease agreements. In addition, as of the Latest Practicable Date, certain building ownership certificates of the aforementioned properties were still in the process of application preparation and thus had not been obtained. As such, if our legal rights to the concerned properties are successfully challenged, we may be exposed to material adverse effects on our business, financial condition and results of operations. See "Business — Properties — Leased Properties."

We have not obtained the relevant real estate ownership certificates or proof of authorizations for certain of our leased properties, which may materially and adversely affect our use of such properties.

As of the Latest Practicable Date, we had not obtained complete ownership certificates or authorization documents for certain leased properties in China. If the relevant lessors lack proper rights to lease the properties or if we fail to formalize the lease arrangements, our leases may be challenged and we may be required to vacate and relocate. We cannot assure you that suitable replacement properties would be available in a timely manner or on commercially acceptable terms. Any relocation or operational disruption could materially and adversely affect our business, financial condition and results of operations. See "Business — Properties — Leased Properties".

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

We are a company incorporated in the PRC with a majority of our assets located within Chinese Mainland. Most of our Directors and senior management members reside in China and the majority of their assets are within China. Judgments of courts of another jurisdiction may be reciprocally recognized or enforced if the jurisdiction has a treaty on that with China. On July 14, 2006, Hong Kong and Chinese Mainland entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "2006 Arrangement"), pursuant to which reciprocal recognition and enforcement of the judgment may be possible between these two jurisdictions provided that the judgment is rendered by a final court of these two jurisdictions and the parties have an expressly written choice of court. On January 18, 2019, the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "2019 Arrangement") was signed between the Supreme People's Court of China and Hong Kong, and such arrangement came into effect on January 29, 2024. Compared with the 2006 Arrangement, the 2019 Arrangement seeks to establish a bilateral legal mechanism with greater clarity and certainty for reciprocal recognition and enforcement of judgments between Hong Kong and the PRC in civil and commercial matters under both Hong Kong and PRC laws. The 2019 Arrangement applies to judgments made by the courts of Hong Kong and the PRC on or after its commencement date. The 2006 Arrangement was superseded upon the effective date of the 2019 Arrangement. However, the 2006 Arrangement will remain applicable to a "choice of court agreement in writing" as defined in the 2006 Arrangement which is entered into before the 2019 Arrangement takes effect. As a result, it may be complex for investors to effect service of process outside of Chinese Mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside Chinese Mainland.

RISKS RELATED TO THE [REDACTED]

Any gains on the sales of H Shares and dividends on the H Shares may be subject to Chinese Mainland income taxes.

Under the EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese Mainland and a non-Chinese Mainland investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese Mainland sources payable to investors that are non-Chinese Mainland resident enterprises, which do not have an establishment or place of business in Chinese Mainland, or which have an establishment or place of business in Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese mainland income tax rate if such gains are regarded as income from sources within Chinese mainland unless a treaty or similar arrangement provides otherwise.

Under the IIT Law and its implementation rules, dividends from sources within Chinese mainland paid to foreign individual investors who are not Chinese mainland residents are generally subject to a Chinese mainland withholding tax at a rate of 20% and gains from Chinese mainland sources realized by such investors on the transfer of shares are generally subject to a 20% Chinese mainland income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in Chinese mainland. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國税函[2011]348號) dated June 28, 2011, issued by the STA, dividends paid to non-Chinese mainland resident individual holders of H Shares are generally subject to individual income tax of Chinese mainland at the withholding tax rate of 10%, in which the non-Chinese mainland resident individual holder of H Shares resides as well as the tax arrangement between Chinese mainland and Hong Kong. Non-Chinese mainland resident individual holders who reside in jurisdictions that have not entered into tax treaties with Chinese mainland are subject to a 20% withholding tax on dividends received from us. 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税的通知》) issued by the MOF of Chinese mainland 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. In addition, on December 31, 2009, the MOF, the STA and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-Chinese mainland resident individuals on the sale of shares of Chinese mainland resident enterprises listed on overseas stock exchanges. If Chinese mainland income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-Chinese mainland resident investors, the value of your [**REDACTED**] in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with Chinese mainland may not qualify for benefits under such tax treaties or arrangements.

An active [REDACTED] for our H Shares may not develop or be sustained.

Prior to the [**REDACTED**], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and [**REDACTED**] will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is expected to be fixed by agreement between the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]) and us, and may not be an indication of the [**REDACTED**] of our H Shares following the completion of the [**REDACTED**]. If an active public market for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares may be materially and adversely affected.

Our Controlling Shareholders have significant influence over us, and his interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders will continue to exercise significant influence over our Group after the [**REDACTED**]. This concentration of ownership enables them to control key corporate matters, including the election of Directors, business strategies, major transactions and other significant decisions. Such concentration may discourage, delay or prevent a change in control of our Group, deprive other shareholders of the opportunity to receive a control premium, or adversely affect the [**REDACTED**] of our Shares. In addition, the interests of our Controlling Shareholders may differ from those of our other shareholders, and they may make decisions that are not aligned with the interests of minority shareholders.

Certain facts, forecasts and statistics contained in this document are derived from various official sources and may not be accurate, reliable, complete or up to date.

Certain facts, forecast and other statistics in this document are derived from various government and official resources. We believe that the sources of the said information from official government sources are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information from official government resources is false or misleading or that any fact has been omitted that would render such information false or misleading. The reproduction of such information has not been prepared or independently verified by us, the Joint Sponsors, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of their respective directors, officers, affiliates, advisors or representatives, or any other party (other than Frost & Sullivan) involved in the [**REDACTED**], and no representation is given as to its accuracy. Further, we cannot assure our investors that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, our investors should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

Future sales or perceived sales of substantial amounts of our H Shares in the [REDACTED] could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.

The [**REDACTED**] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or share-linked securities [**REDACTED**] by us may also confer rights and privileges that take priority over those conferred by the H Shares.

We cannot assure you when, whether and in what form or amount we will pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. We cannot guarantee when and in what form dividends will be paid on our Shares following the [**REDACTED**]. Any future determination to pay dividends will be at the discretion of us and may be based on several factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, and other factors deemed relevant by us. 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. See "Financial Information — Dividends and Dividend Policy."

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

The [**REDACTED**] for our Shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Shares, the [**REDACTED**] of our Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock [**REDACTED**] or [**REDACTED**] to decline.

You should read the entire document carefully and should not rely on any information contained in press articles or other media relating to us, our H Shares or the [REDACTED].

There has been, and may continue to be, press and media coverage relating to us and the [**REDACTED**] that was not authorized by us. We do not accept responsibility for the accuracy or completeness of such information and make no representation regarding any projections or forward-looking statements contained therein. Prospective [**REDACTED**] should rely solely on the information contained in this document when making an investment decision and should not rely on any other sources.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses to you.

The [**REDACTED**] of our H Shares may be volatile due to factors beyond our control, including general market conditions in Hong Kong and globally. Securities markets have experienced significant fluctuations that are unrelated to the operating performance of individual companies. Our share [**REDACTED**] may also be affected by industry developments, the performance of comparable companies, and company-specific factors such as fluctuations in our results of operations, regulatory changes, key personnel movements and competitive actions. As a result, the [**REDACTED**] of our H Shares may change significantly even without corresponding changes in our performance.

In preparation for the [**REDACTED**], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rules 8.12 and 19A.15 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.

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], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will put in place the following measures in order to ensure that regular communication is maintained between the Stock Exchange and our Company:

(a) we have appointed two authorized representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our principal channel of communication with the Stock Exchange. The two authorized representatives are Mr. Shi Yansong ("**Mr. Shi**"), our Director, deputy general manager, head of finance, secretary to our Board and one of our joint company secretaries, and Ms. Yu Anne ("**Ms. Yu**"), one of our joint company secretaries. Mr. Shi confirms that he possesses valid travel documents and can readily travel to Hong Kong, whilst Ms. Yu is ordinarily resident in Hong Kong. Each of the authorized representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and email. Each of the authorized representatives is authorized to communicate on behalf of our Company with the Stock Exchange;

(b) the authorized representatives have the means to contact our Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matter;

(c) all of our Directors have confirmed that they possess, can apply for or renew valid travel documents to visit Hong Kong, and would be able to meet with the Stock Exchange upon reasonable notice and within a reasonable period. Each of our Directors will be readily contactable by telephone and email, and is authorized to communicate on behalf of our Company with the Stock Exchange;

(d) each of our Directors has provided his/her respective contact details, including mobile phone numbers, email addresses and addresses, to the Stock Exchange and the authorized representatives. In the event that any Director expects to travel or otherwise be out of office, he/she will provide the contact details and his/her place of accommodation to the authorized representatives;

(e) our Company has appointed Somerley Capital Limited as compliance advisor, pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to the authorized representatives, our Directors and other senior management of our Company and will act as an additional channel of communication with the Stock Exchange for the period commencing on the date of the [**REDACTED**] of our H Shares on the Main Board and ending on the date when our Company distributes its annual report for the first full financial year in accordance with Rule 13.46 of the Listing Rules; and

(f) meetings between the Stock Exchange and our Directors can be arranged through the authorized representatives or the compliance advisor of our Company or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly in respect of any change in its authorized representatives and/or compliance advisor.

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, we must appoint a company secretary who satisfies Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, our company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

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 or 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 Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirements under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Pursuant to paragraph 13 of 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.

Further, pursuant to paragraph 13 of 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 Mr. Shi Yansong ("**Mr. Shi**"), our Director, deputy general manager, head of finance and secretary to our Board, as one of our joint company secretaries. Although our Company believes, in regard to Mr. Shi's past experience in handling corporate matters, that he has a thorough understanding of our Company and our Board, Mr. Shi does not possess the requisite qualifications required by Rule 3.28 of the Listing Rules. Therefore, our Company has appointed Ms. Yu, who possesses such qualification, to be a joint company secretary to assist Mr. Shi in the compliance matters for the [**REDACTED**] as well as other Hong Kong regulatory requirements for a period of three years commencing from the [**REDACTED**]. For the biographies of our joint company secretaries, see "Directors and Senior Management — Joint Company Secretaries" in this document. Over such three-year period, we will implement measures to assist Mr. Shi to satisfy the requisite qualifications as prescribed in Rule 3.28 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.17 and 3.28 of the Listing Rules in relation to Mr. Shi's appointment as a joint company secretary pursuant to Chapter 3.10 of the Guide for New Listing Applicants on the following conditions:

(a) Mr. Shi must be assisted by Ms.Yu, who possesses the qualifications and experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the validity period of the waiver; and

(b) the waiver is valid for a period of three years from the [**REDACTED**] and will be revoked immediately if and when Ms. Yu ceases to provide such assistance or if there are material breaches of the Listing Rules by our Company.

It is anticipated that Mr. Shi will gain experience with the assistance of Ms. Yu. Before the end of the initial three-year period, we will evaluate the then experience of Mr. Shi in order to determine whether the requirements as stipulated in Rules 3.28 and 8.17 of the Listing Rules can be satisfied at that time and on-going assistance would be needed. We would then endeavor to demonstrate to the satisfaction of the Stock Exchange that Mr. Shi, having had the benefit of Ms. Yu's assistance for three years, would then have acquired the "relevant experience" within the meaning of Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with the transactions after the [**REDACTED**], which will constitute partially exempt and non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. We have applied for, and the Stock Exchange [has granted] us, a waiver from strict compliance with Chapter 14A of the Listing Rules in respect of the transactions. See "Connected Transaction" in this document.

[**REDACTED**]

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Zhang Fayu (張發玉)	No. 415, Lane 1168, Xiuyan Road Pudong New District Shanghai PRC	Chinese
Ms. Zhang Min (張敏)	No. 419, Lane 1258, Xiuyan Road Pudong New District Shanghai PRC	Chinese
Mr. Zhang Jie (張傑)	No. 415, Lane 1168, Xiuyan Road Pudong New District Shanghai PRC	Chinese
Mr. Shi Yansong (施豔松)	29-1, Kunlun Jiafu, Jingchang Road, Wen'er West Road Yuhang District Hangzhou Zhejiang Province PRC	Chinese
Non-executive Directors		
Mr. Wu Qingbao (吳慶保)	No. 419, Lane 1258, Xiuyan Road Pudong New District Shanghai PRC	Chinese
Mr. Bu Xiong (補雄)	Building 23, Phase I, Baisha Emerald City Lingang District Yibin Sichuan Province PRC	Chinese
Independent Non-executive Directors		
Mr. Li Liangchen (李良琛)	13-1-1003, Xinhu Yuan, Dongxin Yuan Gongshu District Hangzhou Zhejiang Province PRC	Chinese
Ms. Tang Shuo (唐朔)	Room 602 No. 231, Lane 99 Wanding Road Minhang District Shanghai PRC	Chinese
Dr. Xu Linwen (徐琳雯)	Flat E 22/F Shining Heights 83 Sycamore Street Tai Kok Tsui Kowloon Hong Kong	Chinese

For details with respect to our Directors, see "Directors and Senior Management" in this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors, [REDACTED]

China Securities (International) Corporate Finance Company Limited
18/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

[REDACTED]

Legal Advisors to our Company

As to Hong Kong law and United States law

Paul Hastings (Hong Kong) LLP
22/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

As to PRC law

Grandall Law Firm (Nanjing)
5/7/8/F, Block B No. 309
Hanzhongmen Street
Nanjing
P.R. China

Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong law* **Jun He Law Offices** 7/F, AIA Central 1 Connaught Road Central Central Hong Kong *As to PRC law* **Commerce & Finance Law Offices** 12-15th Floor, China World Office 2 No. 1 Jianguomenwai Avenue Beijing PRC
Auditor and Reporting Accountant	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor* 27/F, One Taikoo Place 979 King's Road Quarry Bay Hong Kong
Industry Consultant	**Frost & Sullivan** 2504 Wheelock Square 1717 Nanjing West Road Shanghai China

[**REDACTED**]

CORPORATE INFORMATION

Registered Office	Building 72 (No. 17, 3rd Floor), Jinrun Industrial Park Gaoxin Community, Gaochang Town Xuzhou District Yibin City Sichuan Province PRC
Headquarters and Principal Place of Business in the PRC	No. 168, Gaoxin Village Xuzhou District Yibin City Sichuan Province PRC
Principal Place of Business in Hong Kong	40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Company's Website	**www.yingfa.com** *(The information on the website does not form part of this document)*
Joint Company Secretaries	**Mr. Shi Yansong (施豔松)** No. 168, Gaoxin Village Xuzhou District Yibin City Sichuan Province PRC **Ms. Yu Anne (余安妮)** *Associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute* 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong
Authorized Representatives	**Mr. Shi Yansong (施豔松)** No. 168, Gaoxin Village Xuzhou District Yibin City Sichuan Province PRC **Ms. Yu Anne (余安妮)** 40/F, Dah Sing Financial Centre 248 Queen's Road East Wanchai Hong Kong

Audit Committee	Ms. Tang Shuo (唐朔) *(Chairperson)* Mr. Wu Qingbao (吳慶保) Dr. Xu Linwen (徐琳雯)
Remuneration and Appraisal Committee	Dr. Xu Linwen (徐琳雯) *(Chairperson)* Mr. Zhang Jie (張傑) Ms. Tang Shuo (唐朔)
Nomination Committee	Mr. Li Liangchen (李良琛) *(Chairperson)* Ms. Zhang Min (張敏) Dr. Xu Linwen (徐琳雯)
Strategy Committee	Mr. Zhang Fayu (張發玉) *(Chairperson)* Ms. Zhang Min (張敏) Mr. Li Liangchen (李良琛)
ESG Committee	Ms. Zhang Min (張敏) *(Chairperson)* Mr. Shi Yansong (施豔松) Mr. Wu Qingbao (吳慶保)

[**REDACTED**]

Compliance Advisor	**Somerley Capital Limited** 20th Floor, China Building 29 Queen's Road Central Hong Kong
Principal Banks	**Industrial Bank, Yibin Branch** No. 14-24, B2 Floor and No. 3-6, B1 Floor Building 10, No. 18, Sanjiang Road Xuzhou District Yibin City Sichuan Province PRC **Yibin City Commercial Bank, Cuiping Sub-branch** No. 18, Xinye Street Cuiping District Yibin City Sichuan Province PRC

The information and statistics presented in this section and other sections of this document, unless otherwise indicated, were extracted from different official government publications and other publications, and from the industry report prepared by Frost & Sullivan, an independent market research and consulting company that was commissioned by us, in connection with this [**REDACTED**]. *The information from official government sources has not been independently verified by us, the Sponsors, the* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, the Joint* [**REDACTED**]*, the* [**REDACTED**]*, the* [**REDACTED**]*, any of their respective directors and advisers, or any other persons or parties involved in the* [**REDACTED**]*, and no representation is given as to its accuracy.*

SOURCES OF INFORMATION

We engaged Frost & Sullivan, an independent market research consultant, to conduct an analysis of, and to prepare a report on the global, China, and U.S.'s PV cell industry for use in this document, which was commissioned by us for a fee of RMB600,000. In compiling and preparing the Frost & Sullivan Report, Frost & Sullivan adopted the following assumptions: (i) the social, economic and political conditions globally currently discussed will remain stable during the forecast period, (ii) global policy, as well as that of the Chinese and U.S. government, on the photovoltaic cell industry, will remain consistent during the forecast period, (iii) global, China, and U.S.'s PV cell industry will be driven by the factors that are stated in the report in the forecast period. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independently without any influence from us or other interested parties.

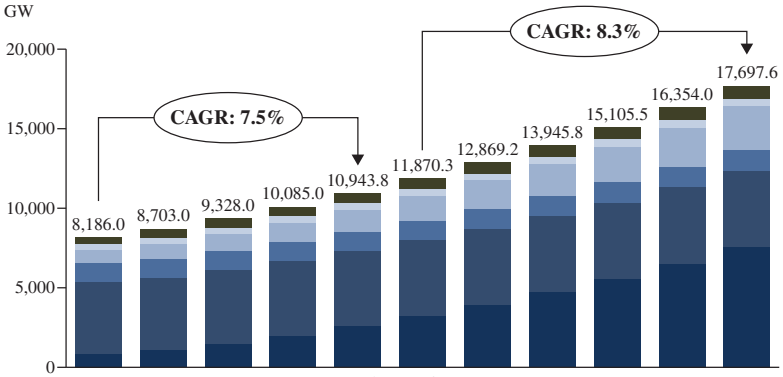
ANALYSIS OF GLOBAL POWER GENERATION INDUSTRY

Market Size of Global Power Generation Industry

Rising economic activity, population growth, and rapid expansion of energy-intensive sectors including AI and EVs are driving unprecedented growth in global electricity consumption, with global cumulative installed power capacity increased from 8,186.0 GW in 2021 to 10,943.8 GW in 2025, reflecting a CAGR of 7.5% during the period. This surge is transforming power infrastructure needs worldwide, with global cumulative installed power capacity projected to further increase to 17,697.6 GW in 2031, with a CAGR of 8.3% from 2026 to 2031.

Solar energy has emerged as a core sector of the clean energy transition, achieving grid parity and outpacing other renewables in growth. Supported by technological advances and strong policy frameworks, solar capacity is scaling rapidly to decarbonize power systems while meeting rising electricity demands sustainably. The cumulative installed capacity of solar power in the globe increased from 855.2 GW in 2021 to 2,561.9 GW in 2025, reflecting a CAGR of 31.6% during the period, and is expected to reach 7,548.5 GW in 2031, with a CAGR of 18.6% from 2026 to 2031. PV power generation is the most technologically mature and widely applied form of solar power generation.

Cumulative Installed Power Capacity (by power source), Global, 2021-2031E



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	CAGR 21-25	CAGR 26E-31E
Solar Power	855.2	1,046.6	1,466.6	1,976.8	2,561.9	3,211.0	3,924.2	4,705.6	5,538.9	6,484.8	7,548.5	31.6%	18.6%
Fossil Fuel Power	4,480.0	4,535.0	4,624.5	4,680.5	4,724.4	4,751.3	4,768.3	4,779.5	4,798.8	4,808.1	4,796.0	1.3%	0.2%
Hydropower	1,195.0	1,222.0	1,229.0	1,235.3	1,243.4	1,250.1	1,255.8	1,260.9	1,267.7	1,271.4	1,287.4	1.0%	0.6%
Wind Power	824.2	898.8	1,015.8	1,167.9	1,353.1	1,556.2	1,775.3	2,007.6	2,255.5	2,506.8	2,765.8	13.2%	12.2%
Nuclear Power	413.0	417.0	421.0	425.1	430.1	434.8	439.4	444.0	449.4	453.8	455.7	1.0%	0.9%
Others	418.7	583.6	571.1	599.4	630.9	666.9	706.2	748.2	795.3	829.1	844.2	10.8%	4.8%

Source: International Energy Agency (IEA), Frost & Sullivan
Note: Hydropower excludes pumped storage. Others primarily include geothermal power, biomass, hydrogen power, etc.

Market Size of China's Power Generation Industry

China's power sector is experiencing robust expansion to meet surging demand arising from industrialization, urbanization and digital transformation. The nation's rapid economic development continues to drive increasing electricity needs across many sectors of the economy, China's cumulative installed power capacity increased from 2,376.9 GW in 2021 to 3,891.3 GW in 2025, reflecting a CAGR of 13.1% during the period, and is expected to further increase to 7,134.6 GW in 2031, with a CAGR of 10.1% from 2026 to 2031.

With world-leading manufacturing capacity and strong policy support, solar power is becoming increasingly central to China's strategy for sustainable development and energy security. From 2020 to 2024, the installed capacity of solar power in China increased from 306.6 GW in 2021 to 1,201.7 GW in 2025, reflecting a CAGR of 40.7%, and is expected to reach 3,609.3 GW in 2031, with a CAGR of 18.6% from 2026 to 2031.

ANALYSIS OF PV CELL INDUSTRY

Classification of PV Cells

Currently, monocrystalline cells dominate the PV cells market due to their higher conversion efficiency. The industry has experienced the transition from P-type to N-type and the gradual exit of polycrystalline cells from the market which was caused by their relatively lower conversion efficiency. According to different dopant elements employed, PV cells can be classified into N-type and P-type, with N-type including N-type TOPCon cells, N-type xBC cells, and N-type HJT cells, and P-type represented by P-type PERC cells. N-type PV cells are built with a phosphorus-doped silicon base, while P-type PV cells use a boron-doped silicon base, resulting in different electrical properties and performance characteristics.

PV cells are the core components of solar power generation, and their performance determines the power generation capacity of PV modules. The current average mass production acceptance conversion efficiency of P-type PERC cells is 23.5%, which is approaching its theoretical efficiency limit, with limited room for future improvement. Higher conversion efficiency leads to higher electricity generation under the same conditions, thereby enhancing the return on investment. Due to their higher conversion efficiency, N-type cells are often preferred over P-type cells for new installations from an economic perspective. The market is gradually shifting toward N-type technology.

Comparison between Different Types of PV Cells

Type	P-type	N-type		
	PERC	TOPCon	N-type xBC	HJT
Theoretical Conversion Efficiency	24.5%	28.7%	29.1%	28.5%
Mass Production Test Conversion Efficiency(1)	23.5%	26.7%	27.0%	26.0%
Mass Production Acceptance Conversion Efficiency(2)	23.5%	25.5%	26.1%	25.7%
Temperature Rise Coefficient(3)	-0.39 to -0.36%/°C	-0.39 to -0.28%/°C	-0.30 to -0.20%/°C	-0.32 to -0.20%/°C
Life Span	Around 25 to 30 years	Around 25 to 30 years	Around 30 years	More than 30 years
Equipment Investment	Low	Slightly high	High	High
BOM (Bill of Materials) Cost	Low	Slightly high	High	High
Commercialization Level	Mature	Large-scale mass production	Initial mass production	Initial mass production

Source: China Photovoltaic Industry Association (CPIA), Frost & Sullivan

Notes:

(1) Mass production test conversion efficiency refers to the mass production conversion efficiency of PV cells tested on the production line.

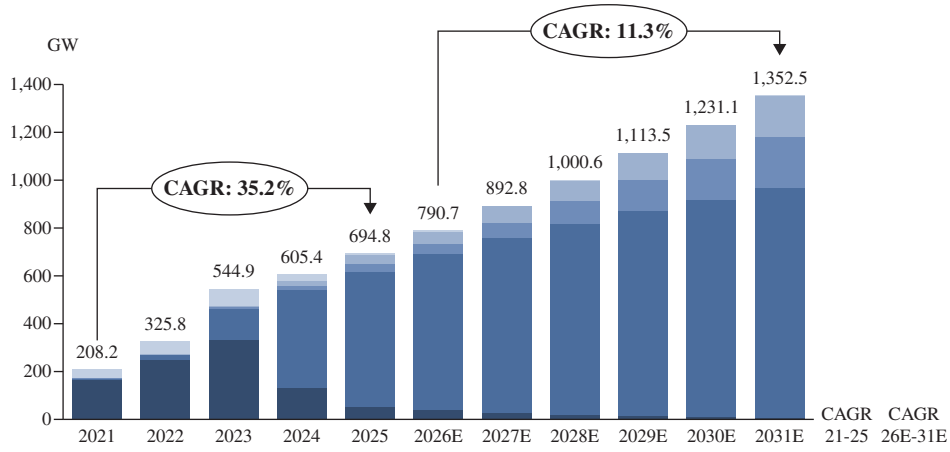
(2) Mass production acceptance conversion efficiency refers to the mass production conversion efficiency of PV cells passing factory quality inspection and entering inventory.

(3) Temperature rise coefficient refers to the percentage decrease in PV output per degree Celsius increase in temperature.

Market Size of PV Cell Market

The global PV cell shipment volume has experienced rapid growth, driven by increasing demand for electricity from data center, AI and EV sectors and technological advancements. Global PV cell shipment volume grew from 208.2 GW in 2021 to 694.8 GW in 2025, and is expected to reach 1,352.5 GW in 2031, with a CAGR of 11.3% from 2026-2031. Before 2024, P-type PERC cells held a significant share of the PV cell market due to their mature technology and lower production costs. However, as the efficiency of P-type PERC cells approaches its theoretical limit, the need for other types of PV cells with better performance and lower costs has grown. Compared with P-type cells, N-type cells offer multiple advantages, including higher efficiency and better temperature coefficient. This has led to the technology transition in the industry from P-type cells to N-type cells, including TOPCon, xBC and HJT cells. Therefore, the global shipment volume of N-type TOPCon cells is expected to reach 961.0 GW in 2031, with a CAGR of 8.1% from 2026 to 2031.

PV Cell Shipment Volume (by type), Global, 2021-2031E

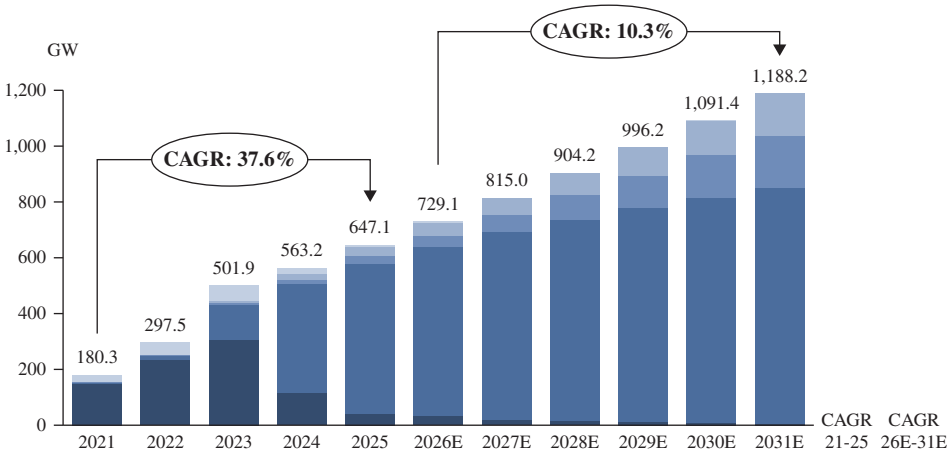


	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	CAGR 21-25	CAGR 26E-31E
PERC	164.0	248.3	331.4	129.5	49.6	40.3	24.5	19.1	14.6	8.9	5.2	-25.8%	-33.5%
TOPCon	4.8	18.6	126.6	410.8	566.7	650.7	732.3	794.4	853.2	909.1	961.0	229.6%	8.1%
xBC	0.3	2.2	10.4	16.1	31.7	42.5	64.9	96.9	131.1	170.7	213.9	231.0%	38.2%
HJT	0.1	0.7	5.8	22.9	37.3	50.1	67.0	87.3	112.5	141.4	171.9	307.1%	27.9%
Others	39.0	56.0	70.7	26.1	9.4	7.2	4.1	2.9	2.1	1.0	0.6	-29.9%	-38.9%

Source: CPIA, EIA, Frost & Sullivan

In China, driven by the increasing demand for electricity, the improvement in the cost-performance ratio of PV power generation, and technological advancements, the PV cell shipment volume has surged in recent years, growing from 180.3 GW in 2021 to 647.1 GW in 2025, and is expected to reach 1,188.2 GW in 2031, with a CAGR of 10.3% from 2026 to 2031. As Chinese PV companies continuously advance the production of N-type cells including N-type TOPCon and xBC cells, N-type cells have seen remarkable growth in China, firmly positioning the country at the forefront of next-generation solar technology advancements. The shipment volume of N-type TOPCon cells is expected to reach 844.2 GW in 2031, with a CAGR of 6.8%% from 2026 to 2031.

PV Cell Shipment Volume (by type), China, 2021-2031E



	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	CAGR 21-25	CAGR 26E-31E
PERC	146.9	230.9	305.8	113.7	39.8	31.4	17.7	13.9	11.5	8.4	4.6	-27.9%	-31.9%
TOPCon	4.8	17.8	122.7	390.8	536.0	607.2	674.4	722.1	765.3	805.3	844.2	225.1%	6.8%
xBC	0.0	1.7	9.0	14.3	28.9	38.6	58.8	87.2	117.1	151.6	187.9	437.5%	37.2%
HJT	0.1	0.7	5.7	21.8	35.2	46.7	61.5	79.1	100.8	125.3	151.0	301.3%	26.5%
Others	28.4	46.4	58.7	22.6	7.1	5.2	2.5	1.8	1.5	0.8	0.5	-29.2%	-36.5%

Source: CPIA, Frost & Sullivan

The PV cell shipment volume in all countries excluding China grew from 27.9 GW in 2021 to 47.7 GW in 2025, and is expected to reach 164.4 GW by 2031, representing a CAGR of 21.7% from 2026 to 2031. The PV cell industry has shown relatively rapid development in the U.S., Southeast Asia, and Europe.

The increasing demand for electricity in the U.S., driven by the rapid development of emerging industries such as AI and data centers, has significantly propelled progress in power generation sectors, especially in the solar power sector, thereby driving growth in the PV cell industry. PV cell shipment volume in the U.S. grew from 0.2 GW in 2021 to 2.4 GW in 2025, and is expected to reach 60.9 GW in 2031, with a CAGR of 71.6% from 2025 to 2031. In 2025, the shipment of PV cell in the U.S. satisfied less than 5% of the total PV cell demand, and over 95% of the demand are satisfied by imported PV cells.

In India, the rising electricity demand across various industries has also driven growth in power generation sectors, especially the solar power sector, thereby advancing the PV cell industry. India's PV cell shipment volume grew from 1.3 GW in 2021 to 6.1 GW in 2025, and is expected to reach 40.1 GW in 2031, with a CAGR of 36.8%% from 2025 to 2031. In 2025, the shipment of PV cells in India satisfied approximately 15% of the total PV cell demand, and the remaining demand are satisfied by imported PV cells.

Vietnam' PV cell industry is in the early stage of development. Advancements in technology and infrastructure are expected to enhance efficiency, positioning Vietnam as an emerging player in the global PV manufacturing sector. Vietnam's PV cell shipment volume grew from 4.6 GW in 2021 to 11.6 GW in 2025, and is expected to reach 33.8 GW in 2031, with a CAGR of 19.5%% from 2025 to 2031.

Market Drivers of PV Cell Market

- ***Sustained Growth in Electricity Demand.*** The PV cell industry is significantly driven by the energy demands from electricity-intensive industries, including AI, data centers, electric vehicles, manufacturing, etc. As these industries seek to reduce costs and meet sustainability goals, they are major consumers of renewable energy, directly accelerating the deployment of PV cells. For instance, global AI market is expected to grow from RMB5,880.8 billion in 2025 to RMB43,450.7 billion in 2031, with a CAGR of 39.6% from 2025 to 2031. Recently, the market has been continuously introducing transformative large AI models, and the explosive growth of AI applications has driven the increased demand for computing power and energy. And the global sales volume of EVs is expected to grow from 22.2 million units in 2025 to 62.1 million units in 2031, reflecting a CAGR of 18.7% from 2025 to 2031.

- ***Advantages Compared with Other Energy Sources.*** Compared to wind and hydropower, solar power offers faster deployment, and wider geographic applicability, making it well-suited for both centralized and distributed energy systems. Meanwhile, compared to conventional energy sources, solar power provides benefits such as lower carbon emissions and long-term sustainability. CO_2 emissions from solar power systems are estimated to be around 90% lower per kWh than those from coal-fired power generation. From 2022 to 2025, the average cost of solar power generation declined from USD0.049 to USD0.035 per kWh. In 2025, solar power was also more cost-efficient than coal-based generation. Looking ahead, continued cost reductions are expected to further strengthen the economic competitiveness of solar power. As a result, the global cumulative installed capacity of solar power continues to rise, and is expected to increase from 2,516.9 GW in 2025 to 7,548.5 GW in 2031, with a CAGR of 19.7%. It further drives the development of PV cells.

Development Trends of PV Cell Market

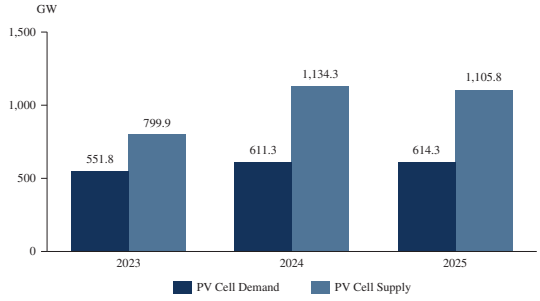
- ***Development of Perovskite Tandem PV Cells.*** Perovskite tandem solar cells continue to advance as a significant development trend in the PV cell market. These cells combine perovskite materials with traditional silicon-based technologies to achieve higher conversion efficiencies and improved performance. Ongoing research and innovation focus on enhancing stability, scalability, and cost-effectiveness, aiming to overcome existing challenges and facilitate commercial adoption. As a result, although the emergence of perovskite tandem cells is not expected to pose a substitution risk to N-type TOPCon cells in the following 1 to 3 years, they are increasingly recognized for their potential to drive the next generation of high-efficiency PV solutions, and are expected to gain a rapidly increasing share of the overall PV cell market after 2029.

- ***Advancement of Edge Passivation and Poly-finger Metallization Technologies.*** Edge passivation refers to the chemical or physical treatment of the exposed edge areas of silicon wafers after they are cut or etched, aiming to reduce surface defects and thereby enhance the photoelectric conversion efficiency and overall performance of the solar cell. And poly-finger metallization technology is a key process technology applied in high-efficiency crystalline silicon solar cells, which involves creating precise finger-like patterned structures on the polysilicon layer of the cell, aiming to simultaneously optimize the electrical contact performance and optical performance, thereby enhancing the overall conversion efficiency of the cell. Edge passivation and poly-finger metallization are becoming important pathways for improving PV cell efficiency and cost performance. These technologies enhance carrier management by lowering recombination losses, improving surface passivation quality, and strengthening interface stability, and reduce resistive losses, and their adoption is gradually increasing across the industry. As production capability improves, upgraded products are expected to gain a larger market share in high-efficiency segments. Price levels may remain stable to slightly declining due to scale effects. Major domestic enterprises are currently transitioning from laboratory development to industrial-scale application, with equipment being shipped for on-site customer validation.

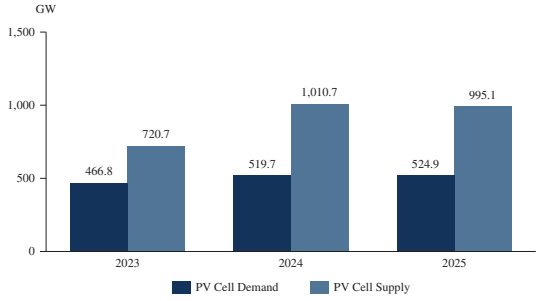
Supply and Demand Analysis of PV Cell Industry

Since 2022, the global PV industry has attracted substantial investment due to high profitability, while the transition from P-type to N-type cells has further driven demand for new capacity, resulting in large-scale expansion from the fourth quarter of 2023. Global PV cell supply rose from 799.9 GW in 2023 to 1,105.8 GW in 2025, but demand growth lagged, creating oversupply, with the supply-demand surplus widening from 248.1 GW to 491.5 GW. This intensified competition and triggered price wars, leading to a decline in PV market prices. In China, the surplus also expanded from 253.9 GW to 490.9 GW in 2024. At present, both global and Chinese markets are undergoing capacity clearance and consolidation. Consequently, the surplus has been fall to 491.5 GW globally and 470.2 GW in China in 2025. In the U.S., the local supply-demand scarcity was 42.7 GW in 2024, as local demand reached 49.9 GW while local supply was only 7.2 GW. The supply-demand dynamics in the U.S. PV cell market is expected to remain the same in the forecast period. Furthermore, in India's PV cell market, domestic production capacity lags behind the fast-growing demand, driven by module manufacturing expansion and accelerating solar installation projects. This situation is expected to persist in the forecast period.

PV Cell Supply and Demand, Global, 2023-2025



PV Cell Supply and Demand, China, 2023-2025



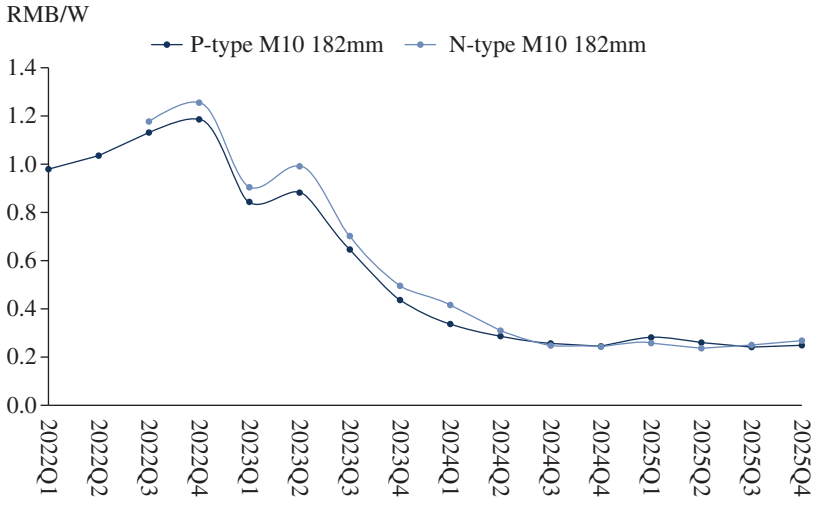
Source: Frost & Sullivan

Price Analysis of PV Cells

The decline in PV cell prices from the fourth quarter of 2022 to the fourth quarter of 2024 is driven by three primary factors including decreasing silicon wafer prices, industry overcapacity, and reduced non-silicon costs. First, the average selling price of silicon wafers used in N-type 182mm cells in the global market decreased rapidly from 3.2 RMB/PCS in 2023 to 1.0 RMB/PCS in 2025. The decline in wafer costs is primarily driven by the decrease in silicon material prices. As silicon wafers are the main raw materials of PV cells, the decrease in their prices also led to the decline in the prices of PV cells. Second, the global PV cell industry has experienced rapid capacity expansion since the fourth quarter of 2023, resulting in a supply-demand surplus that increased from 248.1GW in 2023 to 491.5GW in 2025, ultimately triggering price competition. Third, the optimization of screen pattern reduces paste consumption, and the intelligent production and management systems decrease labor requirements per production line, collectively reducing non-silicon costs in the industry. These combined factors have reduced the global average selling price of N-type 182mm cells from 1.26 RMB/W in the fourth quarter of 2022 to 0.27 RMB/W in the fourth quarter of 2025. Furthermore, in the U.S. market, in 2025, the price of N-type 182mm cells was approximately 0.98 RMB/W, while in India it was approximately 0.32 RMB/W.

The supply-demand surplus in the PV industry has been decline from 523.0 GW in 2024 to 491.5 GW in 2025 globally, and from 490.9 GW to 470.2 GW in China in the same period. The ongoing process of capacity clearance and consolidation is anticipated to contribute to a more balanced market environment, with PV cell pricing expected to stabilize after 2024.

Average Selling Price of PV Cells (M10, 182mm)*, Global, 2022-2025

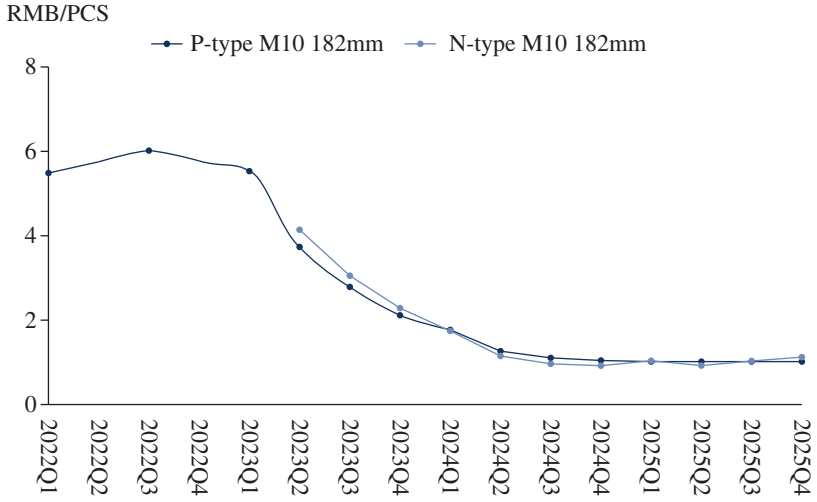


Source: Frost & Sullivan
**Note: 182mm is a standard production line specification in the PV industry.*

Raw Materials Analysis of PV Cells

Among various types of PV cell raw materials, silicon wafers represent the largest cost component, accounting for approximately 48% of the total cost in 2025. Since polysilicon is the core raw material used in silicon wafer manufacturing, the fluctuation of its price directly affects the price of silicon wafers. Starting from 2023, the release of polysilicon production capacity triggered market oversupply, causing polysilicon prices to decrease, which drove the average selling price of silicon wafers used in P-type and N-type 182mm cells to decrease rapidly from 2023 to 2024. However, the price of silicon wafers is expected to stabilize in the forecast period, as the supply-demand balance of polysilicon is expected to improve.

Average Selling Price of Silicon Wafers (M10, 182mm), Global, 2022-2025



Source: Frost & Sullivan

COMPETITIVE ANALYSIS OF PV CELL INDUSTRY

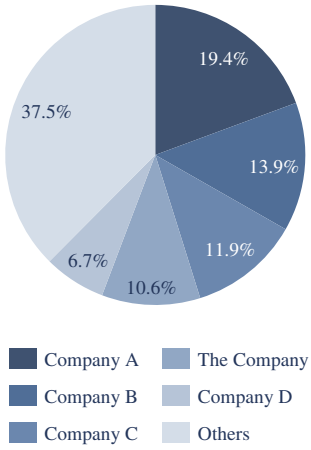
Competitive Landscape of Global and China's PV Cell Market

Specialized PV cell manufacturers and integrated PV manufacturers are two types of players in the global and China's PV cells industry. Specialized PV cell manufacturers refer to companies that focus on the research, development, production, and sales of PV cells, and over half of their PV cells are directly delivered to external customers. In contrast, integrated PV manufacturers are involved in multiple segments within the industry, including the production of silicon material, silicon wafers, PV cells, PV modules, and other products, and over half of their PV cell shipments are used for in-house PV module production. Meanwhile, integrated manufacturers, despite their participation in multiple stages of the PV industry chain, often find their own PV cell production capacities insufficient for their own PV module production capacities, necessitating purchasing from specialized manufacturers. Specialized PV cell manufacturers face direct competition from integrated players. However, specialized PV cell manufacturers excel through focused innovation. Their dedicated and agile R&D accelerates technology adoption, which allows them to secure a vital and resilient role in the value chain.

Ranking of N-Type TOPCon PV Cell Shipment of Global PV Cell Manufacturers

In 2024, the global N-type TOPCon PV cell external shipment volume of PV cell manufacturers reached 157.0 GW. Among global PV cell manufacturers, Company A had the largest shipment volume of N-type TOPCon PV cell, followed by Company B and Company C. With an N-type TOPCon PV cell external shipment volume of 16.7 GW, our Company ranked the 4th among PV cell manufacturers globally, and its market share was 10.6%.

Ranking of N-Type TOPCon PV Cell Shipment of PV Cell Manufacturers (by external shipment), Global, 2024



Rank	Company	Country	N-Type TOPCon PV Cell External Shipment (GW)	Market Share
1	Company A	China	30.4	19.4%
2	Company B	China	21.8	13.9%
3	Company C	China	18.7	11.9%
4	**The Company**	**China**	**16.7**	**10.6%**
5	Company D	China	10.5	6.7%
	Others		58.9	37.5%
	Total		**157.0**	

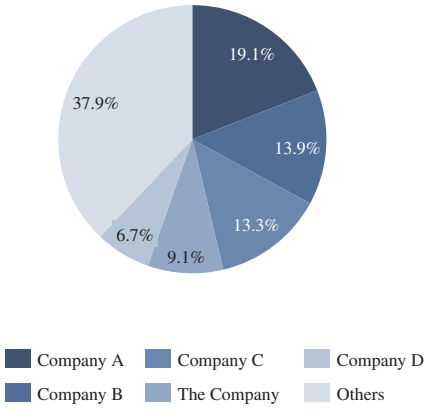
Source: Company Reports, Frost & Sullivan
Note: The external shipment volume represents the volume of N-Type TOPCon PV cells delivered to external customers excluding the volume utilized for in-house PV module production.

Company A is a company headquartered in Hainan Province, China and listed on the Shenzhen Stock Exchange and Hong Kong Stock Exchange, was established in 2003 and primarily offers the research, development, manufacturing, and sales of high-efficiency PV cells.
Company B is a company headquartered in Sichuan Province, China and listed on the Shanghai Stock Exchange, was established in 2009 and primarily offers development, production, and sales of PV cells and modules.
Company C is a company headquartered in Jiangsu Province, China, was established in 2011 and primarily offers the research, development, manufacturing, and sales of high-efficiency PV cells and modules.
Company D is a company headquartered in Sichuan Province, China, was established in 2023 and primarily offers the research, development, manufacturing, and sales of high-efficiency PV cells.

The competitive landscape of global N-type TOPCon PV cell market is relatively concentrated, with the top 5 companies accounting for 62.1% of the total market share in terms of revenue in 2024.

In 2024, the global total N-type TOPCon PV cell revenue of PV cell manufacturers reached RMB 48.7 billion. With an N-type TOPCon PV cell revenue of RMB 4.4 billion in 2024, the Company ranked the 4th globally, with a market share of 9.1%.

Ranking of N-Type TOPCon PV Cell Manufacturers (by revenue), Global, 2024



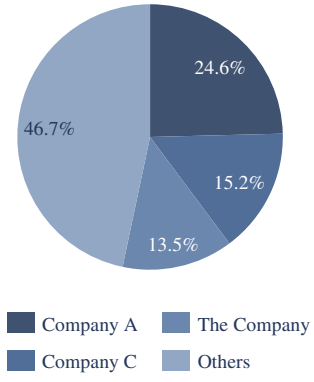
Rank	Company	Country	N-Type TOPCon PV Cell Revenue (RMB Billion)	Market Share
1	Company A	China	9.3	19.1%
2	Company B	China	6.8	13.9%
3	Company C	China	6.5	13.3%
4	**The Company**	**China**	**4.4**	**9.1%**
5	Company D	China	3.3	6.7%
	Others		18.5	37.9%
	Total		**48.7**	

Source: Company Reports, Frost & Sullivan

Ranking of N-Type TOPCon PV Cell Shipment of Global Specialized PV Cell Manufacturers

In 2024, the global N-type TOPCon PV cell external shipment volume of specialized PV cell manufacturers reached 123.2 GW. Among global specialized PV cell manufacturers, Company A had the largest shipment volume of N-type TOPCon PV cell, followed by Company C and our Company. With an N-type TOPCon PV cell external shipment volume of 16.7 GW, our Company ranked the third among specialized PV cell manufacturers globally, and its market share was 13.5%.

Ranking of N-Type TOPCon PV Cell Shipment of Specialized PV Cell Manufacturers (by external shipment), Global, 2024



Rank	Company	Country	N-Type TOPCon PV Cell External Shipment (GW)	Market Share
1	Company A	China	30.4	24.6%
2	Company C	China	18.7	15.2%
3	**The Company**	**China**	**16.7**	**13.5%**
	Others		57.4	46.7%
	Total		**123.2**	

Source: Company Reports, Frost & Sullivan
Note: The external shipment volume represents the volume of N-Type TOPCon PV cells delivered to external customers excluding the volume utilized for in-house PV module production.

Entry Barriers

- **Technology Barrier:** The PV cell manufacturing sector is a technology-intensive industry with substantial technical barriers. As downstream applications advance, customers increasingly demand higher performance from PV cells, requiring manufacturers to possess strong R&D capabilities and continuous innovation to improve conversion efficiency and reliability. These technological challenges create significant entry barriers, making it difficult for new players to quickly reach the technical level of established market leaders.

- **Customer Resource Barrier:** The ability to secure high-quality downstream customers is crucial for PV cell manufacturers' sustainable growth. Major clients conduct rigorous evaluations before approving new suppliers and establishing long-term partnerships, while their reluctance to switch existing suppliers, due to lengthy qualification cycles and high switching costs, creates a strong customer resource barrier. As a result, new entrants must invest substantial time and resources to build trust and relationship with clients.

This section sets out a summary of the most significant rules and regulations affecting our business activities in China and relevant jurisdiction.

REGULATIONS RELATING TO FOREIGN INVESTMENT

The establishment, operation and management of PRC companies are governed by our Company Law of the People's Republic of China (《中華人民共和國公司法》), as promulgated in 1993 and last amended in 2023, which applies to all PRC companies including foreign-invested companies, except where foreign-investment related laws provide otherwise. Pursuant to the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (the "Foreign Investment Law") promulgated by the National People's Congress (the "NPC") on March 15, 2019 and effective on January 1, 2020, which sets out the regulatory framework for foreign investments and pursuant to which (i) foreign natural persons, enterprises or other organizations (the "foreign investors") shall not invest in any sector prohibited as specified in the negative list for access of foreign investment, (ii) for any sector restricted by the negative list, foreign investors shall conform to the investment conditions provided in the negative list, and (iii) sectors not included in the negative list shall be managed under the principle of equality in treating domestic investments and foreign investments. According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) promulgated by the National Development and Reform Commission ("NDRC") and the Ministry of Commerce ("MOC") on September 6, 2024 and effect on November 1, 2024, the investment of foreign investors in the PRC is subject to its regulation. The Negative List sets out in a unified manner the special management measures for foreign investment access, such as the requirements of equity interest and senior executives. Any field not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment. The business of the Company and its domestic subsidiaries does not fall within the scope stipulated in the Negative List.

Domestic industrial development mainly follows the relevant industrial structure guidelines proposed by the NDRC. Foreign investors and foreign-invested enterprises investing in China shall comply with the Catalogue of Industries for Encouraging Foreign Investment (2025 edition) (《鼓勵外商投資產業目錄(2025年版)》) (the "Foreign Investment Catalogue"), which was promulgated by the NDRC and the MOC on December 15, 2025 and came into effect on February 1, 2026. Pursuant to the Foreign Investment Catalogue, our Company's operation falls within the scope of industries in which foreign investment is encouraged.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

According to the Foreign Trade Law of the People's Republic of China (《中華人民共和國對外貿易法》) promulgated by the SCNPC on May 12, 1994, and last amended on December 27, 2025 and put into effect on March 1, 2026, the department in charge of foreign trade under the State Council shall be responsible for all foreign trade work throughout country, and work with other relevant departments under the State Council to formulate, adjust and issue a catalogue of goods and technologies that are restricted or prohibited from import and export according to the relevant provisions. According to the Provisions on the Administration of Recordation of Customs Declaration Entities of the People's Republic of China (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the PRC on November 19, 2021 and effective on January 1, 2022 and the Notice by the Department of Enterprise Management and Audit-Based Control of the General Administration of Customs of Matters Concerning the Recordation of the Consignees and Consignors of Imported and Exported Goods (《企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) promulgated and effective on January 3, 2023, a consignee or consignor of imported or exported goods and customs declaration enterprises that apply for filing shall obtain market entity qualifications and are not required to complete the record-filing registration procedures for foreign trade operators.

INDUSTRIAL POLICES

Domestic industrial development mainly follows the relevant industrial structure guidelines proposed by the NDRC and Ministry of Industry and Information Technology of the People's Republic of China (the "MIIT"). According to the Renewable Energy Law of the People's Republic of China(《中華人民共和國可再生能源法》) which was promulgated by the SCNPC on February 28, 2005, last amended on December 26, 2009 and implemented on April 1, 2010, the state encourages organizations and individuals to install and use solar energy utilization systems such as solar energy water-heating system, solar energy heating and cooling system, and solar PV system. The department in charge of energy under the State Council shall, in accordance with the national plan for the development and utilization of renewable energy, formulate and publish a directory of guidelines for the development of renewable energy industries. In accordance with the Guiding Opinions on Energy Work in 2025 (《2025年能源工作指導意見》) which was promulgated and implemented by the NEA on February 27, 2025, it is necessary to ensure energy security, promote green transformation, accelerate the construction of new energy bases, pumped storage and nuclear power plants in the "dessert, gobi and barren land". Efforts need to be made to deepen reform and innovation, build a unified national electricity market, promote the full participation of new energy in market-oriented consumption, expand the application of renewable energy in industries, transportation and other sectors, and strengthen scientific and technological innovation and clean energy development at county level.

According to the Guiding Opinions of the State Council on Accelerating the Establishment and Improvement of a Green, Low-carbon and Recycling Economic System (《關於加快建立健全綠色低碳循環發展經濟體系的指導意見》) which was promulgated and implemented by the State Council on February 2, 2021, the state will promote the green and low-carbon transformation of the energy system, increase the proportion of renewable energy, and vigorously promote the development of photovoltaic power generation. According to the Notice of the Comprehensive Department of the National Energy Administration on Actively Promoting the Grid Connection and to the Greatest Extent and the Maximum Power Generation in Respect of New Energy Power Generation Projects (《國家能源局綜合司關於積極推動新能源發電項目能並盡並、多發滿發有關工作的通知》) promulgated by the NEA and came into effect on October 15, 2021, the state will accelerate the construction of wind power and photovoltaic power generation to connect to the grid and increase the supply of clean electricity, which is conducive to relieve the tight situation of electricity supply, but also to help complete the dual control of energy consumption and promote the low-carbon transformation.

According to the 14th Five-Year Plan for Modern Energy System (《"十四五"現代能源體系規劃》) promulgated by the NDRC and the NEA and came into effect on January 29, 2022, the PRC government will actively promote the large-scale exploitation and high-quality development of wind power and solar power, and accelerate construction of decentralized wind power and distributed photovoltaic facilities in power load centers and surrounding areas, while large-scale photovoltaic base projects and centralized development will be carried out in regions with abundant solar resources. According to the Opinions on Improving Systems, Mechanisms, Policies and the Measures for Green and Low-carbon Energy Transition (《關於完善能源綠色低碳轉型體制機制和政策措施的意見》) promulgated by the NDRC and the NEA and came into effect on January 30, 2022, the state will speed up building a clean, low-carbon, safe, and highly-efficient energy system while deepening reforms of mechanisms and innovation in the energy sector. According to the Guiding Opinions on Vigorously Implementing Renewable Energy Substitution Actions (《關於大力實施可再生能源替代行動的指導意見》) promulgated by the NDRC, the MIIT, the MOHURD, the MOT, the NEA, and the National Data Administration and came into effect on October 18, 2024, the state will comprehensively enhance the capacity for the safe and reliable supply of renewable energy. On the one hand, it shall promote the addition of photovoltaic systems to the roofs of existing buildings, and promote the installation of photovoltaic systems in new factories and new public buildings that are in a position to do so. On the other hand, decentralized wind power and distributed photovoltaic power generation should be actively developed in rural areas with conditions. According to the Standard Conditions for the Photovoltaic Manufacturing Industry

(2024 version) (《光伏製造行業規範條件(2024年本)》) promulgated by the MIIT and came into effect on November 15, 2024, photovoltaic manufacturing enterprises and projects shall comply with the requirements of national laws and regulations on the development and utilization of resources, environmental protection, energy conservation management, etc., the requirements of the national industrial policy and relevant industrial planning and layout, the requirements of the local territorial spatial planning, socio-economic development planning, environmental protection planning, etc., and the requirements of regional ecological environment zoning control and planning and environmental assessment. Pursuant to the Administrative Measures for the Development and Construction of Distributed Photovoltaic Power Generation (《分布式光伏發電開發建設管理辦法》) issued and implemented by the National Energy Administration on January 17, 2025, the National Energy Administration will adopt a coordinated approach to facilitate the development of distributed photovoltaic power generation, and promote the integrated application of such generation across various scenarios in the building, transportation and industrial sectors.

REGULATIONS RELATING TO PRODUCT QUALITY

Pursuant to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "Civil Code") issued by the NPC on May 28, 2020 and effective from January 1, 2021, where a product defect causes harm to others, the manufacturer shall bear tort liability. If a product is found to be defective after it has entered into circulation, the manufacturer and the seller are required to promptly take remedial measures, such as ceasing sales, issuing warnings or initiating recalls. Where timely or effective remedial measures are not taken, and such failure results in aggravated harm, the responsible party shall also be liable for the additional damage caused. According to the Product Quality Law of the People's Republic of China (《中華人民共和國產品質量法》) issued by the SCNPC on February 22, 1993 and last amended and implemented on December 29, 2018, sellers are required to take necessary measures to maintain the quality of the products they sell. A national system for product quality supervision and inspection is implemented primarily through random inspections. Sellers must not adulterate or counterfeit products, must not pass off fake or substandard products as genuine or premium ones, and must not sell non-compliant products as qualified ones. Any act that violates national or industry health and safety standards or other relevant requirements may expose sellers to civil liability and administrative penalties. In severe cases, individuals or entities may also be subject to criminal liability. Where a product defect results in personal injury or property damage, the consumer or affected party may seek compensation from either the manufacturer or the seller.

REGULATIONS RELATING TO SAFE PRODUCTION

Pursuant to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) promulgated by the SCNPC on June 29, 2002, last amended on June 10, 2021 and implemented on September 1, 2021, business entities shall strengthen work safety management, establish and improve a work safety responsibility system and work safety rules and systems for all employees, increase efforts to guarantee the input of funds, materials, technology, and personnel in work safety, improve work safety conditions, strengthen standardization and informatization of work safety, construct a dual prevention mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, raise work safety levels, and ensure work safety.

REGULATIONS RELATING TO REAL ESTATE

According to the Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 and implemented on January 1, 2020, construction units shall obtain the right to use the state-owned land for consideration (such as by way of transfer). According to the Civil Code of the People's Republic of China (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and implemented on January 1, 2021, the creation, alteration, alienation, or extinguishment of a real

right of the immovable property that is required by law to be registered becomes effective at the time when it is recorded in the register of immovable property. The real right certificate for immovable property is the proof of a right holder's entitlement to the real right in the immovable property.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The PRC laws and regulations relating to environmental protection mainly include: the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) (promulgated by the SCNPC on December 26, 1989, last amended on April 24, 2014, and implemented on January 1, 2015), Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》) (promulgated by the SCNPC on May 11, 1984, last amended on June 27, 2017, and implemented on January 1, 2018), Atmospheric Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國大氣污染防治法》) (promulgated by the SCNPC on September 5, 1987, last amended and implemented on October 26, 2018), Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》) (promulgated by the SCNPC on October 30, 1995, last amended on April 29, 2020, and implemented on September 1, 2020), Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》) (promulgated by the Ministry of Ecology and Environment on December 25, 2023, and implemented on July 1, 2024), and Law of the People's Republic of China on Prevention and Control of Pollution from Noise (《中華人民共和國噪聲污染防治法》) (promulgated by the SCNPC on December 24, 2021, and implemented on June 5, 2022). Pursuant to the aforesaid laws and regulations, enterprises that discharge and dispose of toxic and dangerous substances such as wastewater, waste gas and solid wastes shall comply with the national and local standards of usage and shall declare to and register with the relevant environmental protection administration authorities and pay environmental protection tax according to law where applicable. Pursuant to the Law on Environmental Impact Assessment of the People's Republic of China (《中華人民共和國環境影響評價法》), promulgated by the SCNPC on October 28, 2002, and last amended and implemented on December 29, 2018, construction entities should prepare the environment impact reports, reporting forms or registration forms of the environment impact. Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》), promulgated and implemented by the Ministry of Environmental Protection on November 20, 2017, and the Regulations on the Administration Construction Project Environmental Protection (《建設項目環境保護管理條例》), promulgated by the State Council on November 29, 1998, last amended on July 16, 2017, and implemented on October 1, 2017, after the completion of a construction project for which an environmental impact report or an environmental impact report form is required, the construction entity shall, according to standards and procedures prescribed by the environmental protection administrative authorities of the State Council, conduct environmental protection completion acceptance check and compile an acceptance check report. A construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed; projects that have not undergone acceptance or have failed acceptance shall not be put into production or use.

REGULATIONS RELATING TO ENERGY CONSERVATION

The Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) was promulgated by the SCNPC on November 1, 1997 and last amended and implemented on October 26, 2018. Pursuant to this law, the state shall implement an energy conservation assessment and audit system for fixed asset investment projects.

According to Measures for the Energy Conservation Review and Carbon Emission Assessment of Fixed Asset Investment Projects (《固定資產投資項目節能審查和碳排放評價辦法》), promulgated by the NDRC on July 17, 2025 and implemented on September 1, 2025, the review

opinions on energy conservation of a fixed asset investment project are an important basis for the commencement of construction, acceptance upon completion as well as operation and management of such project. For an enterprise-invested project, the project owner shall obtain the review opinions on energy conservation issued by the energy conservation review authority prior to the commencement of construction. For a project which has not undergone the energy conservation review as required or fails to pass the energy conservation review, the project owner shall not commence construction, or the project shall not be put into production or use if it is already completed.

REGULATIONS RELATING TO DATA, CYBER AND INFORMATION SECURITY

According to the Data Security Law of People's Republic of China (《中華人民共和國數據安全法》) promulgated by the SCNPC on June 10, 2021 and implemented on September 1, 2021, the state coordinates development and security, adheres to promoting data security through data development and utilization as well as industrial development, and ensures data development, utilization and industrial development with data security. Entities carrying out data processing activities shall establish a sound data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations. The Cyber Administration of China (the "CAC") and several other regulatory authorities in China jointly issued the Cybersecurity Review Measures (網絡安全審查辦法) on December 28, 2021, which implemented on February 15, 2022. Where critical information infrastructure operators purchase network products and services, and network platform operators carry out data processing activities that affect or may affect national security, network security reviews shall be conducted in accordance with the Cybersecurity Review Measures.

Pursuant to the Personal Information Protection Law of the People's Republic of China, promulgated by the SCNPC on August 20, 2021 and implemented on November 1, 2021, the law defines the scope of personal information and its processing methodologies; establishes processing protocols for personal information and transfer mechanics for cross-border provision; and delineates individuals' rights in personal information processing activities alongside compliance obligations of data processors, as stipulated in its provisions.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Patent

According to the Patent Law of the People's Republic of China (《中華人民共和國專利法》) promulgated by the SCNPC on March 12, 1984, and last amended on October 17, 2020 and implemented on June 1, 2021 as well as the Implementation Rules for the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) promulgated by the State Council on June 15, 2001, last amended on December 1, 2023 and implemented on January 20, 2024, patents in China are protected by law, the validity period of patent for inventions is 20 years, the validity period of patent for utility models is 10 years, and the validity period of patent for designs is 15 years, in each case starting from the date of application.

Copyright

According to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》), which was promulgated by the SCNPC on September 7, 1990, last amended on November 11, 2020 and came into effect on June 1, 2021, and the Implementation Rules of the Copyright Law of the People's Republic of China (《中華人民共和國著作權法實施條例》), which was promulgated by the State Council on August 2, 2002, last amended on January 30, 2013 and came into effect on March 1, 2013, works of Chinese citizens, legal persons or unincorporated organizations, i.e. intellectual achievements in the field of literature, art and science that are

original and can be expressed in a certain form, whether published or not, are entitled to copyright. The copyright holder can enjoy multiple rights, including the right of publication, the right of authorship, and the right of reproduction.

Trademark

According to the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), which was promulgated by the SCNPC on August 23, 1982, last amended on April 23, 2019 and came into effect on November 1, 2019, and the Implementation Rules of the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》), which was promulgated by the State Council on August 3, 2002, last amended on April 29, 2014 and came into effect on May 1, 2014. Registered trademarks are trademarks approved and registered by the Trademark Office. A trademark registrant enjoys exclusive rights to use a registered trademark, which is protected by the law. The registration of a trademark shall be valid for ten years from the date of approval for registration.

Domain Name

According to the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, the principle of "first come, first served" applies to domain name registration service. The applicant of domain name registration shall provide the service agency of domain name registration with the true, accurate and complete information about the domain name holder's identity for the registration purpose.

REGULATIONS RELATING TO EMPLOYMENT, SOCIAL INSURANCE AND HOUSING PROVIDENT FUND

According to the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), which was promulgated by the SCNPC on July 5, 1994, last amended and came into effect on December 29, 2018, the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), which was promulgated by the SCNPC on June 29, 2007, last amended on December 28, 2012 and came into effect on July 1, 2013, and the Implementation Regulations of the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法實施條例》), which was promulgated and brought into effect by the State Council on September 18, 2008, employers shall execute written labor contracts with full-time employees. All employers shall comply with local minimum wage standards. Employers must establish and enhance a system for labor safety and sanitation, strictly abide by state rules and standards on labor safety and sanitation, provide laborers with training in labor safety and sanitation, prevent accidents in the process of work, and reduce occupational hazards. Violations of the Labor Contract Law of the PRC and the Labor Contract Law of the PRC may result in the imposition of fines and other administrative liabilities, or criminal liabilities in the case of serious violations. According to the Provisional Regulations on Labor Dispatch (《勞務派遣暫行規定》) issued by the Ministry of Human Resources and Social Security on January 24, 2014, and implemented on March 1, 2014, employers shall only use dispatched workers in temporary, auxiliary, or substitute positions. Employers shall strictly control the number of dispatched workers they use, and the number of dispatched workers used shall not exceed 10% of their total workforce.

Pursuant to the Social Insurance Law of the People's Republic of China (《中華人民共和國社會保險法》) promulgated by the SCNPC on October 28, 2010, and last amended and implemented on December 29, 2018, and the Interim Regulations 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 last amended and implemented on March 24, 2019, the state established social insurance systems, such as the basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, to guarantee the rights of citizens to legally obtain material assistance from the state and society when they become old, ill,

suffer from work-related injuries, become unemployed and give birth to a child. Where the employer fails to pay social insurance premiums on time or in full, it shall be ordered by the social insurance premium collection agencies to pay or make up the premiums within the specified time limit, and shall be subject to a late payment fee of 0.05% of the outstanding amount from the maturity date calculated on a daily basis. Where the employer still fails to do so, relevant administrative department may impose a fine of more than one time but less than three times of the outstanding amount.

Pursuant to the Interpretation II by the Supreme People's Court of the PRC on Legal Issues in the Trial of 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)) issued by the Supreme People's Court of the PRC on July 31, 2025 and effective on September 1, 2025, any agreement between an employer and an employee, or any undertaking by an employee, to forgo social insurance contributions shall be deemed invalid by the people's court.

According to the Administrative Regulations on Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and last amended and implemented on March 24, 2019, the employer shall go through the housing provident fund contribution registration with the housing provident fund management center, and apply for the establishment of housing provident fund account for its employees. If the employer fails to contribute or make full contribution to the housing provident fund, the housing provident fund management center shall order the employer to do so within a specified period, and if the employer still default on payment, it may apply to the people's court for enforcement.

REGULATIONS RELATING TO TAXATION

Enterprise Income Tax ("EIT")

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法》), promulgated by the NPC on March 16, 2007 and last amended and implemented by the SCNPC on December 29, 2018, and the Regulation on the Implementation of Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得税法實施條例》), promulgated by the State Council on December 6, 2007 and last amended on December 6, 2024 and implemented on January 20, 2025, enterprises are classified into resident enterprises and non-resident enterprises. Enterprises that are either established in the PRC under the PRC law or established under foreign (or regional) law but have their place of effective management located in the PRC are regarded as "resident enterprises" and are subject to a 25% EIT on their income derived from both within and outside the PRC. Non-resident enterprises (i) that establish institutions or premises in the PRC are subject to a 25% EIT on income derived from within the PRC through such institutions or premises, as well as income derived from outside the PRC that is effectively connected with such institutions or premises; and (ii) that have income not effectively connected with their institutions or premises in the PRC are subject to a 10% EIT on their income derived from within the PRC. Non-resident enterprises that do not have any institutions or premises in the PRC are subject to a 10% EIT on their income derived from within the PRC. Enterprises that qualify as small-scale and low-profit enterprises are subject to a reduced EIT rate of 20%. High and new technology enterprises that are under key support by the state are subject to a reduced EIT rate of 15%.

Value-added Tax ("VAT")

According to Value-added Tax Law of the People's Republic of China (《中華人民共和國增值税法》), promulgated by the NPC on December 25, 2024 and implemented on January 1, 2026, entities and individuals engaging in the sale of goods, services, intangible assets, immovables and importation of goods in the PRC shall be taxpayers of VAT, and shall pay VAT. According to the Notice on Adjusting Value-added Tax Rates (《關於調整增值税税率的通知》), jointly issued by the MOF and the STA on April 4, 2018 and implemented on May 1, 2018, for VAT-taxable sales activities or imports carried out by taxpayers, the original VAT rates of 17% and 11% were adjusted

to 16% and 10%, respectively. According to the Announcement on Policies Related to Deepening Value-added Tax Reform (《關於深化增值税改革有關政策的公告》), jointly issued by the MOF, the STA, and the General Administration of Customs on March 20, 2019 and implemented on April 1, 2019, for VAT general taxpayers conducting VAT-taxable sales or importing goods that were previously subject to the 16% VAT rate, the rate was adjusted to 13%.

Transfer Pricing

In accordance with EIT and its implementation rules, Tax Collection Administration Law of the People's Republic of China (《中華人民共和國税收徵收管理法》) promulgated by the SCNPC on September 4, 1992, and last amended and implemented on April 24, 2015, as well as the Rules for the Implementation of Tax Collection Administration Law of the People's Republic of China (《中華人民共和國税收徵收管理法實施細則》) promulgated and implemented by the State Council on February 6, 2016, related party transactions shall be in conformity with the arm's length principle. Should related party transaction fail to conform to the arm's length principle, thereby reducing the taxable income or revenue of the enterprise or its related parties, the tax authority may make adjustments within 3 years from the tax year in which the business transactions occurred. Under special circumstances, such adjustments may be made within 10 years from the tax year in which the business transactions occurred. The enterprise shall attach an annual report on related party business transactions when submitting its annual enterprise income tax return to the tax authority.According to the Announcement of the State Administration of Taxation on Matters Relating to the Improvement of the Administration of Related Party Transaction Reporting and Contemporaneous Documentation (《國家税務總局關於完善關聯申報和同期數據管理有關事項的公告》) which was promulgated and implemented by the State Administration of Taxation on June 29, 2016, enterprises which have related-party transactions shall prepare their contemporaneous documentation (同期資料) per tax year and submit to the tax authority if required by the same. Contemporaneous documentation includes master file (主體文檔), local file (本地文檔) and special issue file (特殊事項文檔). According to the Announcement of the State Administration of Taxation on Issuing the Administrative Measures for Special Tax Adjustment and Investigation and Mutual Agreement Procedures (《國家税務總局關於發布特別納税調查調整及相互協商程序管理辦法的公告》) which was promulgated by the State Administration of Taxation on March 17, 2017 and became effective on May 1, 2017, an enterprise may adjust and pay taxes at its own discretion when it receives a special tax adjustment risk warning or identifies its own special tax adjustment risks, while the tax authorities may also carry out special tax investigation and adjustment in accordance with the relevant provisions in regard to enterprises that adjust and pay taxes at their own discretion.

REGULATIONS RELATING TO FOREIGN EXCHANGE

According to the Regulations of the People's Republic of China on Foreign Exchange Administration (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996 and last amended and implemented on August 5, 2008, transactions under the current account, which include those involving goods, services, income, and current transfers in the balance of payments, shall be settled in foreign exchange in accordance with the relevant provisions on foreign exchange payments and purchases issued by the foreign exchange administrative department under the State Council. Such payments shall be made using self-owned foreign exchange or by purchasing foreign exchange from financial institutions authorized to conduct foreign exchange settlement and sales, and must be supported by valid documentation. Domestic institutions and individuals that engage in direct investment abroad or issue or trade in overseas securities and derivative products shall complete registration in accordance with the regulations of the foreign exchange administrative department under the State Council.

REGULATIONS RELATING TO DIVIDEND DISTRIBUTION

According to our Company Law of the People's Republic of China (《中華人民共和國公司法》), a PRC company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the company has reached 50% or more of its registered capital, no further allocations is required. Where the statutory reserve fund of the company is insufficient to make up the losses of the company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

REGULATIONS RELATING TO OVERSEAS LISTING

According to the Trial Administrative Measures of 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》) which was promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023, where a domestic company directly issues and is listed overseas, the issuer shall file with the CSRC. Where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. Moreover, an overseas offering and listing is prohibited if (i) it is expressly prohibited from listing and financing by PRC laws, administrative regulations, or related regulations; (ii) it may endanger national security as reviewed and determined by competent PRC authorities under the State Council in accordance with law; (iii) in recent three years, the Chinese entities or their controlling shareholders or actual controllers have committed criminal offenses including corruption, bribery, infringement of property, misappropriation of property or disruption of the socialism economic order; (iv) domestic companies that are suspected of committing crimes or major violations of laws and regulations are under investigation according to law, and no conclusion has yet been made thereof; (v) there are material ownership disputes over equity held by the controlling shareholders or by other shareholders that are controlled by the controlling shareholders or actual controllers.

According to the Revised Provisions on Strengthening Confidentiality and Archives Management of Overseas Securities Issuance 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 "Archives Rules") issued by the CSRC, the MOF, the NASSP, and the NAAC on February 24, 2023 and coming into effect on March 31, 2023, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archive management responsibilities. According to the Archives Rules, during an overseas offering and listing, if a domestic company needs to provide or publicly disclose to securities companies, securities service providers and overseas regulators, any materials that contain relevant state secrets or that have an adverse impact on the national security or public interests, the domestic company should complete the relevant approval/filing and other regulatory procedures. According to the Guidelines for the Application for the "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) issued by the CSRC on November 14, 2019, and last amended on August 10, 2023, shareholders of domestic unlisted shares may, under the premise of complying with the relevant laws and regulations and the policy requirements on management of state-owned assets, foreign investment, and industry regulation, among others, determine the quantity and proportion of shares whose circulation is applied for on their own through consultation, and entrust our Company to handle the recordation formalities 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.

OVERVIEW OF LAWS AND REGULATIONS IN INDONESIA

Overview on Limited Liability Company

Limited liability company in Indonesia is governed by Law No. 40 of 2007 on limited liability company, as lastly amended by Law No. 6 of 2023 on the Determination of Government Regulation in lieu of Law No. 2 of 2022 on Job Creation into a Law (the "**Job Creation Law**"), including any of its implementing regulations, as may be amended from time to time (the "**Company Law**").

Indonesia recognizes two main type of limited liability companies, which are:

1. Domestic Investment Company or *Perseroan Terbatas Penanaman Modal Dalam Negeri* ("**PMDN Company**"), wholly owned by Indonesian individuals and/or legal entities; and

2. Foreign Capital Investments Company or *Perseroan Terbatas Penanaman Modal Asing* ("**PMA Company**"), wholly or partly owned by foreign individuals or entities, or jointly owned between Indonesian and foreign parties.

Under our Company Law, a company must be established by at least two shareholders, through a notarial deed of establishment, and approved by the Ministry of Law of the Republic of Indonesia. In terms of management, unless the company engages in collection or management public funds or issues debt instruments to the public or a public company, the company is required to have at least one director as the member of Board of Directors, and one commissioner as the member of Board of Commissioners. Our Board of Directors manages and represents our Company, while our Board of Commissioners supervises and advises to directors. The authority to appoint, and dismiss, members of our Board of Directors and Board of Commissioners is vested in the General Meeting of Shareholders (**GMS**). The GMS also holds the authority to resolve on corporate matters as stipulated under the Company Law and its Articles of Association including amendments to the company's Articles of Association, approval of corporate actions, and the determination of dividend distributions.

Foreign Direct Investment

Foreign direct investment ("**FDI**") in Indonesia is primarily governed by Law No. 25 of 2007 on Investment, as lastly amended by the Job Creation Law (the "**Investment Law**"), and Presidential Regulation No. 10 of 2021 on Investment Business Field as lastly amended by Presidential Regulation No. 49/2021 (the "**Positive Investment List"**).

FDI must be conducted through an Indonesian limited liability company. Foreign investors may establish a company in Indonesia through (i) new shares subscription upon establishment, (ii) investment in an existing company, by way of shares subscription or shares purchase from the existing shareholders, or (iii) any other way in accordance with the laws and regulations. A PMA Company is subject to foreign shareholding limitations or restriction in certain industries as stipulated in the Positive Investment List. Under the Positive Investment List, most business sectors are open to foreign investment, however, some sectors remain restricted or are exclusively reserved for the Indonesian Government or micro, small, and medium enterprises (MSMEs). Manufacturing of photovoltaic cell and wholesale trading are open to the foreign investment and are not subject to the foreign ownership restrictions. Under Article 26 paragraph (2) and Article 26 paragraph (10) of the Head of Investment Coordinating Board Regulation No. 5 of 2025 on Guidelines And Procedures For Business Licensing Based On Risk And Investment Facilities Through an Electronically Integrated Business Licensing System ("**BKPM Reg No. 5/2025**"), a PMA Company must qualify as a large-scale enterprise, with a minimum issued and paid-up capital of at least IDR2.5 billion, and a minimum investment requirement of more than IDR10 billion per business line per business location, excluding land and buildings.

OSS RBA System and Licensing Framework

Business licensing in Indonesia is administered through the Online Single Submission — Risk-Based Business Licensing ("**OSS RBA**") system under Government Regulation No. 28 of 2025 on the Organization of Risk-Based Business Licensing and BKPM Reg No. 5/2025. Risk classification is determined through a comprehensive risk analysis process, which includes: (a) identifying the business activities in reference to the scope of operations as outlined in the Indonesian Business Field Classification (*Klasifikasi Baku Lapangan Usaha Indonesia,* or KBLI); (b) assessing the scale of the business; (c) evaluating the hazard level, considering factors such as health, safety, environmental impact, and the utilization and management of resources; and (d) assessing the potential for hazards to occur. Through this OSS RBA system, company obtains, among others, the Business Identification Numbers ("**NIB**"), basic requirement licenses such as Conformity of Spatial Utilization Activities, building permit, environmental licenses, operating business licences and its supporting business licenses/standard certificates (as applicable).

Industrial Business License

Industrial activities are regulated under Law No. 3 of 2014 on Industry, as lastly amended by the Job Creation Law (the "**Industrial Law**"), Government Regulation No. 28 of 2025 on Risk-Based Business Licensing (the "**GR No. 28/2025**") and BKPM Reg No. 5/2025. Under the current OSS RBA system regime, industrial business activities are classified into four risk levels, namely:

1. Low risk, only requires NIB to commence operations;

2. Medium-low risk, requires NIB and a (self-declared) certificate confirming compliance with business activity standards ("**Certificate of Standards**");

3. Medium-high risk, requires NIB and a verified Certificate of Standards; and

4. High risk, requires NIB, Industrial Business License ("**IUI**") and/or other relevant licenses.

Under GR No. 28/2025, solar cell manufacturing is classified as a medium-high risk business. Consequently, prior to initiating any operational and/or commercial activities, requiring an NIB and a verified Certificate of Standard prior to commencing operations. To maintain licencing, companies must submit biannual industrial reports via the National Industry Information System (Sistem Informasi Industri Nasional, or "**SIINAS**") as prescribed by Ministry of Industry Regulation Number 13 of 2025, and quarterly Investment Activity Reports through the Online Single Submission (OSS) system, both before and after the company initiates commercial production.

Special Economic Zone (SEZ)

Special Economic Zone (*Kawasan Ekonomi Khusus or* "**SEZ**") is governed by Law No. 39 of 2009 on Special Economic Zones, as lastly amended by the Job Creation Law (the "**SEZ Law**"). SEZ is a designated area with certain boundaries within the jurisdiction of the Republic of Indonesia, established to support specific economic activities and benefit from special incentives.

Permitted activities include, but are not limited to, production and processing, logistics and distribution, technology development, tourism, education, healthcare services, energy production, and other economic activities as determined by the SEZs National Council (*Dewan Nasional KEK*). Businesses operating within SEZs are entitled to a broad range of fiscal and non-fiscal incentives, such as: (i) tax facilities; (ii) streamlined customs and excise procedures; (iii) free movement of

goods within the SEZ; (iv) simplified labour and employment regulations; (v) expedited immigration processes for expatriates; (vi) facilitated land use and spatial planning; (vii) fast-track business licensing and permitting processes.

Tax Holiday in SEZ

Tax incentives within SEZs are regulated under Minister of Finance Regulation No. 237/PMK.010/2020 on Tax, Customs and Excise Treatment in Special Economic Zones, as lastly amended by Minister of Finance Regulation No. 33/PMK.010/2021 ("**PMK No. 237/2020**"). This regulation outlines the procedures for obtaining facilities within SEZs, including the Corporate Income Tax Exemption (commonly referred to as a "**Tax Holiday**"). To qualify, an applicant must: (i) be a tax resident of Indonesia engaging in a business activity within the SEZ; (ii) commit to a minimum investment (including land for the main business activity) of IDR100 billion (approximately USD6 million); (iii) be a legally established Indonesian entity; (iv) at the time of application, not have received any other tax incentives from the Indonesian government. The application must be submitted prior to the commercial operation. Recipients are required to submit annual reports on their for maintaining the incentive. Failure to comply may result in a physical inspection by the Directorate General of Tax and revocation of the Tax Holiday for any non-compliance.

Environmental Law

Environmental matters in Indonesia are primarily governed by Law No. 32 of 2009 on Environmental Protection and Management, as lastly amended by the Job Creation Law (the "**Environmental Law**"). Under the Environmental Law, businesses are required to obtain an environmental approval ("**Environmental Approval**") before applying for business licenses and commencing operations.

Environmental Approvals are categorized based on the level of their potential environmental impacts, namely:

1. Environmental Feasibility Decision (*Keputusan Kelayakan Lingkungan Hidup*), for activities with significant environmental impacts requiring an Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan*, or "**AMDAL**");

2. Environmental Management Commitment Statement (*Pernyataan Kesanggupan Pengelolaan Lingkungan Hidup*), for activities with lower environmental impacts requiring an Environmental Management and Monitoring Efforts ("**UKL-UPL**"); and

3. Statement of Commitment for Environmental Management and Monitoring (*Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup* or "**SPPL**"), for activities that are not subjected to AMDAL or UKL-UPL requirements.

For businesses operating within SEZ that already have an approved AMDAL and Environmental Approval, business actors are only required to prepare and submit a detailed Environmental Management and Monitoring Plan (*Rencana Pengelolaan dan Pemantauan Lingkungan Hidup Rinci* or "**RKL-RPL Rinci**") to the SEZ Developer and Operator (*Badan Usaha Pembangun dan Pengelola KEK*). Once approved, the RKL-RPL Rinci will serve as the Environmental Approval. In addition, business that discharge emissions, wastewater, or manage hazardous and toxic waste, must also obtain specific environmental permits in accordance with their activities. Pursuant to the Environmental Law, failure to obtain the required environmental approval may result in administrative sanctions, including, written warnings, enforcement by the government, administrative fines, suspension of business licenses and/or revocation of business licenses.

Building Permits

Under GR No. 28/2025, business actors in Indonesia who require the construction and use of buildings for their operations must obtain:

1. Building Approval (*Persetujuan Bangunan Gedung*, or "**PBG**"), required before commencing construction of new buildings or alterations to existing structures; and

2. Certificate of Functional Reliability (*Sertifikat Laik Fungsi*, or "**SLF**"), a certificate to certify that a building meets the required standards and is safe for use, shall be obtained before the building can be used for its business operations.

As an exemption, pursuant to the GR No. 40/2021, business entities within an SEZ are not required to obtain a PBG, provided that the SEZ has established building guidelines or estate regulations.

Trade Business License

Trading activities are primarily governed under the Law No. 7 of 2014 on Trade, as lastly amended by the Job Creation Law (the "**Trade Law**"). Under Article 24 (1) of Trade Law, business actors conducting trading activities must obtain a business license.

Under GR No. 28/2025, certain wholesale activities are classified as low-risk businesses, requiring only NIB prior to commencing operations. Failure to obtain the required license may result in administrative sanctions, and, under Article 106 of Trade Law, may be subjected to imprisonment for a maximum of 4 (four) years or a fine of up to IDR10,000,000,000.

Import and Export Licensing

Import and export activities in Indonesia are mainly governed under GR No. 28/2025 and Minister of Trade ("**MOT"**) Regulations. Business actors must obtain NIB. The NIB, which also serves as an import identification number (*Angka Pengenal Importir* or "**API**") and customs access. API embedded in the NIB can function as a general API, for importing goods intended for trade, or a producer API, for importing goods that are used internally (i.e, capital goods, raw materials, auxiliary materials, and/or materials to support the production process). For certain categorized goods, importers must obtain additional business license from MOT before the goods enter into the Indonesian customs territory.

Currency Law

The use of foreign exchange in Indonesia is mainly governed by Law No. 7 of 2011 on Currency, as lastly amended by Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector, Bank Indonesia Regulation No. 17/3/PBI/2015 on Mandatory Use of Rupiah in the Territory of the Republic of Indonesia, and the Circular Letter of the Bank of Indonesia Number 17/11/DKSP of 2015 concerning the Obligation to Utilise Rupiah within the Territory of the Republic of Indonesia (the "**Mandatory Use of IDR Regulation**").

As a general rule, IDR must be used for all transaction within Indonesian, including payments and settlement of monetary obligations, regardless of the parties' nationality. Exemptions apply to certain transactions, including (a) state budget related transactions; (b) cross border payments; (c) international commercial transactions; (d) foreign currencies bank deposits; or (e) international finance transactions. Foreign investors may repatriate funds such as capital, profits, interest, and dividends in accordance with Article 8 paragraph (3) of the Investment Law. Non-compliance may result in: (a) imprisonment for up to one year and a fine of IDR200 million; and (b) written warnings, fines, and prohibition from participation in payment transactions. For accounting and tax purposes, bookkeeping must generally be in IDR and Indonesian language in accordance with

Ministry of Finance regulations. Use of a foreign language and/or foreign currency requires prior approval from the Minister of Finance. Failure to obtain such approval may trigger tax-related sanctions under the prevailing tax laws.

Language Law

Pursuant to Law No. 24 of 2009 on the Flag, Language, State Emblem, and National Anthem, as further elaborated by Presidential Regulation No. 63 of 2019 on the use of Indonesian Language (collectively the "**Language Law**"), any agreement involving an Indonesian party must also be executed in Bahasa Indonesia. While the Language Law does not specify explicit sanctions for non-compliance, Indonesian court decisions have demonstrated that failure to provide an Indonesian version may have legal consequences. However, under the Indonesian Supreme Court Circular Letter No. 3 of 2023, courts are instructed not to consider the absence of an Indonesian translation as grounds to nullify a contract, unless it can be shown that such omission resulted from bad faith by one of the parties.

Employment

Indonesian employment is primarily governed by Law No. 13 of 2003 on Manpower, as lastly amended by the Job Creation Law, and Government Regulation No. 35 of 2021 on Fixed Term Employment Agreement, Outsourcing, Working Hours, Rest Periods, and Termination of Employment (the "**Manpower Law**"). Employment relationships are categorized as fixed-term (PKWT) or permanent (PKWTT). Companies employing foreign workers must obtain a Foreign Worker Plan (*Rencana Pengunaan Tenaga Kerja Asing*, or "**RPTKA**") approved by the Central Government. Each foreign worker must also obtain an Expatriate Manpower Utilization Plan Ratification ("**RPTKA Ratification**"), and the necessary stay permits for their foreign workers residing in Indonesia, namely the Limited Stay Permit (*Izin Tinggal Terbatas*, or "**ITAS**"). Our company is prohibited from employing a foreign worker for human resources related position. Companies are required to submit an annual manpower report to the Ministry of Manpower. Failure to comply may result in administrative sanctions, including: (a) fine up to IDR1,000,000 or (b) detention of up to 3 (three) months for repeated non-compliance. Company that employs at least ten employees must adopt a company regulation (or a collective labour agreement, if applicable) that must be ratified by the Ministry of Manpower and are valid for two years. Furthermore, employers are prohibited from paying wages below the applicable regional minimum wage. For 2025, the minimum wage for Bintan Regency is IDR4,207,762 (four million two hundred seven thousand seven hundred sixty-two Rupiah). Non-compliance is subject to sanctions in the form of: (i) imprisonment ranging from 1 to 4 years, and/or (ii) a fine ranging from IDR100,000,000 to IDR400,000,000 as set out in Article 185 of the Manpower Law.

Work Safety and Health

Occupational safety in Indonesia is governed by Law No. 1 of 1970 on Occupational Health and Safety (the "**Occupational Health and Safety Law**"), the Manpower Law and Government Regulation No. 50 of 2012 on Implementation of Occupational Health and Safety Management (*Penerapan Sistem Manajemen Keselamatan dan Kesehatan Kerja*) (the "**GR No. 50/2012**"). Companies with 100 or more employees or those engaged in high-risk activities, must implement an Occupational Health and Safety Management System (SMK3), covering policy, planning, implementation, monitoring, and continuous improvement. Non-compliance may lead to administrative sanctions, including notification, written warning, business restrictions or suspension, annulment of approvals or registrations, temporary termination of all or parts of the production unit, and/or license revocation. Under Law No. 24 of 2011 on Agency of Employee Social Security (*Badan Penyelenggaraan Jaminan Sosial*), as lastly amended by the Job Creation Law (the "**Law No. 24/2011**") and its implementing regulations, employer, except the government,

is required to enrol all employees (permanent or contract) for Employee Social Security (*Jaminan Sosial Tenaga Kerja*, or "**BPJS**") programs, covering manpower and health. Non-compliance may result in administrative sanctions, in the form of written warnings, fines, and/or restrictions in obtaining public services.

U.S. TARIFF POLICIES

Tariffs issued by the U.S. in relation to imports from Indonesia (the "Applicable U.S. Tariffs on Indonesia")

The Section 201 Safeguard Tariffs

In January 2018, the Trump administration imposed Section 201 safeguard tariffs on imported solar cells and modules. The initial remedy included a four-year tariff schedule, starting at 30% and decreasing by 5% each year, with a tariff-free, globally applied quota of first 2.5GW each year. In 2022, all traditional, monofacial solar panels imported into the U.S. were subject to a tariff of 14.75%. The tariff would decrease by 0.25% each year, resulting in rates of 14.5% in 2023, 14.25% in 2024, and 14% in 2025. On February 6, 2026, the Section 201 safeguard tariffs on imported PV cells ended as the policy expired.

Reciprocal Tariffs

On April 2, 2025, the U.S. government issued an Executive Order, imposing a 10% baseline tariff on all imports from all U.S. trade partners, and individualized higher reciprocal tariffs including 32% on Indonesian goods, effective on April 9, 2025 (the "**Reciprocal Tariffs**") which remained as the peak rate during the Track Record Period. On February 20, 2026 , the reciprocal tariffs were terminated. On the same day, a new 10% baseline tariff were introduced on imports to the U.S..

Anti-Dumping Duties ("AD") and Countervailing Duties ("CVD")

Since 2012, DOC and USITC have imposed significant AD and CVD on crystalline silicon PV cells and modules imported from China. These duties are determined on a case-by-case basis through investigations.

On April 21, 2025, DOC issued a final determination regarding its AD and CVD investigation into crystalline silicon PV cells and modules imported from Cambodia, Malaysia, Thailand, and Vietnam. The AD rates for the four countries reached as high as 271.28%, while the CVD rates went up to 3,403.96%. On August 7, 2025, DOC announced the initiation of AD and CVD investigations of crystalline silicon PV cells from India, Indonesia, and Laos. Merchandise covered by the investigations is currently classified in the Harmonized Tariff System of the United States ("HTSUS") under subheadings 8541.42.0010 and 8541.43.0010, which cover PV cells produced by our Group. On February 24, 2026, DOC announced its preliminary affirmative determinations in the CVD investigation (the "**Preliminary CVD Determination**"), finding that countervailable subsidies are being provided to producers and exporters of crystalline silicon PV cells, whether or not assembled into modules from Indonesia. The preliminary subsidy rates for all-other exporters not individually examined from Indonesia, including our Group's Indonesia entity, was set at 104.38%. The final determination in these CVD investigations is currently scheduled on July 6, 2026. On February 26, 2026, DOC announced its preliminary affirmative determination of critical circumstances for certain exporters, including all-others exporters in Indonesia. The suspension of liquidation may apply retroactively to entries made up to 90 days prior to the Preliminary CVD Determination, and imports entered during this retroactive period may become subject to the cash deposit requirements.

Tariff issued by the U.S. in relation to imports from China (the "Applicable U.S. Tariffs on China", collectively with the Applicable U.S. Tariffs on Indonesia, the "Applicable U.S. Tariffs")

The Applicable U.S. Tariffs on China include: (i) **Section 201 Safeguard Tariffs**: see "— U.S. TARIFF POLICIES — Tariffs issued by the U.S. in relation to imports from Indonesia — The Section 201 Safeguard Tariffs;" (ii) **Section 301 Tariffs**: in September 2024, the U.S. Trade Representative finalized Section 301 tariffs on a variety of products imported from China, including solar components and batteries. From January 1, 2025, Section 301 tariffs on solar cells have been increased to 50%; (iii) **Tariffs Related to Fentanyl Issues**: on February 1, 2025, the U.S. government announced a 10% tariff on all imports from China, citing issues related to fentanyl and other illegal substances, effective February 4, 2025. On February 20, 2026, the U.S. government terminated the tariffs related to fentanyl issues; and (iv) **Reciprocal Tariffs**: since February, 2025, a baseline 10% tariff was imposed on all imports from China, followed by successive adjustments. During the Track Record Period, the additional tariffs imposed by the U.S. on imports from China peaked at 125%. On February 20, 2026, the U.S. government terminated the reciprocal tariffs and introduced a new 10% baseline tariff.

Tariff issued by the China in relation to imports from the U.S.

Tariff issued by the China in relation to imports from the U.S. include (i) **Tariffs Related to Fentanyl Issues**: in response, China responded by imposing a 15% tariff on certain imported products (coal, liquefied natural gas (LNG)) originating from the United States, among other measures; and (ii) **Reciprocal Tariffs**: from February 4, 2025, China introduced a 15% or 10% tariff on selected U.S. goods, followed by successive adjustments in March and April 2025. During the Track Record Period, the additional tariffs imposed by China on imports from U.S. peaked at 125%. As of the Latest Practicable Date, the suspension of the retaliatory tariffs remained in effect until November 10, 2026.

U.S. TRADE AND ECONOMIC SANCTION LAWS AND REGULATIONS

U.S. Sanction Policies

Types of U.S. Economic Sanctions

The U.S. Treasury Department's Office of Foreign Assets Control ("**OFAC**") administers and enforces sanctions based on U.S. foreign policy and national security goals against "targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy or economy of the United States." U.S. economic sanctions include two broad categories: primary sanctions and secondary sanctions. Primary sanctions apply to U.S. persons (including U.S. companies, citizens, permanent residents, and any person or entity located in the United States), as well as to transactions that involve a U.S. nexus, which may arise, for example, when transactions involve U.S. dollars, U.S.-origin goods, software, technology, or services. Violations of primary sanctions can result in strict civil liability and significant monetary penalties. Wilful violations may result in criminal liability. Secondary sanctions are extraterritorial, targeting certain significant transactions relating to specific countries of non-U.S. persons even where there is no U.S. nexus. For example, key categories of activities in these areas that may trigger secondary sanctions include: (i) Russia, material support for the defense, intelligence, energy, financial, or technology sectors or a person sanctioned under E.O. 14024; (ii) Iran, in terms of significant transactions with the energy, shipping, shipbuilding, metals, automotive, financial, or port sectors; and (iii) North Korea, in terms of substantial trade, financing, or facilitation involving entities, sectors, or outbound labor.

Component of Primary U.S. Sanctions Programs

Primary U.S. sanctions programs include: country-based programs, which apply territorially, and list-based programs, which are non-territorial and target specific individuals, entities, or sectors rather than an entire country. The following countries and territories are currently subject to comprehensive U.S. sanctions that prohibit virtually all transactions involving the country or territory if those transactions involve transfers of U.S.-origin goods/software/technology, participation of U.S. persons, or the use of U.S.D. payments made by wire transfer/international funds transfer or via a U.S. payment processor: Cuba; Iran; North Korea; The Crimea region; and the "Donetsk People's Republic" and "Luhansk People's Republic" regions, and such other regions of Ukraine as may be determined by the Secretary of the Treasury. These prohibitions are not limited to actions with the government or designated parties, extending to virtually all activities with persons and entities in these countries and territories with any U.S. nexus. Several additional countries or territories are subject to narrower U.S. sanctions programs, including Belarus, Central African Republic, Iraq, Mali, Russia, and several others. List-based programs prohibit U.S. persons from dealing with designated individuals, entities, and organizations, regardless of their country of origin or location. Unlike country-based programs, they are not territorial in nature.

SDN List. As part of its enforcement efforts, OFAC publishes a list of individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists certain individuals, groups, and entities that are not country specific. Collectively, such individuals and companies are called "Specially Designated Nationals" or "SDNs." Their assets are blocked, and U.S. persons are generally prohibited from dealing with them.

Non-SDN CMIC List. On November 12, 2020, the U.S. government issued Executive Order 13959, which introduced restrictions on investments in companies identified as "Communist Chinese Military Companies" ("**CCMCs**"). Under this order, U.S. persons were prohibited from purchasing or investing in publicly traded securities of the designated CCMCs, including derivatives and funds designed to provide exposure to such securities. On June 3, 2021, the U.S. then-President signed Executive Order 14032, titled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" ("**E.O. 14032**"). Under the E.O. 14032, a group of targeted Chinese companies are designated as "Chinese Military-Industrial Complex Companies." ("**CMICs**"). Similarly, the purchase or sale by United States persons of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities, of any CMICs are prohibited. The OFAC clarified that OFAC's 50 percent rule does not apply to entities listed solely on the CMIC list, thus, prohibitions do not apply to any subsidiary of CMICs, as long as such subsidiary itself is not publicly listed on the CMIC List.

U.S. Sanction Policies Related to Myanmar

After the military coup in Myanmar in February 2021, the United States issued Executive Order 14014 and imposed a new sanctions regime, introducing export restrictions on sensitive goods, and imposing asset freezes on Burmese government funds held in the United States. According to Executive Order 14014, persons determined to be responsible for or complicit in the "undermining of democratic processes, human rights abuses, or supporting the military regime" are designated on the SDN List. In addition, entities owned or controlled by, or acting on behalf of, such persons, as well as those providing material support to designated persons, may also be added to the SDN List.

U.S. Trade Restrictions under UFLPA

The "Uyghur Forced Labor Prevention Act" (the "**UFLPA**"), effective as of June 21, 2022, established a rebuttable presumption that any goods mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of China, or by entities identified by the U.S. government on the UFLPA Entity List, are made with so-called "forced labor" and therefore

prohibited from entry into the U.S. under Section 307 of the Tariff Act of 1930. The rebuttable presumption applies to goods that are mined, produced, or manufactured wholly or in part (1) in Xinjiang, regardless of the producer's identity; or (2) by entities listed on the UFLPA Entity List, regardless of geographic location. The UFLPA Entity List is published and maintained by the U.S. Department of Homeland Security ("**DHS**"), which identifies companies and organizations presumed to be involved in "forced labor" supply chains. Unless a subsidiary or affiliate is explicitly named on the UFLPA Entity List, or except where the term "subsidiaries" or "affiliated entities" is attached to a name on the UFLPA Entity List, the imported goods produced by that subsidiary or affiliate would not automatically be subject to the rebuttable presumption. Imports from any undesignated subsidiary or affiliate may undergo examination for possible applicability of the UFLPA rebuttable presumption based on whether such imports were produced wholly or in part in the Xinjiang Uyghur Autonomous Region or by a UFLPA Entity List entity. The U.S. Customs and Border Protection ("**CBP**") is the primary agency responsible for enforcing the UFLPA. CBP has the authority to detain, exclude, or seize goods that are suspected of violating the UFLPA and may initiate forfeiture proceedings. Importers are required to provide clear and convincing evidence that their goods are not connected to forced labor to challenge the presumption and obtain the release of detained shipments. Failure to comply with the UFLPA can result in significant business disruption in the United States, including shipment delays, loss of goods, reputational damage, and, in certain cases, potential civil or criminal penalties.

OVERVIEW

The history of our Company dates back to 2016, when our Company was established as a joint stock limited company under the laws of the PRC with the name Anhui Yingfa Ruineng Technology Co., Ltd. (安徽英發睿能科技股份有限公司). Our Company was founded by Mr. Zhang Fayu through his controlled entity, Nanjing Yingfa, and his son, Mr. Zhang Jie (張傑), all being our Controlling Shareholders, collectively, and an Independent Third Party. For the biography of Mr. Zhang Fayu, please refer to the section headed "Directors and Senior Management" in this document. Subsequently, our Company received several rounds of Pre-[**REDACTED**] Investments. On May 16, 2025, our Company relocated its headquarters to Yibin City, Sichuan Province and was renamed Sichuan Yingfa Ruineng Technology CO., LTD. (四川英發睿能科技股份有限公司).

BUSINESS DEVELOPMENT MILESTONES

The table below sets out business development milestones in the history of our Company:

Year	Milestones
2016	Our Company was established and commenced production of solar cells.
2018	Our production base in Tianchang City, Anhui Province, the PRC, was established and adopted the monocrystalline PERC technology.
2019	We were recognized as "High-tech Enterprise" (高新技術企業) by Anhui Province Department of Science and Technology (安徽省科學技術廳), Anhui Province Department of Finance (安徽省財政廳) and Anhui Provincial Tax Service under State Taxation Administration (國家税務總局安徽省税務局).
2020	Our subsidiary, Yingfa Desheng, was established in June 2020, demonstrating our Group's layout of large solar cell production lines.
2021	We were recognized as "National Specialized and Innovative 'Little Giant' Enterprise" (國家專精特新"小巨人"企業) by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部).
2022	We signed a cooperation agreement with the People's Government of Yibin Municipality (宜賓市人民政府) in April 2022 and established Yingfa Deyao in June 2022, which is the first solar photovoltaic enterprise based in Yibin. Phase I of the 20GW high-efficiency solar cell project of Yibin production base was put into production in November 2022.
2023	Phase II of the 10GW N-type TOPCon cell project of our Yibin production base commenced construction in April 2023. We launched our monocrystalline silicon rod business through our subsidiary, Yingfa Dekun Phase II of our Yibin production base began production and phase IV commenced construction in July 2023, and the first monocrystalline silicon rod was produced in phase IV of the Yibin production base in December 2023.

Year	Milestones
	Yingfa Desheng was recognized as "High-tech Enterprise" (高新技術企業) by Anhui Province Department of Science and Technology (安徽省科學技術廳), Anhui Province Department of Finance (安徽省財政廳) and Anhui Provincial Tax Service under State Taxation Administration (國家稅務總局安徽省稅務局).
2024	Our Indonesian production base was established, taking a solid step towards our globalization strategy.
	We signed a cooperation agreement with Yibin High-tech Industrial Park Administrative Committee (宜賓高新技術產業園區管理委員會) and LONGi for a 16GW HPBC solar cell production project and commenced construction of Phase III of our Yibin production base in December 2024.
2025	We relocated our headquarters to Yibin City, Sichuan Province, and were renamed Sichuan Yingfa Ruineng Technology CO., LTD. (四川英發睿能科技股份有限公司).

OUR SUBSIDIARIES

As of the Latest Practicable Date, our Company had a total of 15 subsidiaries. The subsidiaries that have made a material contribution to our results of operations during the Track Record Period are set forth below:

Name of Subsidiary	Place of Incorporation	Registered Capital	Date of Incorporation	Principal Business Activities	Percentage of Interest Held by our Group as of the Latest Practicable Date
Yingfa Desheng . . .	PRC	RMB100,000,000	June 1, 2020	R&D, manufacturing and sales of photovoltaic cells	100%
Yingfa Deyao	PRC	RMB1,687,500,000	June 16, 2022	R&D, manufacturing and sales of photovoltaic cells	73.33%(1)
Yingfa Dekun	PRC	RMB2,083,291,139	June 16, 2023	R&D, manufacturing and sales of silicon rods and wafers	96.96%(1)
Yibin Huarong New Energy Technology Co., Ltd. (宜賓市華戎新能源科技有限公司) ("**Yibin Huarong**")	PRC	RMB20,000,000	August 23, 2023	R&D and manufacturing of photovoltaic cells	96.96%(1)

Name of Subsidiary	Place of Incorporation	Registered Capital	Date of Incorporation	Principal Business Activities	Percentage of Interest Held by our Group as of the Latest Practicable Date
Nanjing Rongbei New Energy Co., Ltd. (南京容貝新能源有限公司) ("**Nanjing Rongbei**")	PRC	RMB20,000,000	February 4, 2024	Sales of photovoltaic cells	100%
PT BINTAN CELLULAR INDONESIA	Indonesia	IDR100,000,000,000	June 14, 2024	Manufacturing and sales of photovoltaic cells	100%
Yingfa Derui	PRC	RMB1,000,000,000	February 14, 2025	R&D, manufacturing and sales of photovoltaic cells	50.10%(1)

Notes:

(1) For the information of the minority shareholders of Yingfa Deyao, Yingfa Dekun, Yibin Huarong and Yingfa Derui, please see "— Corporate Structure Immediately Following the Completion of the [**REDACTED**]."

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Early History of our Company

On June 23, 2016, our Company was established under the laws of the PRC as a joint stock limited company with the name Anhui Yingfa Ruineng Technology Co., Ltd. (安徽英發睿能科技股份有限公司) and an initial registered capital of RMB100,000,000 divided into 100,000,000 Shares. Upon establishment, Nanjing Yingfa, Mr. Zhang Jie and Mr. Xu Yufeng, an Independent Third Party, held 90%, 9% and 1% of the then issued share capital of our Company, respectively. After a few rounds of share transfers in 2018 and 2020, Mr. Xu Yufeng was no longer a shareholder of our Company and the then issued share capital of our Company was held as to 90%, 5% and 5% by Nanjing Yingfa, Mr. Zhang Jie and Mr. Zhang Fayu, respectively.

In recognition of the contributions of our employees and to incentivize them to further promote our development, we adopted the Pre-[**REDACTED**] Equity Incentive Plan in December 2020. On December 24, 2020, Yingfa Qinhe was established as our Equity Incentive Platform, and Mr. Zhang Jie transferred 5,000,000 Shares to Yingfa Qinhe, upon completion of which our Company was held as to 90%, 5% and 5% by Nanjing Yingfa, Yingfa Qinhe and Mr. Zhang Fayu, respectively. As of the Latest Practicable Date, Yingfa Qinhe owned approximately 2.62% of our issued Shares. See section headed "Appendix VI — Statutory and General Information — 4. Pre-[**REDACTED**] Equity Incentive Plan" for details of the Pre-[**REDACTED**] Equity Incentive Plan.

Mr. Zhang Fayu, as the general partner of Yingfa Qinhe holding 37.4% of the partnership interests, is responsible for the management of Yingfa Qinhe and is entitled to exercise the voting rights attached to the Shares held by Yingfa Qinhe in accordance with the partnership agreement of Yingfa Qinhe. The remaining partnership interests of Yingfa Qinhe were held by 41 participants of the Pre-[**REDACTED**] Equity Incentive Plan as limited partners as of the Latest Practicable Date, comprising (i) Mr. Shi Yansong (施艷松), our executive Director, holding 16.00% of the partnership interests, (ii) Mr. Zhang Xianfa (張憲法), the director of PT BINTAN CELLULAR INDONESIA, holding 2.60% of the partnership interests, (iii) Mr. Sun Bolin (孫柏林), the supervisor of Yingfa Desheng, Yingfa Deyao and Yingfa Dekun, holding 1.60% of the partnership interests, (iv) Mr. Chen Tinghong (陳庭宏), the former director of PT BINTAN CELLULAR INDONESIA, holding 0.80% of the partnership interests, and (v) 37 employees who are not connected persons of our Company, holding approximately 41.60% of the partnership interests, with none holding more than 2.60%.

Series A Financing

On June 22, 2022, our Company and its then Shareholders entered into a capital increase agreement with Yibin Yingfa Ruineng Equity Investment Partnership (Limited Partnership) (宜賓英發睿能股權投資合夥企業(有限合夥)) ("**Yibin Ruineng Investment**"), as supplemented on the same date, and on August 3, 2022, our Company and its then Shareholders entered into a capital increase agreement with several investors (together with Yibin Ruineng Investment, the "**Series A Investors**"), as supplemented on the same date. Pursuant to the capital increase agreements, the Series A Investors subscribed for 29,489,995 Shares at a total consideration of RMB884,699,850 as detailed below (the "**Series A Financing**"), which was determined after arm's-length negotiations among the parties, with reference to the appraised value of total shareholders' equity of our Company as at March 31, 2022 prepared by an independent valuer and taking into consideration the prospect of our business, and was fully settled as of August 26, 2022.

Name of Series A Investors[(1)]	Number of Shares subscribed for and approximate percentage of shareholding on enlarged basis	Consideration
		(RMB)
Yibin Ruineng Investment	10,000,000 (7.72%)	300,000,000
Suzhou Donghe Fengying Venture Capital Partnership (Limited Partnership) (蘇州東合豐盈創業投資合夥企業(有限合夥)) ("**Donghe Fengying**")	3,300,000 (2.55%)	99,000,000
Gongqingcheng Pengying Venture Capital Partnership (Limited Partnership) (共青城朋英創業投資合夥企業(有限合夥)) ("**Pengying VC**")	2,333,333 (1.80%)	69,999,990
Suzhou Dongshi Lihe Venture Capital Partnership (Limited Partnership) (蘇州東勢力合創業投資合夥企業(有限合夥)) ("**Dongshi Lihe**")	1,700,000 (1.31%)	51,000,000
China Energy Conservation (Hubei) Environmental Protection Industry Equity Investment Fund Partnership (Limited Partnership) (中節能(湖北)環保產業股權投資基金合夥企業(有限合夥)) (**CECEP (Hubei)**)	1,666,666 (1.29%)	49,999,980
Hunan Yuna Gaoteng Venture Capital Partnership (Limited Partnership) (湖南宇納高騰創業投資合夥企業(有限合夥)) ("**Yuna Gaoteng**") (formerly known as Zibo Yuna Gaoneng Venture Capital Partnership (Limited Partnership) (淄博宇納高能創業投資合夥企業(有限合夥))	1,523,333 (1.18%)	45,699,990
Qiancheng II (Guangzhou) Venture Capital Fund Partnership (Limited Partnership) (千乘二期(廣州)創業投資基金合夥企業(有限合夥)) ("**Qiancheng II**")	1,433,333 (1.11%)	42,999,990
Wuhan Tiantang Guigu Hengxin Venture Capital Fund Partnership (武漢天堂硅谷恆新創業投資基金合夥企業(有限合夥)) ("**TTGG**")	1,000,000 (0.77%)	30,000,000
Guofu Huaqing New Energy Industrial Investment Co., Ltd. (國福華清新能源產業投資有限公司) ("**Guofu Huaqing**")	1,000,000 (0.77%)	30,000,000
Wuxi Jinyu Yangchuan Venture Capital Partnership (無錫金雨揚船創業投資合夥企業(有限合夥)) ("**Wuxi Jinyu**")	1,000,000 (0.77%)	30,000,000

Name of Series A Investors[(1)]	Number of Shares subscribed for and approximate percentage of shareholding on enlarged basis	Consideration
		(RMB)
Anhui Anhua Innovation Venture Capital Fund Co, Ltd. (安徽安華創新風險投資基金有限公司) ("**Anhua Innovation**")	990,000 (0.76%)	29,700,000
Guangzhou Development Zone Hengneng Enterprise Management Partnership (Limited Partnership) (廣州開發區恆能企業管理合夥企業(有限合夥)) ("**Hengneng Enterprise Management**")	666,666 (0.51%)	19,999,980
Suzhou Jinyu Venture Capital Partnership (Limited Partnership) (蘇州金雨創業投資合夥企業(有限合夥)) ("**Suzhou Jinyu**")	666,666 (0.51%)	19,999,980
Shi Chunmao (石春茂)	533,333 (0.41%)	15,999,990
Xinyu Naxin Ziwei Venture Capital Partnership (Limited Partnership) (新余納新紫薇創業投資合夥企業(有限合夥)) ("**Naxin Ziwei**")	366,667 (0.28%)	11,000,010
Naxin Holdings Limited (納新控股有限公司) ("**Naxin Holdings**")	333,333 (0.26%)	9,999,990
Suzhou Jinling Venture Capital Partnership (Limited Partnership) (蘇州金靈創業投資合夥企業(有限合夥)) ("**Suzhou Jinling**")	333,333 (0.26%)	9,999,990
Jiangsu Jiequan Qijin Technology Venture Capital Partnership (Limited Partnership) (江蘇聿泉麒金科技創業投資合夥企業(有限合夥)) ("**Jiangsu Fanquan**")	333,333 (0.26%)	9,999,990
Nanjing Lanmao Venture Capital Partnership (Limited Partnership) (南京蘭茂創業投資合夥企業(有限合夥)) ("**Nanjing Lanmao**")	166,666 (0.13%)	4,999,980
Hunan Yuna Lingfu Private Equity Investment Partnership (Limited Partnership) (湖南宇納領富私募股權投資企業(有限合夥)) ("**Yuna Lingfu**")	143,333 (0.11%)	4,299,990

Notes:

(1) Please refer to the subsection headed "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors" in this section for details of the Series A Investors.

Upon completion of the Series A Financing, the share capital of our Company increased from RMB100,000,000 to RMB129,489,995.

Share Transfer in August 2022

On August 3, 2022, Nanjing Yingfa, Mr. Zhang Fayu, Nanjing Qichen Equity Investment Partnership (Limited Partnership) (南京齊辰股權投資合夥企業(有限合夥)) ("**Qichen Investment**"), Chen Zhaohua and eight Series A Investors as detailed below entered into a share transfer agreement, as supplemented on the same date, pursuant to which Nanjing Yingfa and Mr. Zhang Fayu transferred 1,700,000 Shares and 3,540,295 Shares, respectively, to Qichen Investment, Chen Zhaohua and the eight Series A Investors in the following manner, at an aggregate consideration of RMB141,487,965, which was determined after arm's-length negotiations among the parties. The consideration was fully settled as of August 29, 2022.

Transferor	Number of Shares transferred	Consideration	Transferee
		(RMB)	
Mr. Zhang Fayu	1,700,000	45,900,000	Donghe Fengying
	629,630	17,000,010	Qiancheng II
	444,444	11,999,988	Suzhou Jinyu
	222,222	5,999,994	Suzhou Jinling
	222,222	5,999,994	Jiangsu Jiequan
Nanjing Yingfa	111,111	2,999,997	Nanjing Lanmao
	800,000	21,600,000	Dongshi Lihe
	259,000	6,993,000	Qichen Investment
	185,000	4,995,000	Chen Zhaohua
	666,666	17,999,982	Wuxi Jinyu

Series A+ Financing

On November 17, 2022, our Company and its then Shareholders entered into a capital increase agreement with National Green Development Fund Co., Ltd. (國家綠色發展基金股份有限公司) ("**National Green Fund**"), as supplemented on the same date, pursuant to which National Green Fund subscribed for 15,000,000 Shares at a total consideration of RMB450,000,000 (the "**Series A+ Financing**"), which was determined after arm's-length negotiations among the parties with reference to the appraised value of total shareholders' equity of our Company as at March 31, 2022 prepared by Yinxin Appraisal Co., Ltd. (銀信資產評估有限公司), an independent valuer, and taking into consideration the prospect of our business, and was fully settled on December 16, 2022. Upon completion of the Series A+ Financing, the share capital of our Company increased from RMB129,489,995 to RMB144,489,995.

Share Transfers in December 2022

On December 15, 2022, Naxin Holdings entered into a share transfer agreement with its controlled entity, Xiamen Naxin Yinshan Venture Capital Partnership (Limited Partnership) (廈門納新銀杉創業投資合夥企業(有限合夥)) ("**Naxin Yinshan**"), pursuant to which Naxin Holdings transferred 333,333 Shares to Naxin Yinshan at a consideration of RMB10,278,500, which was determined after arm's-length negotiations between the parties. The consideration was fully settled on December 15, 2022.

On December 19, 2022, our Company, Mr. Zhang Fayu and Yibin High-tech Investment Group Co., Ltd. (宜賓市高新投資集團有限公司) ("**Yibin High-tech Investment**") entered into a share transfer agreement, as supplemented on the same date, pursuant to which Mr. Zhang Fayu transferred 1,670,000 Shares to Yibin High-tech Investment at a consideration of RMB50,100,000, which was determined after arm's-length negotiations between the parties. The consideration was fully settled on February 27, 2023.

Series B Financing and Conversion of Capital Reserve

On December 19, 2022, our Company and its then Shareholders entered into a capital increase agreement with, among others, the parties as detailed below (the "**Series B Investors**"), as supplemented on the same date, pursuant to which the Series B Investors subscribed for 23,068,333 Shares at a total consideration of RMB1,038,074,985 (the "**Series B Financing**"), which was determined after arm's-length negotiations with reference to the appraised value of total shareholders' equity of our Company as at October 31, 2022 prepared by an independent valuer and taking into consideration the prospect of our business, and was fully settled as of December 30, 2022.

Name of Series B Investors[(1)]	Number of Shares subscribed for and approximate percentage of shareholding on enlarged basis	Consideration
		(RMB)
Yibin High-tech Investment	13,333,333 (7.96%)	599,999,985
Xiamen Jianfa Emerging Industry Equity Investment II Partnership (Limited Partnership) (廈門建發新興產業股權投資貳號合夥企業(有限合夥)) ("**Jianfa Emerging**")	3,600,000 (2.15%)	162,000,000
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**")	2,220,000 (1.32%)	99,900,000
Xiamen Jianfa Changrong Equity Investment Partnership (Limited Partnership) (廈門建發長榕股權投資合夥企業(有限合夥)) ("**Jianfa Changrong**")	840,000 (0.50%)	37,800,000
Jiaxing Tianfu Huasheng Equity Investment Partnership (Limited Partnership) (嘉興天府驊勝股權投資合夥企業(有限合夥)) ("**Tianfu Huasheng**")	1,110,000 (0.66%)	49,950,000
Hunan Valin Dice Honggang Investment Partnership (Limited Partnership) (湖南華菱迪策鴻鋼投資合夥企業(有限合夥)) ("**Valin Dice**")	890,000 (0.53%)	40,050,000
Shandong Yida Venture Capital Fund Partnership (Limited Partnership) (山東毅達創業投資基金合夥企業(有限合夥)) ("**Yida Venture Capital**")	665,000 (0.40%)	29,925,000
Valin Jinshan (Tianjin) Industrial Investment Fund Partnership (Limited Partnership) (華菱津杉(天津)產業投資基金合夥企業(有限合夥)) ("**Valin Jinshan**")	220,000 (0.13%)	9,900,000
Nanjing Yangsi Equity Investment Partnership (南京漾巳股權投資合夥企業(有限合夥)) ("**Nanjing Yangsi**")	190,000 (0.11%)	8,550,000

Notes:

(1) Please refer to the subsection headed "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors" in this section for details of the Series B Investors.

Upon completion of the Series B Financing, the share capital of our Company increased from RMB144,489,995 to RMB167,558,328.

Pursuant to written resolutions of our Shareholders passed on December 19, 2022, our Company converted its capital reserve of RMB172,441,672 to 172,441,672 Shares (the "**Conversion**"), and such Shares were issued to the then Shareholders in proportion to their respective shareholding. Upon completion of the Conversion, the share capital of our Company increased to RMB340,000,000.

Share Transfer in August 2023

On August 21, 2023, Yida Venture Capital and Nanjing Yingfa entered into a share transfer agreement, pursuant to which Yida Venture Capital transferred 1,349,381 Shares to Nanjing Yingfa at a consideration of RMB45,000,000, which was determined after arm's-length negotiations between the parties. The consideration was fully settled on August 28, 2023.

Series C Financing

On July 29, 2025, our Company entered into a capital increase agreement with Yibin High-tech Investment and Yibin Gaotou Industrial Development Co., Ltd. (宜賓高投產業發展有限公司) ("**Yibin Gaotou Industrial**"), pursuant to which Yibin High-tech Investment subscribed for 29,353,020 Shares at a consideration of RMB651,049,982 and Yibin Gaotou Industrial subscribed for 18,122,182 Shares at a consideration of RMB401,950,000 (the "**Series C Financing**"). The consideration was determined after arm's-length negotiations among the parties with reference to the appraised value of total shareholders' equity of our Company and Yingfa Dekun as at April 30, 2025 prepared by an independent valuer, and was settled by cash and the entire shareholding interests held by Yibin High-tech Investment and Yibin Gaotou Industrial in Yingfa Dekun. The consideration was fully settled as of August 18, 2025. Upon completion of the Series C Financing, the share capital of our Company increased from RMB340,000,000 to RMB387,475,202.

Since the completion of the share transfer as detailed above, there has been no shareholding change of our Company as of the Latest Practicable Date. For further details on the shareholding structure of our Company as of the Latest Practicable Date, see "— Capitalization" in this section.

PRE-[REDACTED] INVESTMENTS

Overview

We received four rounds of Pre-[**REDACTED**] Investments from the Pre-[**REDACTED**] Investors through subscriptions for increased share capital of our Company and conducted certain share transfers since our establishment. For further details, see "— Corporate Development and Major Shareholding Changes" in this section.

Principal Terms of the Pre-[REDACTED] Investments and Pre-[REDACTED] Investors' Rights

The following table[(1)] summarizes the key terms of the Pre-[**REDACTED**] Investments to our Company made by the Pre-[**REDACTED**] Investors:

	Series A	Series A+	Series B	Series C
Date of capital increase agreement(s)	June 22, 2022 and August 3, 2022	November 17, 2022	December 19, 2022	July 29, 2025
Date of completion[(2)]	August 26, 2022	December 16, 2022	December 30, 2022	August 18, 2025
Amount of consideration (RMB)	884,699,850	450,000,000	1,038,074,985	1,052,999,982
Post-money valuation of our Company (RMB)[(3)]	3,884,699,850	4,334,699,850	7,540,124,760	8,594,199,980.36
Cost per Share paid to our Company (RMB)[(4)]	14.78	14.78	22.18	22.18
([REDACTED])/Premium to the [REDACTED]	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%
Basis of the consideration	The consideration for the Pre-[**REDACTED**] Investments was determined after arm's-length negotiations taking into consideration the pre-investment valuation and the prospect of our business. See "— Corporate Development and Major Shareholding Changes" in this section for more details.			
Use of proceeds from the Pre-[REDACTED] Investments	We have utilized all of the proceeds from the Pre-[**REDACTED**] Investments for the principal business of our Group.			

	Series A	Series A+	Series B	Series C
Lock-up period	Pursuant to the applicable PRC law, within one year from the [**REDACTED**], all current Shareholders (including the Pre-[**REDACTED**] Investors) could not dispose of any of the Shares they currently hold.			
Strategic benefits of the Pre-[REDACTED] Investors brought to our Company	At the time of the Pre-[**REDACTED**] Investments, our Directors believed that our Group could benefit from additional funds raised from the Pre-[**REDACTED**] Investments as well as the Pre-[**REDACTED**] Investors' knowledge and experience. In addition, with the introduction of the Pre-[**REDACTED**] Investors, the management team of our Group has become increasingly experienced in corporate governance enhancement and shareholder communications. Our Directors also believed that we could benefit from the Pre-[**REDACTED**] Investments, as the Pre-[**REDACTED**] Investors' investments demonstrated confidence in our operations and development and served as an endorsement of our performance, strength and prospects.			

Notes:

(1) The share transfer in August 2022 is not included in the above table, as the total consideration for the transfer of RMB141,487,965 was paid to Mr. Zhang Fayu and Nanjing Yingfa (instead of our Company) by Qichen Investment, Chen Zhaohua and eight Series B Investors, with the consideration fully settled on August 29, 2022. See "— Corporate Development and Major Shareholding Changes — Share Transfer in August 2022" in this section for more details. The cost per Share of such share transfer is RMB13.31, which is calculated as if the Conversion had been completed at the time of such transfer. Assuming the [**REDACTED**] is fixed at HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] range, the [**REDACTED**] to the [**REDACTED**] is approximately [**REDACTED**]%.

The share transfer on December 15, 2022 is not included in the above table, as the consideration for the transfer in the amount of RMB10,278,500 was paid to Naxin Holdings (instead of our Company) by Naxin Yinshan, with the consideration fully settled on December 15, 2022. See "— Corporate Development and Major Shareholding Changes — Share Transfers in December 2022" in this section for more details. The cost per Share of such share transfer is RMB15.20, which is calculated as if the Conversion had been completed at the time of such transfer. Assuming the [**REDACTED**] is fixed at HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] range, the [**REDACTED**] to the [**REDACTED**] is approximately [**REDACTED**]%.

The share transfer on December 19, 2022 is not included in the above table, as the consideration for the transfer in the amount of RMB50,100,000 was paid to Mr. Zhang Fayu (instead of our Company) by Yibin High-tech Investment, with the consideration fully settled on February 27, 2023. See "— Corporate Development and Major Shareholding Changes — Share Transfers in December 2022" in this section for more details. The cost per Share of such transfer is RMB14.78, which is calculated as if the Conversion had been completed at the time of such transfer. Assuming the [**REDACTED**] is fixed at HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] range, the [**REDACTED**] to the [**REDACTED**] is approximately [**REDACTED**]%.

The share transfer on August 21, 2023 is not included in the above table, as the consideration for the transfer in the amount of RMB45,000,000 was paid to Yida Venture Capital (instead of our Company) by Nanjing Yingfa, with the consideration fully settled on August 28, 2023. See "— Corporate Development and Major Shareholding Changes — Share Transfer in August 2023" in this section for more details. The cost per Share of such transfer is RMB33.35. Assuming the [**REDACTED**] is fixed at HK$[**REDACTED**], being the mid-point of the indicative [**REDACTED**] range, the [**REDACTED**] to the [**REDACTED**] is approximately [**REDACTED**]%.

(2) Date of completion represents the date on which the consideration for each tranche had been fully settled.

(3) The increase in post-money valuation during the period between the Series A Financing and the Series C Financing was primarily due to the business development of our Group, the business growth expectation and enhanced investor background. In particular, the substantial increase in the post-money valuation of our Company between the Series A+ Financing and the Series B Financing was primarily attributable to the following factors: (i) the negotiation for the Series A+ Financing was initiated concurrently with that for the Series A Financing, and the consideration and valuation of our Company for both rounds were determined with reference to the appraised value of the total shareholders' equity of our Company as of March 31, 2022. In contrast, the consideration and valuation for the Series B Financing were based on the appraised value of the total shareholders' equity of our Company as of October 31, 2022, which reflected a more updated assessment of our financial and operational performance; and (ii) between March 31, 2022 and October 31, 2022, we established Yingfa Deyao jointly with the People's Government of Yibin Municipality and prepared to commence production of Phase I of the 20GW high-efficiency solar cell project of Yibin production base shortly thereafter.

(4) The cost per Share is calculated as if the Conversion had been completed at the relevant time of the Series A, Series A+ and Series B Pre-[**REDACTED**] Investments.

(5) Calculated based on the midpoint of the indicative [**REDACTED**] range.

PRC Legal Advisor's Confirmation

As advised by our PRC Legal Advisor, our Company has made all necessary registrations or filings with the relevant local branch of the SAMR in respect of the shareholding changes and the Pre-[**REDACTED**] Investments set out above in all material respects, and the shareholding changes and Pre-[**REDACTED**] Investments were conducted in compliance with the applicable PRC laws and regulations in all material respects.

Special Rights of the Pre-[REDACTED] Investors

Pursuant to the capital increase agreements (as supplemented) entered into among our Company, the then Shareholders and the Pre-[**REDACTED**] Investors in 2022 (the "**Capital Increase Agreements**"), the relevant Pre-[**REDACTED**] Investors were granted certain special rights including, but not limited to, redemption rights, restrictions on asset transfer by our Company, conditions for introduction of new investors, priority liquidation rights, etc. Pursuant to the Capital Increase Agreements, Mr. Zhang Fayu, Nanjing Yingfa and Yingfa Qinhe, as the Controlling Shareholders of our Company, were obliged to fulfill the aforementioned redemption rights to the Pre-[**REDACTED**] Investors, and our Company merely bore the joint and several liability on the unsettled redemption consideration. Considering (i) the Controlling Shareholders' solvency, including the value of the equity interests they held in our Company and other controlled companies outside our Group, which are collectively expected to be substantially sufficient to cover the cash payment obligations associated with the redemption, and (ii) the redemption conditions, our Directors believe that it is not probable for our Company to have an unavoidable cash payment obligation on the Pre-[**REDACTED**] Investors' redemption rights as at December 31, 2022. Pursuant to the Shareholders' agreement entered into among all the then Shareholders on February 28, 2023 and undertakings signed by each of the then Shareholders in March and June, 2023, such special rights were irrevocably terminated. Based on the above, our Directors believe that it is appropriate to present the Pre-[**REDACTED**] Investments as equity in the Group's consolidated statements of financial position during the Track Record Period in accordance with IAS 32 and the IAS 32.23 concerning contractual obligation for an equity to purchase its own equity instruments for cash or another financial assets does not apply. For details, see Note 35 to the Accountants' Report in Appendix I to this document.

Joint Sponsors' Confirmation

On the basis that (i) the [**REDACTED**] will take place no earlier than 120 clear days after the completion of the Pre-[**REDACTED**] Investments; and (ii) the termination of special rights granted to the Pre-[**REDACTED**] Investors as disclosed in "Special Rights of the Pre-[**REDACTED**] Investors" above, the Joint Sponsors confirm that the Pre-[**REDACTED**] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information about our Pre-[REDACTED] Investors

Background information on the Pre-[**REDACTED**] Investors that are our Shareholders as of the Latest Practicable Date is set out below.

Close associates of Yibin SASAC

Yibin High-tech Investment is a limited liability company established in the PRC, mainly engaged in investment and corporate management. Yibin High-tech Investment is held as to approximately (i) 67.13% by Yibin State-owned Assets Supervision and Administration Commission (宜賓市政府國有資產監督管理委員會) ("**Yibin SASAC**"), (ii) 21.55% by Yibin Development Holdings Group Co., Ltd. (宜賓發展控股集團有限公司) ("**Yibin Development**") and (iii) 11.32% by Yibin Xuzhou Chuangyi Industrial Investment Co., Ltd. (宜賓市敘州區創益產業投資有限公司) ("**Yibin Chuangyi**").

Yibin Ruineng Investment is a limited partnership established in the PRC, mainly engaged in equity investment. The general partner of Yibin Ruineng Investment is Yinbin Emerging Industry Development Investment Fund Management Co., Ltd. (宜賓市新興產業發展投資基金管理有限責任公司) ("**Yibin Emerging Industry Fund**"), which holds approximately 0.09% of the partnership interests and is held 68% by Yibin Emerging Industry Investment Group Co., Ltd. (宜賓市新興產業投資集團有限公司) ("**Yibin Emerging Industry Group**") and 32% by other two shareholders, each of which holds 16%. Yibin Emerging Industry Group is wholly owned by Yibin Sanjiang Investment Construction Group Co., Ltd. (宜賓三江投資建設集團有限公司) ("**Yibin Sanjiang**"), a wholly-owned subsidiary of Yibin Development, which is held 90% by Yibin SASAC and 10% by Sichuan Provincial Finance Department (四川省財政廳). The limited partners of Yibin Ruineng Investment comprise (i) Yibin Emerging Industry Group, which holds 59.04% of the partnership interests, (ii) Yibin High-tech Investment, which holds 31.79% of the partnership interests, and (iii) Yibin Development Venture Capital Co., Ltd. (宜賓發展創投有限公司) ("**Yibin Development VC**"), which holds 9.08% of the partnership interests.

Yibin Lvneng is a limited partnership established in the PRC, mainly engaged in equity investment in companies in the green energy industry. The general partner of Yibin Lvneng is Ningbo Meishan Bonded Area Chendao Investment Partnership (Limited Partnership) (寧波梅山保税港區晨道投資合夥企業(有限合夥)) ("**Chendao Capital**"), which holds approximately 0.02% of the partnership interests, and is managed by its general partner, Ningbo Meishan Bonded Area Yitian Investment Co., Ltd. (寧波梅山保税港區倚天投資有限公司) ("**Ningbo Yitian**") and held as to 99% by its sole limited partner, Guan Chaoyu (關朝余). Ningbo Yitian is held as to 67% by Guan Chaoyu and 33% by Zhang Shuqin (章書勤). Yibin Lvneng has eight limited partners, among which (i) Yibin Development VC, a wholly-owned subsidiary of Yibin Development, holds 46.5% of the partnership interests, (ii) Xinyin Growth (Shenzhen) Equity Investment Fund Partnership (Limited Partnership) (信銀成長(深圳)股權投資基金(有限合夥)) ("**Xinyin Growth**") holds 11.63% of the partnership interests, (iii) Liyang Government Investment Fund (Limited Partnership) (溧陽市政府投資基金(有限合夥)) ("**Liyang Investment**") holds 11.63% of the partnership interests, (iv) Beijing Huading New Power Equity Investment Fund (Limited Partnership) (北京華鼎新動力股權投資基金(有限合夥)) ("**Huading Fund**") holds 11.63% of the partnership interests, and (v) each of the other four limited partners holds no more than 10% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

Yibin Gaotou Industrial is a limited liability company established in the PRC, mainly engaged in investment and corporate management. Yibin Gaotou Industrial is held as to approximately (i) 72.61% by Yibin High-tech Investment and (ii) 27.39% by National Green Fund.

As of the Latest Practicable Date, each of Yibin High-tech Investment, Yibin Ruineng Investment and Yibin Gaotou Industrial was ultimately controlled by Yibin SASAC and they aggregately held more than 10% of the voting rights at the general meetings of our Company, and thus each of them is our Substantial Shareholder and will constitute a connected person of our Company upon [**REDACTED**]. As associates of Yibin Ruineng Investment, each of Yibin Lvneng, Yibin Development, Yibin Emerging Industry Fund, Yibin Emerging Industry Group, Yibin Sanjiang and Yibin Development VC will constitute our connected person upon [**REDACTED**].

National Green Fund

National Green Fund is a joint stock limited company established in the PRC, mainly engaged in investment in green development sectors including the clean energy industry. National Green Fund is held as to 11.30% by the Ministry of Finance of the PRC (中華人民共和國財政部), with other shareholders holding less than 10%. To the best knowledge of our Directors, National Green Fund is an Independent Third Party.

Donghe VC (東合創投)

Donghe Fengying is a limited partnership established in the PRC, mainly engaged in investment in emerging companies. The general partner of Donghe Fengying is Suzhou Donghe Venture Capital Management Co., Ltd. (蘇州東合創業投資管理有限公司) ("**Suzhou Donghe Management**"), which is held as to 70% by Suzhou Donghe Venture Capital Co., Ltd. (蘇州東合創業投資有限公司) ("**Donghe Venture Capital**"), a company wholly owned by Ji Liwei (嵇禮偉), and 30% by the other three shareholders, each of which holds no more than 15% and to the best knowledge of our Directors is an Independent Third Party. The limited partners of Donghe Fengying comprise (i) Ni Zugen (倪祖根), who holds 90% of the partnership interests, and (ii) two limited partners, each of which holds no more than 8% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

Dongshi Lihe is a limited partnership established in the PRC, mainly focused on venture capital investment and managed by its general partner, Suzhou Donghe Management, which holds approximately 0.23% of the partnership interests. Dongshi Lihe has 12 limited partners, among which (i) Wang Fugen (王福根) holds the largest partnership interests at approximately 28.67%, (ii) Suzhou Huangjinjia Information Technology Co., Ltd. (蘇州凰金甲信息技術有限公司) ("**Suzhou Huangjinjia**") holds approximately 16.06% of the partnership interests, (iii) Li Jianhua (李建華) holds approximately 11.47% of the partnership interests, and (iv) each of the other limited partners holds no more than 6% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

To the best knowledge of our Directors, each of Donghe Fengying, Suzhou Donghe Management, Donghe Venture Capital, Ji Liwei, Ni Zugen, Dongshi Lihe, Wang Fugen, Suzhou Huangjinjia, and Li Jianhua is an Independent Third Party.

Jianxin Investment (建鑫投資)

Jianfa Emerging is a limited partnership established in the PRC, mainly engaged in equity investment in emerging industries. Jianfa Emerging is held as to approximately (i) 0.02% by its general partner, Xiamen Jianxin Investment Co., Ltd. (廈門建鑫投資有限公司) ("**Xiamen Jianxin**"), and (ii) 99.98% by its sole limited partner, Xiamen Jianfa Emerging Industry Equity Investment Co., Ltd. (廈門建發新興產業股權投資有限責任公司) ("**Xiamen Jianfa Investment**"). Xiamen Jianxin and Xiamen Jianfa Investment are controlled by Xiamen Jianfa Group Co., Ltd. (廈門建發集團有限公司) ("**Xiamen Jianfa Group**"), which is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Xiamen (廈門市人民政府國有資產監督管理委員會).

Jianfa Changrong is a limited partnership established in the PRC, mainly engaged in equity investment. The general partner of Jianfa Changrong is Xiamen Jianxin, which holds approximately 0.26% of the partnership interests. Jianfa Changrong has 19 limited partners, each of which holds no more than 8% of the partnership interests therein and to the best knowledge of our Directors is an Independent Third Party.

To the best knowledge of our Directors, each of Jianfa Emerging, Jianfa Changrong, Xiamen Jianxin, Xiamen Jianfa Investment and Xiamen Jianfa Group is an Independent Third Party.

Pengying VC

Pengying VC is a limited partnership established in the PRC, mainly engaged in venture capital investment. The general partner of Pengying VC is Sanya Pengzhe Private Equity Fund Management Co., Ltd. (三亞朋哲私募基金管理有限公司) ("**Sanya Pengzhe**"), which is held as to 85% by Yang Bing (楊冰) and 15% by Lu Xiaoting (陸曉婷). Pengying VC has 16 limited partners, except Wu Fulin (吳富林) holding approximately 11.54% and Dai Zhihui (戴智慧) holding approximately 10.26%, each of which holds no more than 9% of the partnership interests therein

and to the best knowledge of our Directors is an Independent Third Party. To the best knowledge of our Directors, each of Pengying VC, Sanya Pengzhe, Lu Xiaoting, Yang Bing, Wu Fulin and Dai Zhihui is an Independent Third Party.

Qiancheng II

Qiancheng II is a limited partnership established in the PRC, mainly engaged in venture capital investment. Qiancheng II has two general partners, Shenzhen Baiyang Investment Management Co., Ltd. (深圳白楊投資管理有限公司) ("**Shenzhen Baiyang**") and Shenzhen Qiancheng II Venture Capital Partnership (Limited Partnership) (深圳千乘二期創業投資合夥企業(有限合夥)) ("**Shenzhen Qiancheng**"), respectively holding approximately 1.11% and 0.22% of the partnership interests, and Shenzhen Baiyang is the general partner of Shenzhen Qiancheng. Shenzhen Baiyang is wholly owned by Sanya Qiancheng Venture Capital Co., Ltd. (三亞千乘創業投資有限公司) ("**Sanya Qiancheng**"), and Shenzhen Qiancheng is held as to 99% by Sanya Qiancheng as its sole limited partner. Sanya Qiancheng is held approximately 49.20%, 19.40%, 16.40% and 15.00% by Shenzhen Tiemuzhen Investment Consulting Co, Ltd. (深圳鐵木真投資諮詢有限公司) ("**Shenzhen Tiemuzhen**"), Shenzhen Muhuali Equity Investment Partnership (Limited Partnership) (深圳木華黎股權投資企業(有限合夥)) ("**Shenzhen Muhuali**"), Shenzhen Boershu Investment Co., Ltd. (深圳博爾術投資有限公司) ("**Shenzhen Boershu**") and Shenzhen Zhebie Investment Consulting Partnership (Limited Partnership) (深圳哲別投資諮詢企業(有限合夥)) ("**Shenzhen Zhebie**"), respectively. Each of Shenzhen Tiemuzhen, Shenzhen Muhuali, Shenzhen Boershu and Shenzhen Zhebie is ultimately controlled by Xiong Wei (熊偉).

Qiancheng II has 16 limited partners, among which (i) Zhuhai Hengqin Qiancheng II Venture Capital Fund Partnership (Limited Partnership) (珠海橫琴千乘二期創業投資基金企業(有限合夥)) ("**Zhuhai Qiancheng**") holds approximately 20.37% of the partnership interests, (ii) CICC Genesis National Emerging Industry Venture Capital Guide Fund Partnership (Limited Partnership) (中金啟元國家新興產業創業投資引導基金(有限合夥)) ("**CICC Genesis**") holds approximately 14.81%, (iii) Suzhou Industrial Park Oriza Dingsheng Equity Investment Partnership (Limited Partnership) (蘇州工業園區元禾鼎盛股權投資合夥企業(有限合夥)) ("**SIP Oriza**") holds approximately 11.11%, and (iv) each of the other 13 limited partners holds no more than 8% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

To the best knowledge of our Directors, each of Qiancheng II, Shenzhen Baiyang, Shenzhen Qiancheng, Sanya Qiancheng, Shenzhen Tiemuzhen, Shenzhen Muhuali, Shenzhen Boershu, Shenzhen Zhebie, Xiong Wei, Zhuhai Qiancheng, Shanghai Dachen, Fu Ziqing, Hangzhou Naxin, Naxin Holdings, Zhou Bin, Chen Jufang, CICC Genesis and SIP Oriza is an Independent Third Party.

Jinyu Maowu (金雨茂物)

Wuxi Jinyu is a limited partnership established in the PRC, mainly engaged in venture capital investment. The general partner of Wuxi Jinyu is Jinyu Maowu (Tibet) Venture Capital Management Co., Ltd. (金雨茂物(西藏)創業投資管理有限公司) ("**Jinyu Tibet**") (formerly known as Tibet Jinyuan Investment Management Co., Ltd. (西藏金緣投資管理有限公司)), which holds approximately 7.98% of the partnership interests and is wholly owned by Jinyu Maowu Investment Management Co., Ltd. (金雨茂物投資管理股份有限公司) ("**Jinyu Maowu**"), a joint stock limited company listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統) ("**NEEQ**") (stock code: 834960) and held as to (i) 34% by Zhang Min (張敏), (ii) 34% by Duan Xiaoguang (段小光), (iii) approximately 17.00% by Xu Yongliang (許顒良) and (iv) in aggregate approximately 15% by other shareholders, each of which holds no more than 5% and to the best knowledge of our Directors is an Independent Third Party. Wuxi Jinyu is held as to approximately 92.02% by its sole limited partner, Jiangsu Xinyangzi Trading Co., Ltd. (江蘇新揚子商貿有限公司)

("**Jiangsu Xinyangzi**"), a wholly-owned subsidiary of Jiangsu Yangchuan Investment Development Co., Ltd. (江蘇揚船投資發展有限公司) ("**Jiangsu Yangchuan**"), which is wholly owned by Yangzijiang Financial Holding Ltd., a company listed on the Singapore Exchange (stock code: YF8).

Suzhou Jinyu is a limited partnership established in the PRC, mainly engaged in venture capital investment. The general partner of Suzhou Jinyu is Suzhou Jinma Venture Capital Partnership (Limited Partnership) (蘇州金碼創業投資合夥企業(有限合夥)) ("**Suzhou Jinma**"), which holds approximately 2.05% of the partnership interests and is managed by Jinyu Tibet as the general partner with 61% of the partnership interests and held as to 39% by its sole limited partner, Ren Fujun (任富鈞). Suzhou Jinyu has 22 limited partners, except Suzhou Zhenze Technology Industrial Park Co., Ltd. (蘇州震澤科技產業園有限公司) ("**Suzhou Zhenze**") holding approximately 15.35%, each of which holds no more than 8% of the partnership interests therein and to the best knowledge of our Directors is an Independent Third Party.

Jiangsu Jiequan is a limited partnership established in the PRC, mainly focused on venture capital investment in technology companies. The general partner of Jiangsu Jiequan is Nanjing Jinhua Venture Capital Partnership (Limited Partnership) (南京金鏵創業投資合夥企業(有限合夥)) ("**Nanjing Jinhua**"), which holds 2% of the partnership interests and is held as to (i) 77% by its general partner, Jinyu Tibet, and (ii) 23% by its sole limited partner, Ren Fujun. Jiangsu Jiequan is held as to (i) 70% by Nanjing Qilin Venture Capital Co., Ltd. (南京麒麟創業投資有限公司) ("**Nanjing Qilin**"), (ii) 20% by Jiangsu Government Investment Fund Partnership (Limited Partnership) (江蘇省政府投資基金(有限合夥)) ("**Jiangsu Investment**"), (iii) 8% by Jinyu Tibet and (iv) 2% by Nanjing Jinhua. Nanjing Qilin is wholly owned by Nanjing Science and Technology Innovation Investment Co., Ltd. (南京市科技創新投資有限責任公司) ("**Nanjing Science**"), which is in turn held as to (i) 40% by Nanjing Southeast State-owned Assets Investment Group Co., Ltd. (南京東南國資投資集團有限責任公司) ("**Nanjing Southeast**"), a company wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Nanjing (南京市人民政府國有資產監督管理委員會) ("**Nanjing SASAC**") and (ii) 20% by each of the other three shareholders, each of which to the best knowledge of our Directors is an Independent Third Party.

Suzhou Jinling is a limited partnership established in the PRC, mainly engaged in venture capital investment. The general partner of Suzhou Jinling is Suzhou Jinren Venture Capital Partnership (Limited Partnership) (蘇州金仁創業投資合夥企業(有限合夥)) ("**Suzhou Jinren**"), which holds 2% of the partnership interests and is managed by its general partner, Jinyu Maowu, and held as to (i) 54% by Jinyu Maowu, (ii) 30% by Ms. Xu Yunxia (徐雲霞) and (iii) 16% by Ren Fujun. Suzhou Jinling has 15 limited partners, among which (i) Wang Ming (王明) holds 30% of the partnership interests, (ii) Suzhou Tongyun Renhe Innovation Industrial Investment Co., Ltd. (蘇州同運仁和創新產業投資有限公司) ("**Suzhou Tongyun**") holds approximately 16.67% of the partnership interests, (iii) Guodu Dongfang Huiying (Suzhou) Equity Investment Master Fund Partnership (Limited Partnership) (國都東方匯贏(蘇州)股權投資母基金企業(有限合夥)) ("**Guodu Dongfang**") holds approximately 10% of the partnership interests, and (iv) each of the other 12 limited partners holds no more than 7% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

Nanjing Lanmao is a limited partnership established in the PRC, mainly focused on venture capital investment. The general partner of Nanjing Lanmao is Nanjing Maoxi Venture Capital Partnership (Limited Partnership) (南京茂希創業投資合夥企業(有限合夥)) ("**Nanjing Maoxi**"), which holds 1% of the partnership interests and is managed by its general partner, Jinyu Tibet, and held as to (i) 65% by Jinyu Tibei, (ii) 25% by Zhu Fangzhou (朱方舟) and (iii) 10% by Wang Dong (王棟). Nanjing Lanmao has 14 limited partners, among which (i) Nanjing Jinye Venture Capital Partnership (Limited Partnership) (南京金鄴創業投資合夥企業(有限合夥) ("**Nanjing Jinye**") holds approximately 27.31% of the partnership interests, (ii) Nanjing Jiangning High-tech Zone Technology Venture Capital Management Co., Ltd. (南京江寧高新區科技創業投資管理有限公司) ("**Jiangning High-tech**"), a company ultimately owned by Jiangning SAM Office, the

Administration Commission of Nanjing Jiangning High-tech Industry Development Zone (南京江寧高新技術產業開發區管理委員會) and the People's Government of Jiangning District of Nanjing (南京市江寧區人民政府), holds approximately 19.35% of the partnership interests, (iii) Nanjing Jinmao Management Consulting Partnership (Limited Partnership) (南京今茂管理諮詢合夥企業(有限合夥)) ("**Nanjing Jinmao**") holds approximately 10.54% of the partnership interests and (iv) each of the other 11 limited partners holds no more than 9% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

To the best knowledge of our Directors, each of Wuxi Jinyu, Jinyu Tibet, Jinyu Maowu, Zhang Min, Duan Xiaoguang, Xu Yongliang, Jiangsu Xinyangzi, Jiangsu Yangchuan, Suzhou Jinyu, Suzhou Jinma, Suzhou Zhenze, Ren Fujun, Jiangsu Jiequan, Nanjing Jinhua, Nanjing Qilin, Jiangsu Investment, Nanjing Science, Nanjing Southeast, Suzhou Jinling, Suzhou Jinren, Ms. Xu Yunxia, Wang Ming, Suzhou Tongyun, Guodu Dongfang, Nanjing Lanmao, Nanjing Maoxi, Zhu Fangzhou, Wang Dong, Nanjing Jinye, Jiangning High-tech and Nanjing Jinmao is an Independent Third Party.

CECEP (Hubei)

CECEP (Hubei) is a limited partnership established in the PRC, mainly engaged in equity investment in companies in the energy conservation and environmental protection industries. The general partner of CECEP (Hubei) is CECEP Yihe (Hubei) Private Equity Fund Management Co., Ltd. (中節能翼和(湖北)私募基金管理有限公司) ("**CECEP Yihe**"), which holds 1% of the partnership interests and is held as to (i) 37% by CECEP Capital Holding Co., Ltd. (中節能資本控股有限公司) ("**CECEP Capital**"), a company wholly owned by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) ("**SASAC**"), (ii) 30% by Daiwa Corporate Investment Co., Ltd. ("**Daiwa Investment**"), a private equity fund management company established in Japan and wholly owned by Daiwa Securities Group ("**Daiwa Securities**") (listed on the Tokyo Stock Exchange (stock code: 8601)) and (iii) 33% by two other shareholders, each of which holds no more than 20% interest and to the best knowledge of our Directors is an Independent Third Party. CECEP (Hubei) has four limited partners holding 99% of the partnership interests in aggregate, including National Green Fund, CECEP Capital, Daiwa Investment and Changjiang Venture Capital Fund Co., Ltd. (長江創業投資基金有限公司) ("**Changjiang VC**"), which is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Hubei (湖北省人民政府國有資產監督管理委員會). To the best knowledge of our Directors, each of CECEP (Hubei), CECEP Yihe, CECEP Capital, Daiwa Investment, Daiwa Securities, National Green Fund and Changjiang VC is an Independent Third Party.

Yuna Capital (宇納資本)

Yuna Gaoteng is a limited partnership established in the PRC, mainly engaged in venture capital investment. The general partner of Yuna Gaoteng is Hunan Yuna Private Equity Fund Management Co., Ltd. (湖南宇納私募股權基金管理有限公司) ("**Hunan Yuna PE**"), which holds approximately 4.11% of the partnership interests and has 11 shareholders, each of which holds no more than 18% interest and to the best knowledge of our Directors is an Independent Third Party. Yuna Gaoteng has 22 limited partners, each of which holds no more than 15% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

Yuna Lingfu is a limited partnership established in the PRC, mainly focused on private equity investment. Yuna Lingfu is managed by its general partner, Hunan Yuna PE, which holds approximately 6.51% of the partnership interests, and has 19 limited partners, each of which holds no more than 10% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party.

To the best knowledge of our Directors, each of Yuna Gaoteng, Hunan Yuna PE and Yuna Lingfu is an Independent Third Party.

Tianfu Huasheng

Tianfu Huasheng is a limited partnership established in the PRC, mainly engaged in equity investment. Tianfu Huasheng has two general partners, Shanghai Dunhong Capital Management Co., Ltd. (上海敦鴻資產管理有限公司) ("**Shanghai Dunhong**") and Chengdu Tianfu Sanjiang Industrial Co., Ltd. (成都市天府三江實業有限公司) ("**Tianfu Sanjiang**"), each of which holds approximately 0.05% of the partnership interests. Shanghai Dunhong is held approximately 69.69% by Shanghai Dunfu Enterprise Management Center (Limited Partnership) (上海敦富企業管理中心(有限合夥)) ("**Shanghai Dunfu**") and approximately 30.31% by other three shareholders, each of which holds no more than 18% and to the best knowledge of our Directors is an Independent Third Party. The general partner of Shanghai Dunfu, Yuan Guoliang (袁國良), holds approximately 79.82% of the partnership interests, and except Yao Jinming (姚金明) holding approximately 10.42%, each of the limited partners of Shanghai Dunfu holds no more than 7% and to the best knowledge of our Directors is an Independent Third Party. Tianfu Sanjiang is wholly owned by Sichuan Esheng Cement Group Co., Ltd. (四川峨勝水泥集團股份有限公司) ("**Sichuan Esheng**"), which has 120 shareholders, except Xiong Jianhua (熊建華) holding approximately 47.27%, each of which holds no more than 12% and to the best knowledge of our Directors is an Independent Third Party. Tianfu Huasheng has two limited partners, among which Sichuan Esheng holds approximately 99.72% of the partnership interests and the other holds approximately 0.18% and to the best knowledge of our Directors is an Independent Third Party. To the best knowledge of our Directors, each of Tianfu Huasheng, Shanghai Dunhong, Tianfu Sanjiang, Shanghai Dunfu, Yuan Guoliang, Sichuan Esheng and Xiong Jianhua is an Independent Third Party.

TTGG

TTGG is a limited partnership established in the PRC, mainly engaged in venture capital investment. The general partner of TTGG is Shanghai TTGG Venture Capital Management Co., Ltd. (上海天堂硅谷創業投資管理有限公司) ("**Shanghai TTGG**") with approximately 1.06% partnership interests, which is wholly owned by TTGG Venture Capital Group Co., Ltd. (天堂硅谷創業投資集團有限公司) ("**TTGG VC**"), which is in turn controlled by Heaven-Sent Industrial Group Co., Ltd. (硅谷天堂產業集團股份有限公司) ("**Heaven-Sent**") as to approximately 51.84%, and each of the other six shareholders holds no more than 28% in TTGG VC and to the best knowledge of our Directors is an Independent Third Party. Heaven-Sent is a joint stock limited company listed on NEEQ (stock code: 833044). TTGG has 12 limited partners, among which (i) Hangzhou TTGG Venture Capital Management Co., Ltd. (杭州天堂硅谷創業投資管理有限公司) ("**Hangzhou Tiantang**"), wholly owned by TTGG VC, holds approximately 53.56% of the partnership interests and (ii) each of the other 11 limited partners holds no more than 10% of the partnership interests and to the best knowledge of our Directors is an Independent Third Party. To the best knowledge of our Directors, each of TTGG, Shanghai TTGG, TTGG VC, Heaven-Sent, and Hangzhou Tiantang is an Independent Third Party.

Guofu Huaqing

Guofu Huaqing is a limited liability company established in the PRC, mainly engaged in investment in the new energy industry. Guofu Huaqing is held as to approximately (i) 72.68% by Runwu Holdings Co., Ltd. (潤物控股有限公司) ("**Runwu Holdings**"), which is wholly owned by Chen Yuan (陳遠), and (ii) 27.32% by Ms. Zhang Shuzhen (張淑珍). To the best knowledge of our Directors, each of Guofu Huaqing, Runwu Holdings, Chen Yuan and Ms. Zhang Shuzhen is an Independent Third Party.

Anhua Innovation

Anhua Innovation is a limited liability company established in the PRC, mainly engaged in venture capital investment in innovative companies. Anhua Innovation is held as to approximately (i) 26.18% by Huaan Jiaye Investment Management Co., Ltd. (華安嘉業投資管理有限公司) ("**Huaan Jiaye**"), (ii) 17.46% by Guoyuan Innovating Investment Co., Ltd. (國元創新投資有限公

司) ("**Guoyuan Innovating**"), and (iii) no more than 10% by each of the other eight shareholders, who to the best knowledge of our Directors are Independent Third Parties. To the best knowledge of our Directors, each of Anhua Innovation, Huaan Jiaye and Guoyuan Innovating is an Independent Third Party.

Dice Venture Capital (迪策創投)

Valin Dice is a limited partnership established in the PRC, mainly engaged in equity investment and bond investment. The general partner of Valin Dice is Hunan Dice Runtong Private Equity Fund Management Co., Ltd. (湖南迪策潤通私募基金管理有限公司) ("**Hunan Dice**"), which holds approximately 0.95% of the partnership interests and is wholly owned by Hunan Dice Investment Co., Ltd. (湖南迪策投資有限公司) ("**Hunan Dice Investment**"), a wholly-owned subsidiary of Hunan Iron and Steel Group Co., Ltd. (湖南鋼鐵集團有限公司) ("**Hunan Iron**"), which is held as to approximately 70.60% by the State-owned Assets Supervision and Administration Commission of the People's Government of Hunan (湖南省人民政府國有資產監督管理委員會) and 29.40% by the other four shareholders, each of which holds no more than 11% and to the best knowledge of our Directors is an Independent Third Party. Valin Dice has three limited partners, among which (i) Xiangtan Iron and Steel Group Co., Ltd. (湘潭鋼鐵集團有限公司) ("**Xiangtan Iron**") holds approximately 42.86% of the partnership interests, (ii) Lianyuan Iron and Steel Group Co., Ltd. (漣源鋼鐵集團有限公司) ("**Lianyuan Iron**") holds approximately 38.10% of the partnership interests and (iii) Hunan Dice Investment holds approximately 18.10% of the partnership interests therein. Each of the limited partners is wholly owned by Hunan Iron.

Valin Jinshan is a limited liability established in the PRC, mainly focused on industrial investment. Valin Jinshan is held as to (i) 99% by its sole limited partner, Hunan Dice Investment, and (ii) 1% by its general partner, Hunan Dice.

To the best knowledge of our Directors, each of Valin Dice, Valin Jinshan, Hunan Dice, Hunan Dice Investment, Hunan Iron, Xiangtan Iron and Lianyuan Iron is an Independent Third Party.

Hengneng Enterprise Management

Hengneng Enterprise Management is a limited partnership established in the PRC, mainly engaged in enterprise management. The general partner of Hengneng Enterprise Management is Zhang Yilun (張一倫), who holds 1.5% of the partnership interests. Hengneng Enterprise Management is held as to 95.75% by its largest limited partner, Guangzhou Development Zone Hydrogen City Growth Industrial Investment Fund Partnership (Limited Partnership) (廣州開發區氫城成長產業投資基金合夥企業(有限合夥)) ("**Guangzhou Hydrogen**"), which is in turn held as to (i) approximately 99.67% by its sole limited partner, Guangzhou Development Zone Wanding New Energy Industrial Investment Fund Partnership (Limited Partnership) (廣州開發區灣頂新動能產業投資基金合夥企業(有限合夥)) ("**Guangzhou Wanding**") and (ii) approximately 0.33% by its general partner, Guangzhou Development Zone Xinyuan Private Equity Fund Management Co., Ltd. (廣州開發區新源私募基金管理有限公司) ("**Guangzhou Xinyuan**") (formerly known as Guangzhou Development Zone City Development Fund Management Co., Ltd. (廣州開發區城市發展基金管理有限公司)), a company wholly owned by Guangzhou Development Zone Industrial Fund Investment Group Co., Ltd. (廣州開發區產業基金投資集團有限公司) ("**Guangzhou Industrial Fund**"), which is in turn wholly owned by Guangzhou Development Zone Administration Commission (廣州開發區管委會). Guangzhou Wanding is managed by Guangzhou Xinyuan as its general partner and held as to (i) 60% by Guangzhou Hengyun Enterprise Holding Ltd. (廣州恆運企業集團股份有限公司) ("**Guangzhou Hengyun**"), a company listed on the Shenzhen Stock Exchange (stock code: 000531), (ii) approximately 39.71% by Guangzhou Industrial Fund, and (iii) approximately 0.29% by Guangzhou Xinyuan. To the best knowledge of our Directors, each of Hengneng Enterprise Management, Zhang Yilun, Guangzhou Hydrogen, Guangzhou Wanding, Guangzhou Xinyuan, Guangzhou Industrial Fund and Guangzhou Hengyun is an Independent Third Party.

Naxin Holdings (納新控股)

Naxin Ziwei is a limited partnership established in the PRC, mainly engaged in venture capital investment. The general partner of Naxin Ziwei is Naxin Holdings, which holds approximately 14.29% of the partnership interests and is held as to (i) 70% by Foshan Yunshi Technology Co., Ltd. (佛山市蘊石科技有限公司) ("**Foshan Yunshi**") and (ii) 30% by Guangdong Zhenbai Innovation Technology Co., Ltd. (廣東臻佰創新科技有限公司) ("**Guangdong Zhenbai**"). Foshan Yunshi has 22 shareholders, each of which holds no more than 9% interest therein and to the best knowledge of our Directors is an Independent Third Party. Guangdong Zhenbai is controlled by Foshan Jianxing Enterprise Management Consulting Service Co., Ltd. (佛山踐行企業管理諮詢服務有限公司) ("**Foshan Jianxing**"), which is held as to (i) 90% by Lin Tao (林濤) and (ii) 10% by Lu Juanqi (陸雋琦). Naxin Ziwei has 12 limited partners, among which (i) Pi Wei (皮瑋) holds approximately 14.29%, (ii) Tan Min (譚敏) holds approximately 10.71%, (iii) Yang Yunying (楊雲瑛) holds approximately 10.71%, and (iv) each of the others holds no more than 8% and to the best knowledge of our Directors is an Independent Third Party.

Naxin Yinshan is a limited partnership established in the PRC, mainly focused on venture capital investment. The general partner of Naxin Yinshan is Xiamen Naxin Yinhua Investment Partnership (Limited Partnership) (廈門納新銀樺投資合夥企業(有限合夥)) ("**Naxin Yinhua**"), which holds approximately 9.98% of the partnership interests and is controlled by its general partner, Naxin Holdings, as to approximately 91.68% of the partnership interests in Naxin Yinhua. Naxin Yinshan has 17 limited partners, except Zhu Yantong (朱延通) holding approximately 11.98%, each of which holds no more than 8% of the partnership interests therein and to the best knowledge of our Directors is an Independent Third Party.

To the best knowledge of our Directors, each of Naxin Ziwei, Naxin Holdings, Foshan Yunshi, Guangdong Zhenbai, Foshan Jianxing, Lin Tao, Lu Juanqi, Pi Wei, Tan Min, Yang Yunying, Naxin Yinshan, Naxin Yinhua and Zhu Yantong is an Independent Third Party.

Guoruiyuan Fund (國瑞源基金)

Qichen Investment is a limited partnership established in the PRC, mainly engaged in equity investment. The general partner of Qichen Investment is Nanjing Guoruiyuan Private Equity Fund Management Co., Ltd. (南京國瑞源私募基金管理有限公司) ("**Nanjing Guoruiyuan**"), which holds approximately 0.68% of the partnership interests and is held as to (i) 50% by Wan Yongrui (萬永瑞), (ii) 46% by Wang Guoqing (王國慶) and (iii) 4% by Nanjing Dongwei Enterprise Management Partnership (Limited Partnership) (南京冬未企業管理合夥企業(有限合夥)) ("**Nanjing Dongwei**"). Qichen Investment has five limited partners, among which (i) Wan Yongrui holds approximately 36.99%, (ii) Zhou Biao (周飆) holds approximately 30.14%, (iii) Quan Xiaoyi (權曉藝) holds approximately 15.75%, (iv) Tan Yingzhi (譚英志) holds approximately 15.07%, and (v) Hu Xiaochen (胡嘯辰) holds approximately 1.37%.

Nanjing Yangsi is a limited partnership established in the PRC, mainly focused on equity investment. Nanjing Yangsi is managed by its general partner, Nanjing Guoruiyuan with 0.1% of the partnership interests, and held as to (i) 26.4% by Wang Guoqing, (ii) 15.5% by Wan Yongrui, (iii) 11% by Ruiyi Xianfeng (Beijing) Asset Management Co., Ltd. (瑞壹先鋒(北京)資產管理有限公司) ("**Ruiyi Xianfeng**"), (iv) 11% by Yao Lixin (姚立新), (v) 11% by Wang Dingguo (王定國), (vi) 10% by Hu Xiaochen, (vii) 10% by Quan Xiaoyi, (viii) 5% by Liu Chen (劉陳) and (ix) 0.1% by Nanjing Guoruiyuan.

To the best knowledge of our Directors, each of Qichen Investment, Nanjing Guoruiyuan, Wan Yongrui, Wang Guoqing, Nanjing Dongwei, Zhou Biao, Quan Xiaoyi, Tan Yingzhi, Hu Xiaochen, Nanjing Yangsi, Ruiyi Xianfeng, Yao Lixin, Wang Dingguo and Liu Chen is an Independent Third Party.

Individual Pre-*[REDACTED] *Investors

Save as disclosed above, our other Pre-[**REDACTED**] Investors are individuals, including Shi Chunmao (石春茂) and Chen Zhaohua (陳兆華), and to the best knowledge of our Directors, both are Independent Third Parties.

CAPITALIZATION

The table below sets forth the capitalization of our Company as of the Latest Practicable Date and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

	As of the Latest Practicable Date		As of the [REDACTED]		
Shareholders	**Number of Shares**	**Approximate shareholding percentage**	**Number of Unlisted Shares**	**Number of H Shares[(1)]**	**Approximate shareholding percentage**
Controlling Shareholders					
Nanjing Yingfa	176,788,586	45.63%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Yingfa Qinhe	10,145,721	2.62%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Mr. Zhang Fayu	3,307,505	0.85%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**190,241,812**	**49.10%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Close associates of Yibin SASAC					
Yibin High-tech Investment	59,796,945	15.43%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Yibin Ruineng Investment	20,291,441	5.24%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Yibin Lvneng	4,504,700	1.16%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Yibin Gaotou Industrial	18,122,182	4.68%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**102,715,268**	**26.51%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
National Green Fund	30,437,162	7.86%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Donghe VC					
Donghe Fengying	10,145,721	2.62%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Dongshi Lihe	5,072,860	1.31%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**15,218,581**	**3.93%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Jianxin Investment					
Jianfa Emerging	7,304,919	1.89%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Jianfa Changrong	1,704,481	0.44%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**9,009,400**	**2.33%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Jinyu Maowu					
Wuxi Jinyu	3,381,906	0.87%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Suzhou Jinyu	2,254,602	0.58%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Jiangsu Jiequan	1,127,301	0.29%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Suzhou Jinling	1,127,301	0.29%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Nanjing Lanmao	563,650	0.15%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**8,454,760**	**2.18%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

	As of the Latest Practicable Date		As of the [REDACTED]		
Shareholders	**Number of Shares**	**Approximate shareholding percentage**	**Number of Unlisted Shares**	**Number of H Shares[(1)]**	**Approximate shareholding percentage**
Pengying VC	4,734,669	1.22%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Qiancheng II	4,186,049	1.08%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
CECEP (Hubei)	3,381,906	0.87%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Yuna Capital					
Yuna Gaoteng	3,091,062	0.80%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Yuna Lingfu	290,843	0.08%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**3,381,905**	**0.87%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Tianfu Huasheng	2,252,350	0.58%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Dice Venture Capital					
Valin Dice	1,805,938	0.47%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Valin Jinshan	446,412	0.12%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**2,252,350**	**0.58%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
TTGG	2,029,144	0.52%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guofu Huaqing	2,029,144	0.52%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Anhua Innovation	2,008,853	0.52%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Naxin Holdings					
Naxin Ziwei	744,020	0.19%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Naxin Yinshan	676,381	0.17%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**1,420,401**	**0.37%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Hengneng Enterprise Management	1,352,761	0.35%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Guoruiyuan Fund					
Qichen Investment	525,548	0.14%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Nanjing Yangsi	385,537	0.10%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Sub-total	**911,085**	**0.24%**	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Pre-*[REDACTED] *Individual Investors					
Shi Chunmao	1,082,210	0.28%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Chen Zhaohua	375,392	0.10%	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other public Shareholders	–	–	–	[**REDACTED**]	[**REDACTED**]
Total	387,475,202	100.00%	[**REDACTED**]	[**REDACTED**]	100.00%

Notes:

(1) The [**REDACTED**] held by our existing Shareholders will be converted to H Shares upon [**REDACTED**].

FULL CIRCULATION

Our Company has applied for H Share full circulation to convert an aggregate of [**REDACTED**] held by our existing Shareholders, representing approximately [**REDACTED**]% of the total issued Shares of our Company as of the Latest Practicable Date and approximately [**REDACTED**]% of the total issued Shares of our Company upon completion of the Conversion of Unlisted Shares into H Shares and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). For details, please refer to the section headed "Share Capital — Upon Completion of the [**REDACTED**]" in this document.

PUBLIC FLOAT AND FREE FLOAT

Public Float

The [**REDACTED**] Shares held by our Shareholders as of the Latest Practicable Date will not be counted towards public float for the purpose of Rule 19A.13A of the Listing Rules after [**REDACTED**], as these Shares are Unlisted Shares which will not be converted into H Shares, representing approximately [**REDACTED**]% of our total issued share capital as of the Latest Practicable Date, or approximately [**REDACTED**]% of our total issued share capital upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised) or approximately [**REDACTED**]% of our total issued share capital upon [**REDACTED**] (assuming the [**REDACTED**] is exercised in full).

Additionally, the [**REDACTED**] Shares held by Yibin Lvneng, our core connected person, are Unlisted Shares which will be converted into H Shares upon completion of the [**REDACTED**], and will not be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules after [**REDACTED**], representing approximately [**REDACTED**]% of our total issued share capital as of the Latest Practicable Date, or approximately [**REDACTED**]% of our total issued share capital upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised) or approximately [**REDACTED**]% of our total issued share capital upon [**REDACTED**] (assuming the [**REDACTED**] is exercised in full).

Immediately upon completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised, the market value of our Shares in issue will range from HK$[**REDACTED**] million to HK$[**REDACTED**] million, calculated based on the low-end and the high-end of the indicative [**REDACTED**] range. Pursuant to Rule 19A.13A of the Listing Rules, the minimum percentage of the H Share to be held by the public at [**REDACTED**] shall be higher of: [(i) the percentage that would result in the expected market value of such securities held by the public to be HK$[**REDACTED**] billion at the time of listing, which is [**REDACTED**]%, [**REDACTED**]% and [**REDACTED**]% (calculated based on the low-end, the mid-point and the high-end of the indicative [**REDACTED**] range, respectively, and assuming that the [**REDACTED**] is not exercised); and (ii) [**REDACTED**]%]. Immediately upon completion of the [**REDACTED**], assuming that the [**REDACTED**] is not exercised, [**REDACTED**] Shares will be counted towards the public float for the purpose of Rule 19A.13A of the Listing Rules, representing approximately [**REDACTED**]% of our total issued share capital, which is higher than the prescribed percentage of H Shares required to be held in public hands under Rule 19A.13A of the Listing Rules.

Free Float

Under Rule 19A.13C(1) of the Listing Rules, a PRC issuer with no other listed shares at the time of [**REDACTED**] must ensure that the portion of H shares for which listing is sought that are held by the public and that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of listing (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 of not less than HK$600,000,000.

In consideration that the market value of our H Shares in issue upon [**REDACTED**] that are held by the public and not subject to any disposal restrictions is expected to be not less than HK$600 million, calculated based on the low-end of the indicative [**REDACTED**] range and assuming that the [**REDACTED**] is not exercised, we believe that there will be a free and open market for our H Shares immediately upon the completion of the [**REDACTED**] in compliance with the requirements under Rule 19A.13C of the Listing Rules.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

PREVIOUS A-SHARE LISTING ATTEMPT

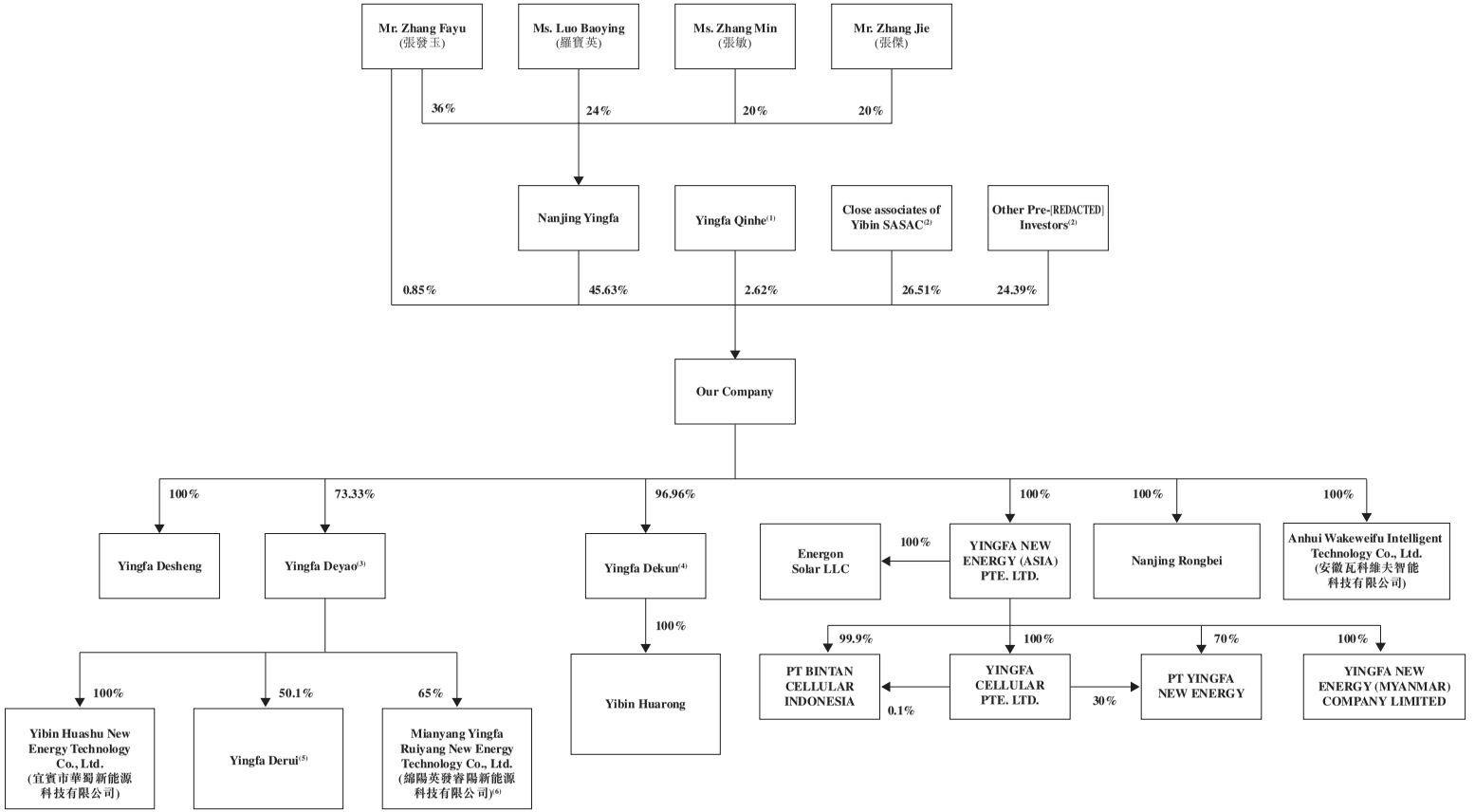
To explore the opportunity of establishing a capital market platform in the A-share market, we submitted the application to the Shanghai Stock Exchange for listing of our shares on the main board of the Shanghai Stock Exchange on June 21, 2023 (the "**Previous Listing Attempt**"). We subsequently decided to withdraw the A-share listing application considering our then future development strategies, changes in the market environment and the uncertainty of the timetable for our Company's A-share listing process, and the listing application was withdrawn in July 2023 prior to acceptance by the Shanghai Stock Exchange. As of the Latest Practicable Date, we had not received any acceptance notice or enquiries from the Shanghai Stock Exchange or the CSRC. In addition, our Directors believe that the [**REDACTED**] will be in the interest of our Group's business development strategies and would be beneficial to us and our Shareholders as a whole for the following reasons: (i) the Stock Exchange, as a leading player of the international financial markets, could offer us direct access to the international capital markets, enhance our fundraising capabilities and broaden our fundraising channels and Shareholders base as well as strengthen our international exposure; (ii) the [**REDACTED**] would give us a better platform for development of our business in the global market; and (iii) the [**REDACTED**] on the Stock Exchange will further raise our brand awareness and business profile and, thus, enhance our corporate image to attract new customers, business partners and strategic investors as well as recruit, motivate and retain key management personnel for our business.

To the best of our Directors' knowledge and belief, our Directors have confirmed that during the preparation for the Previous Listing Attempt, our Company did not encounter any material disagreement or dispute with the then professional parties. Based on due diligence conducted by Joint Sponsors, including but not limited to the due diligence interviews conducted with the then professional parties, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view mentioned above. In addition, our Directors are not aware of any material matters relating to the Previous Listing Attempt which have been brought to their attention that might materially and adversely affect our suitability for the [**REDACTED**] or should be brought to the attention of the Stock Exchange and/or the prospective investors in the [**REDACTED**].

Based on due diligence conducted by Joint Sponsors, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the Directors' views mentioned above in relation to the Previous Listing Attempt. The Joint Sponsors also concur the view of the Directors that there is no other matter in relation to the Previous Listing Attempt that might materially and adversely affect the Company's suitability for the [**REDACTED**] or should be brought to the attention of the Stock Exchange and/or the prospective investors in the [**REDACTED**].

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE [REDACTED]

The following chart sets forth the shareholding structure of our Group immediately before the completion of the [**REDACTED**]:



Notes:

(1) Yingfa Qinhe is our Equity Incentive Platform. See "— Corporate Development and Major Shareholding Changes — Early History of our Company" above for details.

(2) See "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors" above for details.

(3) As of the Latest Practicable Date, the remaining equity interests of Yingfa Deyao were held by Yibin Ruineng Investment, our Substantial Shareholder and one of our Pre-[**REDACTED**] Investors.

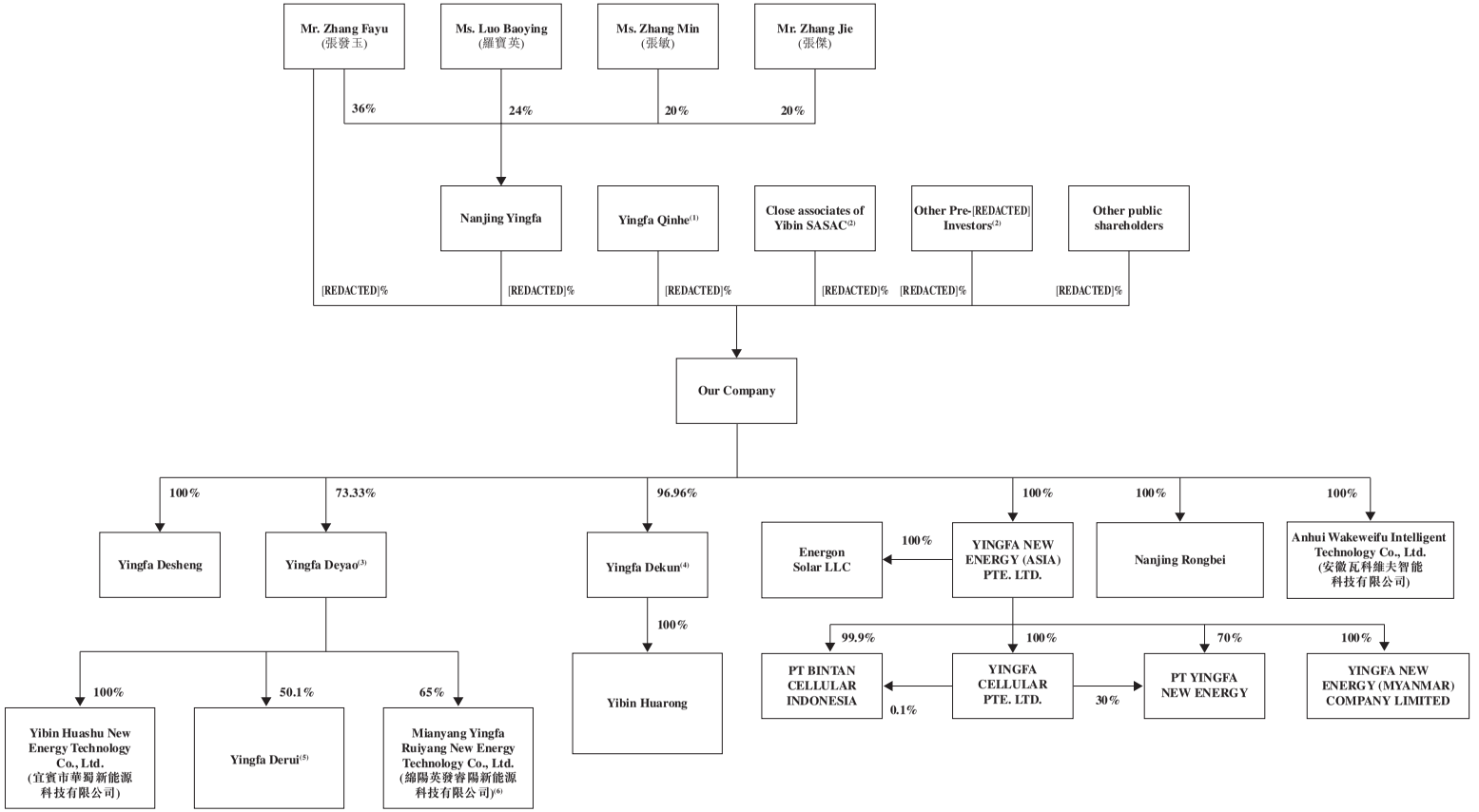
(4) As of the Latest Practicable Date, the remaining equity interests of Yingfa Dekun were held as to (i) approximately 3.03% by Sichuan Green Low Carbon Industry Development Fund Partnership (Limited Partnership) (四川省綠色低碳產業發展基金合夥企業(有限合夥)), which is an associate of Yibin Ruineng Investment, a Substantial Shareholder, and (ii) approximately 0.005% by Jiang Xuezhu (蔣雪竹), an Independent Third Party.

(5) As of the Latest Practicable Date, the remaining equity interests of Yingfa Derui were held as to approximately (i) 20.01% by Sichuan Wuliangye New Energy Investment Co., Ltd. (四川五糧液新能源投資有限責任公司), which is a wholly-owned subsidiary of Yibin Development and an associate of Yibin Ruineng Investment, our Substantial Shareholder, (ii) 19.90% by LONGi Solar Technology Co., Ltd. (隆基樂葉光伏科技有限公司), a wholly-owned subsidiary of LONGi, and (iii) 9.99% by Yibin High-tech Investment.

(6) As of the Latest Practicable Date, the remaining equity interests of Mianyang Yingfa Ruiyang New Energy Technology Co., Ltd. were held by Mianyang Anjian Investment Co., Ltd. (綿陽市安建投資有限公司), an Independent Third Party.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE [REDACTED]

The following chart sets forth the shareholding structure of our Group immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



Notes: For notes (1) to (6), please see "— Corporate Structure Immediately Before the Completion of the [**REDACTED**]" above. For the Unlisted Shares and H Shares held by each of the Shareholders, please see "— Capitalization" above.

OVERVIEW

Who We Are

We are a leading specialized PV cell manufacturer. Based on customer needs, we provide both P-type and N-type cells to the markets. Building on our position in N-type TOPCon cells, we have advanced into the field of N-type xBC cells. According to Frost & Sullivan, we were the world's third-largest specialized N-type TOPCon cell manufacturer in terms of shipment volume in 2024, with a market share of 13.5%. We were recognized as a GEI China Unicorn Enterprise and Fastest Growing Enterprise in the Photovoltaic Storage Sector in 2025, and were awarded as the "National Specialized, Refined, Featured and Innovative". We have participated in drafting multiple industry standards in China. Additionally, our PV cell products have obtained French Carbon Footprint Certification and TÜV SÜD certification.

Our Industry

Solar power has become one of the most widely used clean energy sources due to its environmental friendliness, low cost, widespread availability and high safety. According to Frost & Sullivan, solar power is expected to become the largest global power source by installed capacity in 2029.

According to Frost & Sullivan, PV power generation is the primary form of solar power generation. PV cells represent the critical component of the PV industry value chain. Advancements in PV cell technology significantly enhance photoelectric conversion efficiency while simultaneously reducing the levelized cost of electricity. The global PV cell market size by shipment volume is expected to grow from 790.7 GW in 2026 to 1,352.5 GW in 2031, representing a CAGR of 11.3%. The share of N-type TOPCon cells in the global PV cell market by shipment volume is expected to exceed 82% in 2026. The global N-type TOPCon cell market size by shipment volume is expected to grow from 650.7 GW in 2026 to 961.0 GW in 2031, representing a CAGR of 8.1%. N-type TOPCon cells are expected to remain the primary development focus from 2026 to 2031. In the meantime, the PV cell market size in China by shipment volume is expected to grow from 729.1 GW in 2026 to 1,188.2 GW in 2031, representing a CAGR of 10.3%. The N-type TOPCon cell market size in China by shipment volume is expected to grow from 607.2 GW in 2026 to 844.2 GW in 2031, representing a CAGR of 6.8%.

We have achieved the following business and financial results: (i) in 2023, 2024, and 2025, our revenue was RMB10,493.9 million, RMB4,358.8 million and RMB8,712.7 million, respectively; and (ii) as of December 31, 2025, we sold our products to over 17 countries and regions outside China, including Vietnam and India, among others. Our overseas revenue increased rapidly during the Track Record Period. In 2023, 2024, and 2025, our overseas revenue was RMB341.5 million, RMB468.1 million and RMB3,525.8 million, representing 3.3%, 10.7% and 40.5% of our total revenue, respectively.

OUR STRENGTHS

Leading specialized PV cell manufacturer

According to Frost & Sullivan, we were the world's third-largest specialized N-type TOPCon cell manufacturer in terms of shipment volume in 2024. We have adopted a specialized strategy and focused on manufacturing PV cells. We participated in drafting multiple industry standards in China. Additionally, our PV cell products have obtained French Carbon Footprint Certification and TÜV SÜD certification, underscoring our global competitiveness.

The following table compares the core performance metrics of our N-type TOPCon products with industry averages:

Indicators	Indicator Description	Our Company (TOPCon)	Industry Average (TOPCon)
Mass Production Test Conversion Efficiency[1]	Refers to the mass production conversion efficiency of PV cells tested on the production line. The ratio of useful energy output to the total energy output during a complete charge-discharge cycle. The higher the conversion efficiency, the more useful energy output generated out of the total energy output.	27.3%	26.7%
Temperature Coefficient	The percentage change in conversion efficiency per degree Celsius. The lower the temperature coefficient, the more stable the conversion efficiency.	-0.29%/°C	Around -0.30%/°C
PID Resistance	The ability of a battery cell to withstand performance loss caused by high-voltage stress. The lower the parameter, the more stable the conversion efficiency.	＜3% (192h)	＜5% (192h)
Linear Degradation Rate	The rate at which photovoltaic output power decreases over time under prolonged exposure to outdoor conditions. The lower the linear degradation rate, the greater the cell's long-term energy yield and operational lifespan.	1% of degradation in the first year, and subsequently 0.4% of annual degradation	1% of degradation in the first year, and subsequently 0.4% to 0.5% of annual degradation
Low-Light Performance (300W/400W/600W/ 800W/1000W)	The ability of a solar cell to generate electricity efficiently under low-irradiation conditions, such as on cloudy days or during late afternoon. The higher the low-light performance, the higher the cell's energy conversion efficiency under low-light conditions.	97.7%/98.6%/99.6%/ 99.9%/100%	93%-99%

Source: Frost & Sullivan Industry Report
As of December 31, 2025

Strategic business layout and strong production capacity

Continuous technological evolution has been driving the development of the PV cell industry. For example, large-size PV cells offer higher power output and greater flexibility for module design. The market share of large-size cells with the size of 182mm and 210mm began to rise rapidly in 2020, and became the mainstream in the third quarter of 2021. In addition, N-type TOPCon cells have gradually replaced P-type PERC cells as the industry standard. N-type xBC technology is also developing rapidly due to its high efficiency potential, low temperature coefficients and strong bifacial performance, expected to play an increasingly important role in the PV cell market. Our key milestones include: (i) in 2021, we launched production lines for large-size P-type PERC cells of 210mm; as of December 31, 2025, all our production capacity had been converted to large-size cells of 182mm or above, which represent the mainstream market demand; (ii) in 2022, we develop TOPCon cells and establish production bases. According to Frost and Sullivan, we are one of the first PV cell manufacturers to develop N-type TOPCon cells; the shipment volume of our N-type TOPCon cells increased significantly from 1.7 GW in 2023 to 16.7 GW in 2024; and (iii) in August 2025, we became the world's first specialized PV cell manufacturer to commercialize N-type xBC cells.

We have achieved industry-leading mass production conversion efficiencies. As of December 31, 2025, the mass production test conversion efficiency of our N-type TOPCon cells exceeded 27.3%, which was above the industry average and approached the theoretical limit of 28.7%, according to Frost & Sullivan. Our Global PV R&D Center is dedicated to the R&D of N-type xBC cells and other technologies. These include bifacial polycrystalline cell innovations, PECVD-based BC process development, laser-based production processes as alternatives to photoresist, advancements in perovskite tandem technology and next-generation perovskite cell technology. As of the Latest Practicable Date, we had 191 granted patents in China, including 39 invention related patents.

Stable and high-quality customer resources

Our PV cell products have been integrated into multiple industry-leading companies. During the Track Record Period, our customer base covered nine of the world's top ten PV module providers by shipment volume in the respective year, according to Frost & Sullivan. We also cultivated long-term customer relationship. Among of the five largest customers in each year during the Track Record Period, we maintained over four-to-eight-year cooperative relationship with the majority of them. Our leading module manufacturer customers are scaling production capacities amid accelerated energy transition, driving demand for high-quality PV cells. Most of our settlement arrangements with customers are based on advance payment, which ensures timely cash flow, enabling us to maintain strong operating cash flow. In 2023, 2024 and 2025, we recorded net operating cash flows of RMB72.3 million, RMB113.2 million and RMB52.7 million.

Strategic selection of production base locations which drives globalization of our business

During the Track Record Period and up to the Latest Practicable Date, we operated three key production bases located in (i) Yibin, Sichuan, (ii) Indonesia and (iii) Mianyang, Sichuan, respectively. Yibin base is our largest domestic production base while Mianyang base commenced trial production in July 2025.

Specifically, we became one of the first PV companies to operate in with Yibin base commencing construction in 2022. The area has developed into a PV industry cluster, encompassing the entire value chain. Yibin offers regional advantages, including developed transportation networks, low-cost hydropower and electricity. Additionally, we established collaborations with upstream and downstream companies within Yibin, boosting operational efficiency. In terms of Indonesian base, we launched our Indonesia base in 2024 to expand our business footprint. The Indonesia base is a hub for serving Southeast Asia, the Middle East and Europe. This location reduces logistics costs and enable us to access emerging Southeast Asian markets. In 2023, 2024, and 2025, our overseas revenues was RMB341.5 million, RMB468.1 million and RMB3,525.8 million, respectively, representing 3.3%, 10.7% and 40.5% of our total revenue, respectively. As of December 31, 2025, we sold our products to over 17 countries and regions outside China, including Vietnam and India, among others. Besides overseas market radiation, we also entering into cooperation agreements with local and regional customers and pursue certifications in Indonesia to facilitate domestic and regional sales.

Strong cost control and supply chain management capabilities

We possess robust cost control capabilities. Our cost control capabilities include: (i) our founder and chairman, Mr. Zhang Fayu, has over ten years of experience in the PV cell industry and more than 20 years of experience in manufacturing and related industries; Mr. Zhang's expertise in R&D, production and management provides insightful guidance to us on the cost control; (ii) we maintain long-term partnerships with leading suppliers to effectively control procurement costs and quality; (iii) we purchase silicon materials and silicon rods for outsourced processing, thereby reducing costs and stabilizing supply chains; (iv) we have also established partnerships with suppliers in key areas such as quartz, screen printing mesh, and specialized equipment; and (v) we operate intelligent production lines. In 2025, our domestic non-silicon costs (representing our total

costs minus silicon costs) for N-type TOPCon cells were RMB2,844.8 million, and as a result, our domestic non-silicon costs for N-type TOPCon cells were RMB0.10/W, which was below the industry average of RMB0.14/W, according to Frost & Sullivan.

We possess the capability to rapidly scale up production capacity to meet the market demand for PV cell products. According to Frost & Sullivan, the construction of N-type TOPCon cell production capacity typically begins at a baseline of 8.0 GW and requires approximately four to six months for completion. Furthermore, the incremental expansion of capacity by an additional 1.0 GW generally necessitates one to two months. According to Frost & Sullivan, the timeline of our expansion of production capacity is significantly shorter than the industry average. For example, we completed the construction of Phase I of our Yibin base, achieving a production capacity of 10.0 GW of P-type PERC cells, in less than five months, and Phase II of the Yibin base, with a capacity of 12.0 GW, in approximately six months. In 2023, 2024 and 2025, our capacity utilization rates were 93.3%, 91.7%, and 91.7%, respectively, reflecting our efficiency and ability to meet market demand.

Visionary management team, well-resourced strategic investors and strong talent pool

Our management team is highly experienced, with deep insights and a proven track record of success in the PV cell industry. Members of our senior management team have on average over ten years of experience across manufacturing, including management, R&D, finance, production and sales. Mr. Zhang Fayu, our founder and chairperson, was elected Vice Chairman of the China PV Industry Association in December 2024. Ms. Zhang Min has served as the General Manager of Yingfa Ruineng since January 2021. Under her leadership, we successfully completed the construction of Phase I of the Yibin base, as well as the subsequent transformation to N-type TOPCon cell production capacity. Ms. Zhang Min has been recognized as PVBL2024 Global PV Industry Person of the Year (PVBL2024全球光伏行業年度人物) and AsiaSolar 2024 Asia PV Innovators (AsiaSolar 2024亞洲光伏創新人物). For further details on Mr. Zhang Min's background and experience, see "Directors and Senior Management — Directors."

We have introduced strategic shareholders, including the National Green Development Fund Co., Ltd. and other industrial capital investors. As of December 31, 2025, we have established a dedicated R&D team with 565 professionals, approximately 65% of whom possess over three years of experience in the PV industry. Our production team is adept in manufacturing. Our sales team operates across all regions in China, conducts research into international local markets, monitor industry trends, and maintains communication with international clients. In 2020 and 2022, we implemented an share incentive plan. We plan to launch a new share incentive programs in 2026 to further motivate employees and sustain our continued growth.

Corporate Culture that places a high value on ESG

We have adopted environmentally friendly production technologies, processes and equipment, and have obtained ISO14001 Environmental Management System Certification and ISO50001 Energy Management System Certification. We plan to achieve an approximately 9.0% reduction in GHG emission intensity per product unit from 2025 to 2028, in particular 3.0% reduction in 2026.

OUR STRATEGIES

Focus on PV cells, continuously improving efficiency and reducing costs

In terms of improving efficiency, we remain dedicated to investing in the R&D of N-type TOPCon technology. We plan to expand our R&D teams and strengthen collaborations with industry-leading equipment manufacturers and research institutions to improve the quality and efficiency of various types of PV cells. In terms of production capability, we will continue to adhere to our specialized strategy of focusing on PV cells. We will enhance advanced production capabilities for N-type high-efficiency PV cells. In terms of production efficiency, we plan to optimize production layouts, increase the automation of production lines and operational systems. Furthermore, we plan to invest in the development and application of pattern optimization, printing technologies and alkaline polishing techniques to lower labor costs and manufacturing expenses.

Monitor technological advancements, seizing opportunities to gain a competitive edge

In the near to medium term, we will continue to upgrade our existing N-type TOPCon platform through technical renovation projects in Chinese mainland, including our half-cell passivation project and the Poly-finger project, to deliver conversion efficiency and cost reduction. We are planning for technology breakthroughs, including N-type xBC cells and perovskite tandem cells. We are committed to leveraging technological resources and fostering collaborations with universities and research institutions.

Rooted in China and expand globally

We plan to further expand our footprint. China's manufacturing capabilities remain the foundation of our ability to deliver high-quality products and maintain a competitive edge. In response to the demands of overseas PV cell markets, we aim to expand our products portfolio in the overseas market to maximize synergies between our production bases while mitigating risks from tariff policies and trade conflicts.

Expand marketing networks to further enhance global visibility

We will continue to enhance our marketing network in China. We plan to actively participate in local industry exhibitions and academic exchanges to increase our brand exposure within China's PV cell industry. Additionally, we plan to allocate advertising resources to increase awareness of our products among our downstream customers. In terms of overseas market, we will participate in global industry exhibitions and establish local sales offices in regions to cater to local market demands, providing strong commercial support for our overseas sales. We plan to secure annual framework agreements with selected credible overseas customers. As overseas sales continue to represent a rising share of our total revenue, we expect further uplift driven by broader customer coverage. We will also monitor our clients' development strategy and expansion plan to align our PV cell products with their capacity layouts and technical indicators.

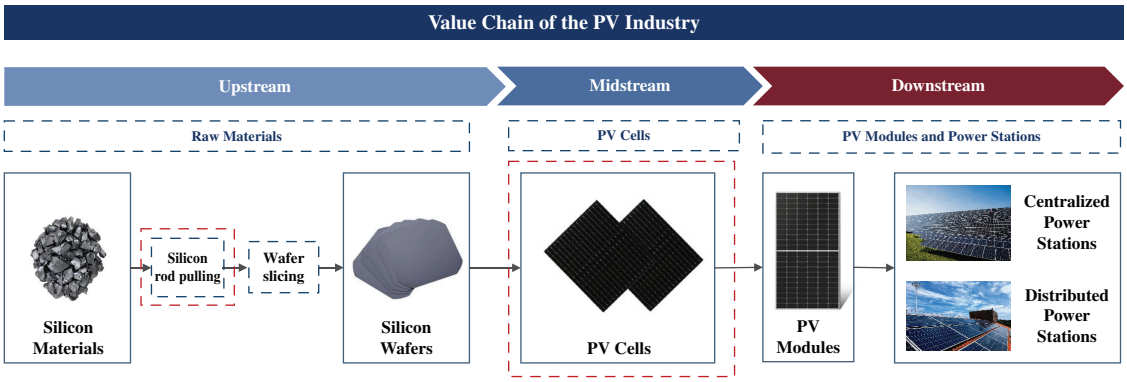
Building a high-caliber, sustainable professional team

We are committed to building a management team and a talent pool with managerial and professional expertise. We will enhance human resource development, improve talent recruitment, training, and incentive systems. We will maintain strategic partnerships with key clients while actively monitoring product upgrades and differentiated needs of downstream customers. We will actively engage new industry clients, expand our sales channels, and enhance customer satisfaction.

OUR PRODUCTS

Overview

The following diagram illustrates the PV industry value chain and our major business coverage thereof circled in red dotted lines:



During the Track Record Period, we primarily generated revenue from P-type PERC cells and N-type TOPCon cells. According to Frost & Sullivan, in August 2025, we became the world's first specialized PV cell manufacturer to commercialize N-type xBC cells. The following table sets forth a breakdown of our revenue by product and services for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
PV cells						
N-type TOPCon cells	744,093	7.1	3,539,923	81.2	7,676,016	88.1
P-type PERC cells	9,645,549	91.9	601,723	13.8	310,425	3.6
N-type xBC cells	–	–	–	–	277,686	3.2
Sub-total	**10,389,642**	**99.0**	**4,141,646**	**95.0**	**8,264,127**	**94.9**
Others(1)	**104,256**	**1.0**	**217,106**	**5.0**	**448,554**	**5.1**
Total	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**

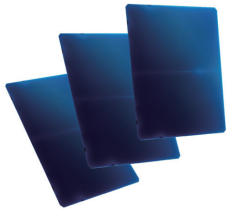
Note:
(1) Primarily include PV cell manufacturing services and sales of silicon wafers.

PV Cell Products

The following picture illustrates our typical P-type and N-type PV cell products:

P-type PERC cell

N-type TOPCon cell



N-type xBC cell

Based on the dopant elements used in their production, PV cell products are categorized into P-type and N-type PV cells.

P-type cells. P-type cells are typically doped with boron, with the most widely used type being the P-type passivated emitter and rear contact ("PERC") cell, which features a rear surface passivation layer designed to minimize recombination losses and increase light absorption. They are

widely adopted due to their mature manufacturing process and cost-effectiveness, including large-scale PV power station projects such as residential distributed PV power station, commercial and industrial rooftops, and centralized ground-mound power stations.

N-type cells. N-type cells, are doped with phosphorus and represent a more advanced category of PV technology. The N-type cells include several innovative technologies, such as N-Type TOPCon cells and N-type xBC cells.

- ***N-Type TOPCon cells***. N-type TOPCon cells utilizes a high-purity silicon wafer substrate combined with a passivated contact structure featuring a thin tunnel oxide layer and a polycrystalline silicon layer. This structure effectively (i) suppresses interface recombination and (ii) enables selective carrier transport, resulting in lower contact resistance and higher conversion efficiency. N-Type TOPCon cells are widely utilized in PV modules used in residential distributed PV power station, commercial and industrial rooftops, and centralized ground-mound power stations.

- ***N-type xBC cells***. An advanced PV cell architecture in which all electrical contacts are positioned on the rear side of the cell, eliminating front-side metal shading and enhancing light absorption, which enables high power conversion efficiency compared to conventional N-type TOPCon and P-type PERC technologies. N-type xBC cells are particularly suitable for high-end distributed PV applications, including residential and commercial rooftop scenarios.

Each type of PV cells offer distinct advantages for diverse application scenarios. Our customer-centric approach enables us to diversify our product portfolio, thereby providing our customers with tailored, high-performance PV cell products that address their evolving needs.

P-type PERC Cells

The following table sets forth key metrics of our P-type PERC cells as of December 31, 2025:

Key metrics	P-type PERC cells
Featured metrics	
Mass production acceptance conversion efficiency[(1)]	23.5%
Power temperature coefficient	-0.34%/°C
Potential induced degradation ("PID") Resistance	< 4% (192h)
Production specifications	
Commercialization year	2016
No. of busbars	10
Thickness	150 ± 10μm
Size	182mm*183.75mm
Fine grid line width	15μm

Note:

(1) Refers to the mass production conversion efficiency of PV cells after passing factory quality inspection and entering inventory.

Our P-type PERC cells primarily have the following features:

Optimized conversion efficiency. We have enhanced the conversion efficiency through texturing technologies, including microscale pyramid texturing combined with selective small-spot processing, which improves light absorption and reduce surface defects.

High emitter sheet resistance. We achieved high emitter sheet resistance through equipment featuring independently controlled gas flow and thermal zones, which improve thermal uniformity and limit temperature variation to within ±0.5°C.

Low front-side gridline width. Achieving low width of front-side fine gridlines helps reduce shading losses and improve overall module efficiency. Our P-type PERC cells integrate an ultra-fine grid process supported by chemically etched and spray-coated screen printing meshes. Silver pastes with optimized rheological properties allow precise fabrication of gridlines with reduced line and contact resistance.

N-type TOPCon Cells

We offer N-Type TOPCon cells in various wafer sizes and cell designs. The following table sets forth key metrics of our N-Type TOPCon cells as of December 31, 2025:

Key metrics	N-type 183-N TOPCon cells	N-type 210R-N TOPCon cells	N-type 210-N TOPCon cells
Featured metrics			
Mass production acceptance conversion efficiency[(1)]	25.5%	25.5%	25.6%
Power temperature coefficient	-0.29%/°C	-0.29%/°C	-0.29%/°C
PID Resistance	< 3% (192h)	< 3% (192h)	< 3% (192h)
Production specification			
Commercialization year	2023	2023	2025
No. of busbars	16	16	18
Thickness	130 ± 10μm	130 ± 10μm	130 ± 10μm
Size	182.2mm*183.75mm	182.3mm*210mm	210mm*210mm
Fine grid line width	15μm	15μm	15μm

Note:

(1) Refers to the mass production conversion efficiency of PV cells after passing factory quality inspection and entering inventory.

Our N-Type TOPCon cells primarily have the following features:

Low temperature coefficient. Our N-Type TOPCon cells exhibit a temperature coefficient of -0.29%/°C. This allows TOPCon modules to deliver higher power output in high-temperature environments, improving energy yield in regions with intense solar exposure.

Higher bifaciality. Our N-Type TOPCon cells achieve a bifaciality rate of over 82%, particularly well-suited in utility-scale solar projects where high ground reflectivity can substantially enhance rear-side power generation.

Higher efficiency. Our N-Type TOPCon cells reduce electron recombination and demonstrate strong resistance to light-induced degradation and improved conversion efficiency.

Reduced electrical loss. The tunnel oxide layer on the rear side of our TOPCon cells minimizes contact resistance and back-side energy loss. This structural benefit results in high conversion efficiency relative to conventional silicon-based cells.

N-type xBC Cells

Since 2023, we have commenced the research and development of our N-type xBC cells. We delivered our first-batch N-type xBC cell products in 2025. Our N-type xBC cells primarily have the following features:

Front-side electrode-free design. Our N-type xBC cells eliminate front-side electrodes, resulting in a uniform surface which allows compatibility with a variety of encapsulation materials, including those with variable color or transparency, expanding potential use cases.

Improved conversion efficiency. By relocating all electrodes to the rear side and employing a cross-finger contact structure, our N-type xBC cells increase the effective light-receiving area and reduce carrier transport distance and resistive losses, supporting higher conversion efficiency as compared to conventional TOPCon and PERC cells.

High performance in weak light conditions. The electrode-free front of our N-type xBC cells enables improved light capture during low-irradiance periods, leading to extended power generation and output gains.

Enhanced High-temperature Reliability. Our N-type xBC cells incorporate heat-spot control measures to reduce localized overheating and support stable output under elevated temperature conditions, enabling application in high-temperature/irradiance environments.

Others

PV Cell Manufacturing Services

We provide PV cell manufacturing services to third-party customers, primarily module manufacturers without in-house cell production capacity. These services are offered on a processing-only basis and do not include design optimization or technical collaboration. Outsourced orders are fulfilled using the same production lines as our own PV cell products, with clear segregation between outsourced and self-branded production for operational control and inventory management. Pricing is determined on a per-cell basis, factoring process complexity and technical specifications. We have not entered into any long-term or exclusive outsourcing agreements, nor do we impose minimum order quantity requirements.

Sales of Silicon Wafers

We sell silicon wafers externally on a limited basis, primarily to PV cell and module manufacturers. The wafers offered mainly comprise monocrystalline N-type and P-type silicon wafers consistent with those used internally in our own PV cell production. External wafer sales are conducted under a market-based pricing mechanism, without adopting cost-plus or customer-specific pricing models. During the Track Record Period and up to the Latest Practicable Date, our wafer production capacity has been primarily allocated to meet internal needs. In line with our focus on PV cell manufacturing, we do not currently plan to expand the scale of external wafer sales.

PRODUCTION

Our Production Base

The table below sets forth the details of our key production bases as of the Latest Practicable Date:

Base	Location	Year of commencement of production	GFA	Key products
Yibin Base	Yibin, Sichuan, China	2022	approximately 462,085 sq.m.	N-type TOPCon cells, N-type xBC cells
Indonesia Base	Indonesia	2024	Phase I: approximately 35,300 sq.m Phase II: approximately 77,702 sq.m	N-type TOPCon cells P-type PERC cells
Mianyang Base	Mianyang, Sichuan, China	2025	approximately 100,000 sq.m.	N-type TOPCon cells, P-type PERC cells

During the Track Record Period, our PV cells were produced in Yibin Base, Indonesia Base (Phase I) and our production base in Tianchang, Anhui ("**Tianchang Base**"). Our Mianyang Base commenced trial production in July 2025. Since 2025, we ceased the production in our Tianchang Base in alignment with the sector-wide transition from P-type PERC cells toward N-type TOPCon

cells technology. Following the cessation, we have repurposed the facilities as investment properties, commenced external leasing arrangements and recognized rental income since September 2025. The cessation has not and is not expected to have a material adverse impact on our business operations or financial performance, considering that (i) we began reducing P-type PERC cell output in 2023, and the Tianchang Base was solely engaged in P-type PERC cell production and (ii) the ongoing industry-wide transition from P-type cells, which have reached their efficiency ceiling, to N-type cells, which are gaining market share due to strong performance and scalability. As of December 31, 2025, we did not have any outstanding contractual obligations related to the production or delivery of P-type PERC cells from our Tianchang Base. In light of this change, the Group has assessed the inventories for impairment and measured them at the lower of cost and net realizable value. In 2023, 2024 and 2025, we recognized impairment loss on inventory in relation to PERC cells of RMB12.4 million, RMB19.9 million and RMB1.3 million, respectively. The Reporting Accountants have reviewed our Group's accounting treatment and confirmed that, as of December 31, 2025, the corresponding assets and inventory related to P-type PERC cells had been fully impaired or appropriately provided for impairment in accordance with applicable accounting standards. No material unrecognized impairment losses were identified.

Production Capabilities

The following table sets forth our effective production capacity, production volume and production utilization rate by product types for the periods indicated:

	Year ended December 31,		
	2023	2024	2025
P-type PERC cells[1]			
Effective production capacity (GW)	15.5	2.2	1.5
Production volume (GW)	14.8	2.1	1.4
Utilization rate[2] (%)	95.4	97.4	89.1
N-type TOPCon cells			
Effective production capacity (GW)	2.4	20.8[3]	35.6
Production volume (GW)	1.9	19.0	32.8
Utilization rate (%)	79.9	91.7	92.2
N-type xBC cells			
Effective production capacity (GW)	–	–	2.0
Production volume (GW)	–	–	1.7
Utilization rate (%)	–	–	85.3

Notes:

(1) The utilization rate of P-type PERC cells remained relatively stable in 2023 and 2024, but decreased in 2025. The decrease was primarily due to the ramp-up of production at our Mianyang base. We dynamically adjusted the production of P-type PERC cells based on market conditions and customer demands. In 2023, notwithstanding the emerging industry trend toward N-type technologies, P-type PERC cells continued to represent a substantial share of market demand, accounting for approximately 60.8% of the global PV cell shipment volume in 2023 with a shipment volume of 331.4GW, and our product portfolio. At the beginning of 2023, we have secured customer orders and binding contractual commitments that covered the majority of our existing production capacity. In light of the strong market demand, we proactively increased our effective production capacity to meet customer orders and contractual commitments in the same periods.

(2) Utilization rate is calculated as dividing production volume by the production capacity for the same year.

(3) During the Track Record Period, the effective production capacity of our N-type TOPCon cell showed a consistent upward trend as it transitioned through the ramp-up stage following production commencement in 2023. The effective production capacity of our N-type TOPCon cell increased significantly from 2023 to 2024, primarily driven by (i) the production commencement of additional production lines of our Yibin production base in July 2023 and (ii) our strategic upgrade of a portion of the production capacity at our Yibin base from P-type PERC cells to N-type TOPCon cells.

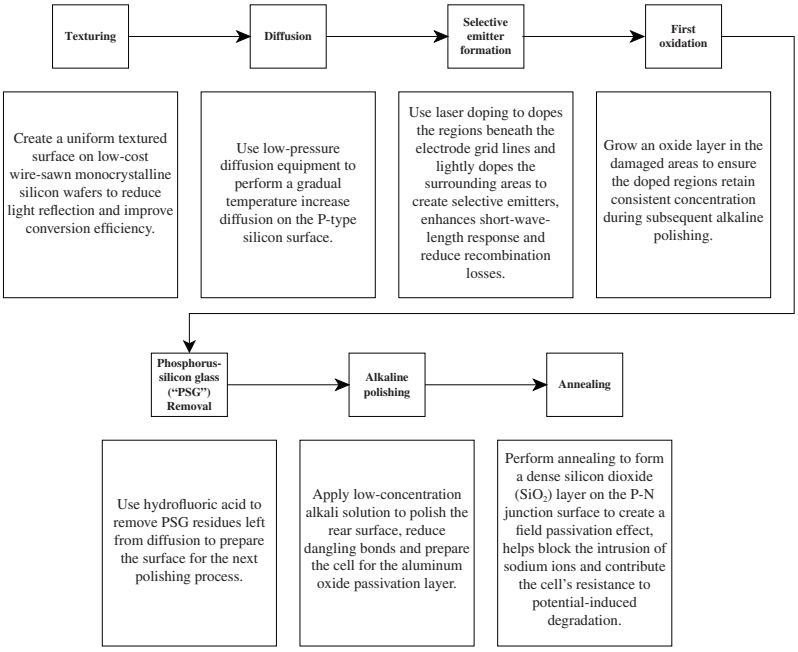
Our Production Capability Enhancement Plan

As of the Latest Practicable Date, we plan to further enhance the production capabilities for N-type TOPCon cell through investment in our two technological advancement projects, including our half-cell passivation cell project and our Poly-finger project. For further details, see also "Future Plans and Use of [**REDACTED**]."

Our Production Process

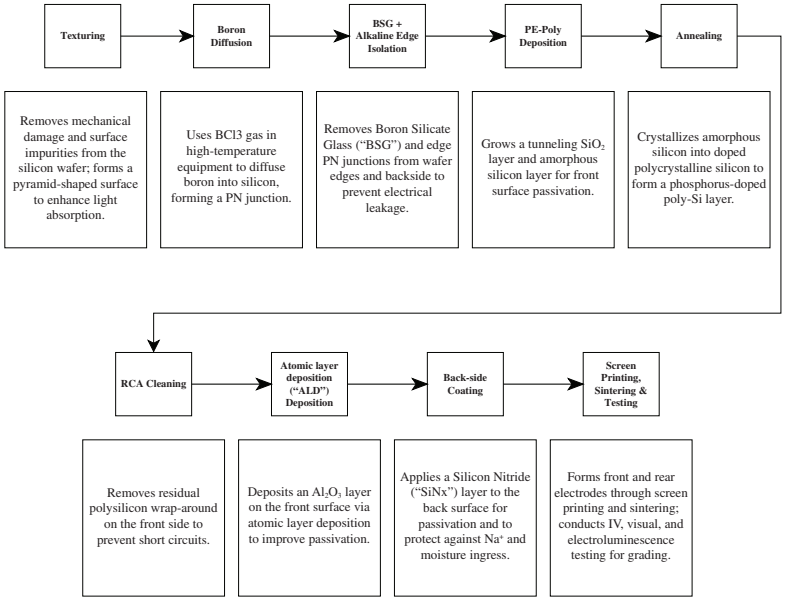
P-type PERC Cells

The following chart sets forth the typical manufacturing process of our P-type PERC cells. The standard production cycle for our P-type PERC cells is approximately 18 hours.



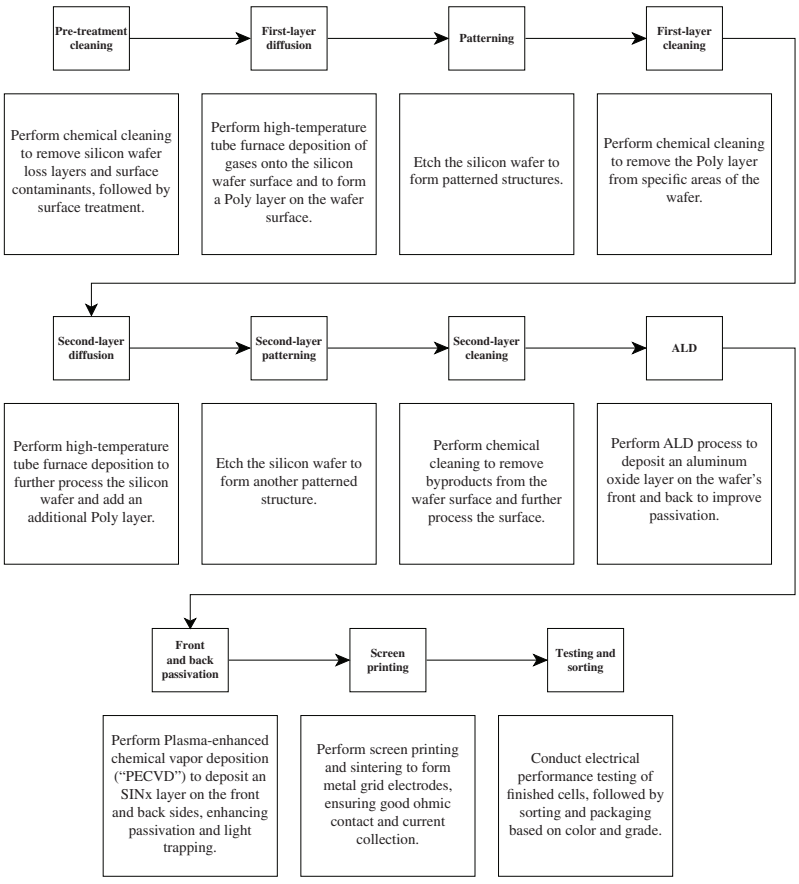
N-type TOPCon cells

The following chart sets forth the typical manufacturing process of our N-type TOPCon cells. The standard production cycle for our N-type TOPCon cells is approximately 24 hours.



N-type xBC Cells

The following chart sets forth the typical manufacturing process of our N-type xBC cells. The standard production cycle for our N-type xBC cells is approximately 36 hours.



Production Equipment

We procure our production equipment from established domestic suppliers. We also collaborate with equipment suppliers in the co-development and customization of production equipment to align equipment functionalities with our technical specifications. We maintain maintenance protocols and real-time monitoring systems to minimize equipment downtime and ensure stable production operations across all facilities.

The following table sets forth some details of our major production equipment as of the Latest Practicable Date:

Equipment	Functions	Applicable products	Production steps involved
Monocrystalline Texturing Equipment	Creates pyramid-shaped texture to enhance light absorption	N-type TOPCon cells, P-type PERC cells	Texturing
Tube Plasma Polycrystalline Deposition Furnace	Deposits polycrystalline silicon using plasma-assisted chemical vapor deposition ("CVD")	N-type TOPCon cells	PE-Poly Deposition
Tube Diffusion Oxidation Annealing Furnace	Dope silicon wafers precisely, Control doping concentration and depth to form the P-N junction	N-type TOPCon cells	Borron Diffusion

Equipment	Functions	Applicable products	Production steps involved
Aluminum Oxide Equipment	Deposits thin aluminum oxide layer to improve surface passivation and efficiency	N-type TOPCon cells, P-type PERC cells	Aluminum oxidation & coating
Screen Printing Automation Line	Prints electrodes, sinters them, and tests cell performance	N-type TOPCon cells, P-type PERC cells	Screen Printing, Sintering & Testing
Laser Sintering Equipment	Laser doping for selective emitter formation	N-type TOPCon cells	Screen Printing, Sintering & Testings

Production Management

We have implemented a production planning management system to ensure efficient utilization and to align production output with market demand and customer orders. Our production department formulates annual and monthly production plans based on sales orders, projected market demand, and current production capacity.

RESEARCH AND DEVELOPMENT

Our R&D Team

As of December 31, 2025, our R&D team consisted of 565 employees, approximately 90.3% of whom held a bachelor's degree or above and approximately 65% of whom possessed over three years of professional experience in the PV industry. As of the Latest Practicable Date, we had established a global PV R&D center in Yibin, Sichuan, China, spanning approximately 21,600 sq.m., with the internal testing center equipped with a pilot production line for PV modules and testing capabilities, and is dedicated to exploration and R&D in fields such as xBC and perovskite tandem cell technologies. In 2023, 2024 and 2025, our R&D expenses were RMB219.3 million, RMB281.0 million and RMB367.0 million, respectively, accounting for 2.1%, 6.4% and 4.2% of our total revenue for the respective periods.

Key R&D Focus

During the Track Record Period and up to the Latest Practicable Date, our R&D projects centered around monocrystalline silicon growth technologies, TOPCon cell enhancement and industrialization, N-type xBC cell technologies, and perovskite tandem technologies. We also focus on technological advancement projects. For further details, see "Future Plans and Use of [**REDACTED**]."

Our Core Technological Capabilities

P-Type PERC Cells

Our key technologies applied in the manufacturing of P-type PERC cells include:

Key technologies involved	Details of key technologies	Major production step involved
Micron-level fine texturing technology ("微米級精細絨面形成技術")	We use texturing techniques to create micron-level fine textures on the silicon surface. This process reduces light reflection and enhances light absorption for improved conversion efficiency.	Texturing
Single-sided alkaline polishing technology ("單面鹼拋光技術")	This technology utilizes alkaline solutions to etch and polish the rear surface of the silicon wafer. It helps reduce surface defects and prepares the wafer for the next processing stages.	Alkaline polishing
Nitride-silicon composite passivation technology ("氮氧化硅複合鈍化技術")	We apply a nitride-silicon composite passivation layer on the silicon wafer to reduce surface recombination rates and improve passivation efficiency, enhancing overall cell performance.	Aluminum oxidation & coating
ALD passivation technology ("原子層沉積鈍化技術")	Using atomic layer deposition, we form ultra-thin passivation layers on the silicon wafer. This technique ensures passivation and improves the PERC cell's efficiency and stability.	Aluminum oxidation & coating
Ultra-low fine line screen printing technology ("超低細線絲網印刷技術")	We utilize ultra-low fine line screen printing technology to precisely print the metallic paste on the wafer. This ensures minimal loss and optimal electrical contact, enhancing conversion efficiency.	Screen printing & testing
Multi-busbar technology ("多主柵技術")	Multi-busbar technology is used to increase the number of busbars in the cell, reducing resistance and improving current collection, leading to higher efficiency and power output.	Screen printing & testing
Anti-light induced degradation technology ("抗光致衰減技術")	This technology mitigates light-induced degradation by controlling the injection of electrons, improving the long-term performance and stability of the PV cells.	Screen printing & testing

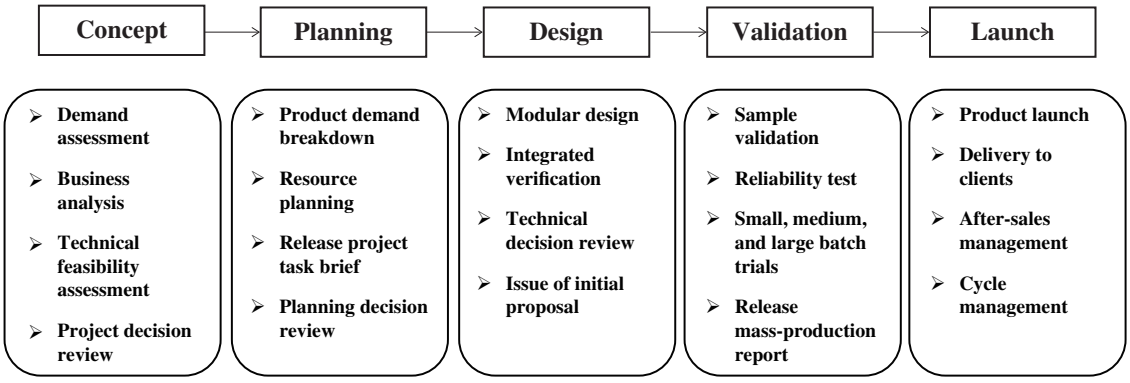
N-Type TOPCon Cells

Our key technologies applied in the manufacturing of N-type TOPCon cells include:

Key technologies involved	Details of key technologies	Major production step involved
Ultra-Low Surface Boron Diffusion Technology ("超低表面濃度硼擴散技術")	Reduce the boron concentration near the surface to enhance minority carrier lifetime and minimize recombination, thus improving cell efficiency. This allows us to achieve better passivation and higher overall performance in N-type TOPCon cells.	Boron Diffusion
Ultra-Fine Metallization Printing Technology ("超細金屬化印刷工藝")	Our ultra-fine metallization printing technology enables us to create highly precise metal contacts, reducing resistive losses and improving current collection efficiency. This ensures a higher-performing and more efficient N-type TOPCon cell.	Screen Printing & Testing
High Surface Resistivity Dense Grid Technology ("高方阻密柵工藝")	With our high surface resistivity dense grid process, we optimize the electrode grid structure, reducing shading and increasing light absorption. This improves the electrical and optical performance of N-type cells, leading to higher efficiency.	Boron Diffusion Screen Printing & Testing
Poly-Si Multi-Layer Film Technology ("Poly-Si多層膜技術")	We use Poly-Si multi-layer film technology to deposit multiple layers of polycrystalline silicon, improving passivation and reducing surface recombination. This structure enhances charge collection and increases the long-term stability and efficiency of our PV cells.	PE-Poly Deposition
Anti-UV Degradation Multi-Layer Heterogeneous Passivation Process ("抗UV衰減多層異質膜鈍化工藝")	Our anti-UV degradation multi-layer heterogeneous passivation process ensures that our cells perform well even under prolonged UV exposure, improving the cell's durability and efficiency. This innovative passivation process reduces degradation and extends the lifetime of N-type TOPCon cells.	Aluminum Oxidation & Coating

R&D Process

Our R&D process comprises five stages: (i) **project concept**: we evaluate market viability, technical feasibility, and risks; (ii) **project planning**: we refine the concepts to address potential risks and ensure resource alignment with project goals; (iii) **prototype design**: we develop prototypes and conduct iterative testing; (iv) **validation**: we conduct pilot production runs and engage with customers to assess reliability, efficiency, and durability; and (v) **product launch**: we launch the product, monitor performance, and scale up production. The following flowchart sets forth our R&D processes:



Key R&D Projects

The following is a summary of our key ongoing proprietary R&D projects as of the Latest Practicable Date:

Project	Project content	Current status	Next milestone	Long term goal
Low-Cost Metal Project	A process incorporating special metals in varying proportions, leveraging a silver-coated copper seed layer stacking mechanism, and high-temperature copper pastes to reduce production costs.	Conduct pilot and reliability testing	Complete reliability tests and launching trials	Scale up for mass production
Carbon-Doped Polycrystalline Silicon Process .	A process incorporating carbon in the polycrystalline silicon layer to enhance passivation effects, aiming for a process with a J0 of less than one fA/cm^2.	Explore production technique and testing doping parameters	Achieve target passivation performance.	Prepare for trial mass production
High-Efficiency Passivated Contact Cell Technology . . .	A selective doping and shallow junction processes to enhance cell performance by reducing contact resistance and improving short-wavelength response while balancing passivation and contact effects.	Deployed on production lines	Expand application and optimize processes	Achieve full industrial production
Laser Isolation Technology . . .	A PN junction isolation technology to reduce cutting losses, improve passivation, and increase module power output when integrated with post-cutting passivation processes.	Evaluate laser power and cleaning compatibility	Conduct power gain validation test	Deployed in production line

Joint R&D Projects Arrangements

Besides independent R&D projects, we also collaborate with industry partners to jointly develop new products and technologies. Salient terms of our agreements with universities and institutions are set out below:

Duration, termination and confidentiality. The duration of these agreements typically ranges from two to five years, extendable by mutual agreement and terminable upon a material breach, force majeure, or mutual consent. Both parties maintain confidentiality of proprietary information, including technology, research findings, and technical data, with obligations surviving termination.

Technology sharing and development. We (i) jointly develop technologies, including N-type high-efficiency PV cells and silicon rods and other PV materials with specific research objectives, timelines, and performance metrics outlined in the agreement, (ii) co-establish innovation platform, (iii) implement application demonstration projects, and (iv) jointly pursue talent development.

Intellectual property ("IP") rights. Jointly developed IP is co-owned and survives termination, with both parties entitled to utilize technological outcomes for further improvements and any new technology resulting from significant advancements is owned by the developing party.

Funding. We fund costs, including research facilities, materials, and researcher compensation, with payments tied to and disbursed upon completion of agreed-upon milestones and deliverables.

Milestones and deliverables. Each agreement specifies R&D milestones, such as achieving defined performance targets or resolving specific technological challenges, with deliverables including research reports, technical documentation, and experimental data, and progress regularly reviewed.

Development risk sharing and challenges. Each party bears its own expenses for development risks, except where failure results from breach or negligence. Any failure due to such development risks shall not be deemed as breach of the agreement.

INTELLECTUAL PROPERTY

Our patents, copyrights, trademarks, domain names, know-how, proprietary technologies, trade secrets and other intellectual property rights are critical to our business operations. As of the Latest Practicable Date, we had 191 granted patents in China, including 39 invention related patents. As of the Latest Practicable Date, we had 18 software copyrights, 13 registered trademarks, and four domain names in China. We primarily acquire patents through self-development. As of the Latest Practicable Date, we owned the majority of our patents as well as patent applications and had one co-share arrangement of our patents and patent applications with third parties. During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See "Risk Factors — Risks Relating to Our Business and Industry — We may be exposed to intellectual property infringement or misappropriation claims."

Patent Licensing Agreement regarding N-type HPBC Cell

Background and rationale

We rely on patents authorized by LONGi, who was our largest customer and largest supplier in each period during the Track Record Period to produce N-type HPBC cells, one particular model of N-type xBC PV cell products. LONGi entered into the patent licensing agreement with us in consideration of (i) LONGi's intention to pursue a light-asset operating model through patent licensing and cooperation arrangements rather than solely relying on self-built production lines, (ii) our long-term strategic collaboration and (iii) our mutual interests in supporting the scalable and

efficient research, development and production of the relevant products, as well as the commercial application of the N-type xBC technology. As of the Latest Practicable Date, the patent licensing agreement governs 12 patents related to the R&D and production of N-type HPBC cell products (the "**Licensed Patent Products**"). Besides the 12 patents, we did not have other licensed patents and joint patent applications as of the Latest Practicable Date, and we have been producing other N-type PV cells, such as N-type TOPCon cells using independent in-house technologies.

Licensed Patents

The following table sets forth the patents authorized under the patent licensing agreement:

Application date	Patent name
June 19, 2024	A type of PV cell and PV module
May 9, 2024	Carrier for back-contact PV cells, and laser-Induced sintering equipment and technique
April 15, 2024	A type of PV cell and PV module
April 1, 2024	A type of PV cell and PV module
March 29, 2024	A type of PV cell and PV module
February 7, 2024	A type of back-contact PV cell and its production technique and PV module
January 26, 2024	A type of back-contact PV cell and PV module
December 22, 2023	A type of PV cell
November 24, 2023	A type of back-contact PV cell and PV module
May 19, 2023	An aesthetic tape and PV module technology
September 30, 2022	A fixture for electrical and optical testing of PV cells
June 30, 2021	A type of PV cell and PV module

Salient Terms of the Patent Licensing Agreement

Term. The initial term of the licensing agreement is five years. The agreement is not automatically renewable and can be renewed or extended upon mutual agreement.

Termination. LONGi is entitled to unconditionally terminate the agreement without prejudice to its rights to compensation in cases of (i) material breach by the licensee and (ii) the patentor or any of its affiliates issuing a notice of intention to exit its equity interest in Yingfa Derui ("**Equity Exit Notice**"). Specifically, if exit is triggered by the affiliate exercising its tag-along rights, the licensing agreement will automatically terminate upon issuance of the Equity Exit Notice. If the exit is due to other reasons, both parties shall renegotiate the licensing fee based on market principles.

Licensing rights and sub-license. LONGi represents that they have the relevant intellectual property rights, and grants us a non-exclusive, royalty-bearing, non-sublicensable license under the Licensed Patent rights to develop, manufacture and sell N-type xBC cells covered by the Licensed Patent. According to Frost & Sullivan, in the PV industry, non-exclusive patent licensing arrangements are common practice. LONGi retains full ownership of the patent rights related to the N-type xBC cell technology. We are generally not allowed to sub-license the IPs under the license agreement.

Priority licensing. LONGi agrees to grant us a priority right to license any new patent technology related to the Licensed Patent Products, developed after the agreement's effective date, subject to written request. This priority right is on equivalent terms as offered to others, except for LONGi's affiliates.

New intellectual property and cross licensing. Any new intellectual property independently developed by us during the agreement term will remain our own intellectual property. We agree to cross-license the new intellectual property by granting a royalty-free license to LONGi and its affiliates. We shall ensure that the protection, use, and operation of such new intellectual property complies with the terms of the agreement. We are required to deliver relevant documentation

relating to the new intellectual property to LONGi within ten working days from the date of its creation. As advised by our PRC Legal Advisor, in the event that the patent licensing agreement expires without renewal, we will retain the full right to independently conduct R&D activities, fully own the new intellectual property independently developed by us, and manufacture and commercialize N-type HPBC products based on any new intellectual property that we have independently developed and solely own, without requiring further authorization from LONGi. As of the Latest Practicable Date, there have been no new developments of technologies, products or material R&D outcomes by our Company under the Patent Licensing Agreement.

Licensing fee arrangement. We are required to pay a royalty fee based on the number of N-type xBC cells produced, manufactured and sold to third parties other than LONGi. We are required to provide LONGi with a semi-annual sales statistic report, upon which LONGi will issue an invoice for payment. We are not required to pay royalty fee to LONGi, and we have not paid any royalty fee to LONGi during the Track Record Period and up to the Latest Practicable Date in relation to sales of N-type xBC cells to LONGi.

Impact of LONGi's Consent on the sales of our N-type xBC PV Cells

In the event that LONGi declines to grant such consent going forward, we do not expect this to have a material adverse impact on our operations, considering the following factors:

Locked purchase amount in 2025. LONGi is contractually committed to purchase 100% of our N-type xBC PV cell production capacity in 2025. In 2025, all N-type xBC cells we produced were sold to LONGi.

Locked purchase amount in 2026. For the year ending December 31, 2026, LONGi is contractually committed to purchase no less than 70% of our N-type xBC PV cell production capacity. This ensures that a substantial portion of our xBC production will be absorbed by LONGi, even if consent is not granted to serve other customers. LONGi has agreed that such consent will not be unreasonably withheld. As of the Latest Practicable Date, we are in the progress of negotiating with potential customers of our N-type xBC cells and have not yet entered into sales and purchase agreement with any third parties.

Production restrictions at times of lower purchase. In the event LONGi does not place sufficient purchase orders from us in 2026, the Cooperation Agreement stipulates that the operating rate of LONGi's own xBC production capacity must not exceed that of our Group. This contractual restriction preserves our competitive position and production relevance.

Market-based arrangement from 2027 onwards. Beginning in 2027, procurement arrangements with LONGi will transition to a market-based framework. LONGi has agreed that consent for external sales will not be unreasonably withheld, and no restrictions will apply to the proportion of external sales once approval is granted. Sales to third parties will remain subject to a patent license fee of RMB0.02 per watt in accordance with the patent licensing agreement. This transition provides us with greater commercial flexibility.

No foreseeable increase in reliance due to coexistence of N-type technology. We do not foresee a material increase in reliance on LONGi licensed xBC technology, as both N-type TOPCon technology and N-type xBC technology are expected to co-exist in the PV cell industry over the medium to long term as they serve distinct application scenarios, while TOPCon is expected to remain the mainstream technology in the foreseeable future, mitigating the risk of near-term displacement. We continue to invest in both N-type xBC and N-type TOPCon technologies to maintain product diversity and support long-term competitiveness.

Renewal intention upon expiration. LONGi has confirmed that, as of the Latest Practicable Date, it has no current plan to terminate the Patent Licensing Agreement, and subject to the absence of material disputes or adverse circumstances, LONGi has indicated its intention of renewal upon expiration of the current agreement on mutually agreed terms.

SALES, MARKETING AND DISTRIBUTION

Our Sales Network

As of December 31, 2025, we sold our products to direct sales customers in over 17 countries and regions worldwide. The table below sets forth the breakdown of our revenue by geographic region based on the delivery address during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Chinese Mainland	10,152,391	96.7	3,890,669	89.3	5,186,848	59.5
Overseas	341,507	3.3	468,083	10.7	3,525,833	40.5
– India	263,950	2.5	324,492	7.4	1,035,156	11.9
– Vietnam	26,219	0.2	31,297	0.7	387,590	4.4
– The U.S.	–	–	105,353	2.4	1,244,666	14.3
– Others[(1)]	51,338	0.5	6,941	0.2	858,421	9.9
Total	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**

Note:
(1) Primarily include Singapore, Indonesia and Thailand.

For a detailed analysis of our revenue by geographical region of our customers, see "Financial Information — Review of Historical Results of Operations — Revenue — Revenue by Geographical Region."

Our Direct Sales

Overview

During the Track Record Period, we relied on direct sales channel to sell our products. We define customers as those who have made at least one purchase order in a given period. In 2023, 2024 and 2025, we had 276, 263 and 351 customers. The changes in number of our customers were in line with our business development.

Principal Contractual Terms with Direct Sales Customers

Salient terms of our direct sales agreements with customers are set out below:

Term termination and confidentiality. Typically a fixed term of one year, terminated upon expiry or with mutual consent. We typically require our customers to keep the terms of our agreements confidential.

Product specification and pricing. Our customers typically specify product name, size, model, configuration, quantity and features in purchase orders once a month. We negotiate with our customers on an case-by-case basis based on prevailing market prices, subject to monthly renegotiation. Generally, we do not set minimum purchase requirement for our direct sales customers.

Payment and credit term. We generally request the payment in advance. For certain customers, we offers a credit period of 7 to 90 days upon delivery based on the creditworthiness.

Product warranty and return. We generally do not allow product return except in limited circumstances such as product defects. We typically provide a product warranty period of up to two to six months.

Pricing

We price our standard products considering (i) customer demands, (ii) raw material costs, (iii) product differentiation and (iv) competitive landscape of the markets. The below table sets forth the average selling price of our N-type TOPCon cells and that of our industry peers in major markets in 2025:

	Year Ended December 31, 2025	
	Our Company	Industry peers
	RMB/W	*RMB/W*
Chinese Mainland	0.25	0.23
India	0.32	0.27
Vietnam	0.85	0.32
U.S.	0.67	0.82

For further details on comparison of our average selling price profile in domestic and overseas market, see "Financial Information — Review of Historical Results of Operation — Revenue — Revenue by Geographical Region."

We negotiate our pricing on a case-by-case basis. For customized products, such as those requiring non-standard grid patterns or material adjustments, we adjust pricing to reflect incremental production costs and market premiums. We also apply differentiated pricing across geographies to account for different regional cost structures. For example, pricing in overseas markets incorporates local logistics costs and competitive factors. We may grant customer-based pricing discounts based on two key factors: the amount of prepayment and the volume of supply commitment. Such discounts are determined on a floating basis aligned with these commercial terms.

Measures to mitigate pricing volatility

We manage exposure to pricing fluctuations through inventory planning, sourcing, and market monitoring. We apply short-cycle inventory controls for key raw materials such as silicon wafers and silver paste, typically covering four to seven days of production. During periods of rising input costs, we may increase inventory levels to secure favorable pricing and conversely, we apply controls during down cycles to minimize cost exposure. We also monitor commodity prices, policy developments, demand trends, and supplier operations to inform procurement decisions. While we do not rely on long-term supply contracts, we may engage in opportunistic purchases to buffer against volatility.

Flexible price adjustment strategy

We maintain a responsive pricing mechanism that enables timely adjustments when market prices exceed the agreed-on pricing under long-term direct sales agreements, regardless of the magnitude of the variance. We typically initiate such discussions within one to two business days, with confirmation reached within two to three business days for domestic customers and five to seven business days for overseas customers.

Marketing

As of December 31, 2025, our sales and marketing team consisted of 46 employees with extensive experience and expertise in PV industry and electronic industries in general. Our sales and marketing team is responsible for identifying market opportunities, analyzing industry trends, strengthening long-term partnerships with existing customers and actively expanding outreach to potential clients.

Customer Acquisition

We target to acquire new customers across key overseas markets, including India and Indonesia. We engage with customers, identify and meet their needs, and secure orders through high-quality products. We tailor our resource allocation and engagement strategy to reflect local market dynamics. We participate in industry exhibitions, such as Intersolar in India and other targeted events to connect with potential clients. We collaborate with media outlets and platforms to increase brand awareness.

Customer Retention

We provide pre-sales technical support, sales coordination, and after-sales service. We implement tiered customer strategies based on lifecycle stages and tailor engagement based on monthly monitored key performance indicators, including repeat purchase rate and order frequency. When warning signals such as declining order volumes are detected, we initiate recovery measures, including reassignment of account responsibility or escalation of communication. We conduct regular customer visits and technical workshops to explore product upgrades and collect customer feedback to inform service optimization. We also engage in product roadmap development with customers.

Customer Service

We have a customer service team with 39 service professionals as of December 31, 2025. For pre-sale service, we engage in technical exchanges and on-site visits with customers. Before customers place an order, we conduct technical evaluations and optimization of custom product solutions. For in-sale services, our service model emphasizes communication with customers to address complaints effectively, involving reported issue analysis and on-site support as needed. Additionally, we conduct regular customer satisfaction evaluations, analyzing feedback for improvement. For after-sale services, we have established service standards for quality issues, requiring an initial response within seven hours, onsite visit within 24 hours, and a plan within 48 hours.

During the Track Record Period, our total product return rate was lower than 1.1%. During the Track Record Period and up to the Latest Practicable Date, we had not received any material product return, exchange, complaints or product liability claims from our customers, and accordingly we had not incurred any material warranty expense or made any provision for such warranty expense.

SEASONALITY

The Chinese new year in the first quarter typically leads to factory shutdowns, delayed construction, and reduced market activity. We typically experience peak sales at the end of the first and fourth quarters. The fourth-quarter peak is driven by year-end grid connection projects, while the first-quarter peak reflects demand from the India market ahead of its fiscal year-end. Sales generally slow from late second to early third quarter due to limited domestic project activity and seasonal construction delays in overseas markets.

OUR CUSTOMERS

During the Track Record Period, our customers primarily consisted of PV module manufacturers. In each year during the Track Record Period, revenue generated from our five largest customers amounted to RMB5,923.1 million, RMB2,384.3 million and RMB2,875.9 million, respectively, accounting for 56.5%, 54.7% and 33.2% of our total revenue in the same periods, respectively. Revenue from our largest customer in each year during the Track Record Period accounted for 24.4%, 20.5% and 10.8% of our total revenue, respectively. The decrease in the revenue contribution from our five largest customers and largest customer in 2025 was in line with our strategic diversification effort. Except for LONGi, all of our five largest customers were Independent Third Parties during the Track Record Period. To the best of our knowledge and as of the Latest Practicable Date, we were not aware of any information or arrangement that would lead to the termination of our relationships with any of our major customers. None of our Directors and their respective associates, or Shareholders who own 5% or more of the total issued Shares had any interest in any of our five largest customers during the Track Record Period. The following table sets forth the details of our five largest customers in each period during the Track Record Period.

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main operating industry	Type of product/services purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the year ended December 31, 2023							
1 . . .	LONGi	2,561,474	24.4	PV module manufacturing	P-type PERC cell, N-type 183-N TOPCon cell	Prepayment	2018
2 . . .	Customer A[(1)]	1,978,104	18.9	PV module manufacturing	P-type PERC cell, N-type 182-N TOPCon cell	Prepayment	2019
3 . . .	Customer B[(2)]	550,089	5.2	PV module manufacturing	P-type PERC cell	Prepayment	2022
4 . . .	Customer C[(3)]	425,827	4.1	PV module manufacturing	P-type PERC cell, N-type 182-N TOPCon cell	Prepayment	2022
5 . . .	Customer D[(4)]	407,601	3.9	PV module manufacturing	P-type PERC cell	Prepayment	2019

Notes:

(1) Customer A is a solar energy company, headquartered in Jiangxi, China, listed on the New York Stock Exchange, and engaged in the vertically integrated R&D, manufacturing, and global sales of PV products and clean energy solutions.

(2) Customer B is a renewable energy company, headquartered in Beijing, China, listed on the Shanghai Stock Exchange, and engaged in the development, construction, and operation of PV, wind power, and other clean energy projects.

(3) Customer C is a PV technology company, headquartered in Jiangsu, China, listed on the Shenzhen Stock Exchange, and engaged in the development, production, and sales of PV modules and provision of integrated PV solutions.

(4) Customer D is a green energy technology company, headquartered in Hebei, China, listed on the Beijing Stock Exchange, and engaged in the research, manufacturing, and sales of photovoltaic modules, energy storage systems, and hydrogen and wind power solutions.

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main operating industry	Type of product/services purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the year ended December 31, 2024							
1 . . .	LONGi	893,251	20.5	PV module manufacturing	P-type PERC cell, N-type 210-N TOPCon cell	Prepayment	2018
2 . . .	Customer A	504,053	11.6	PV module manufacturing	P-type PERC cell, N-type 182-N, 183-N 210-N TOPCon cell	Prepayment	2019

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main operating industry	Type of product/services purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
3	Customer E[1]	453,731	10.4	PV module manufacturing	N-type 182-N, 183-N and 210-N TOPCon cell	Seven days	2024
4	Customer F[2]	322,969	7.4	PV module manufacturing	P-type PERC cell, N-type 182-N and 183-N 210-N TOPCon cell	Prepayment	2023
5	Customer G[3]	210,293	4.8	PV module manufacturing	N-type 183-N and 210-N TOPCon cell	Prepayment	2023

Notes:

(1) Customer E is a privately held PV technology company, headquartered in Sichuan, China, engaged in the manufacturing of PV equipment and provision of solar technology services and clean energy solutions.

(2) Customer F is privately held investment and asset management company, headquartered in Changzhou, Jiangsu, China, whose subsidiaries were primarily engaged in the R&D of PV technologies and manufacturing and sells of PV products.

(3) Customer G is a solar energy company, headquartered in Jiangsu, China, listed on the Shanghai Stock Exchange, and engaged in the development, manufacturing, and sales of PV products and solar energy solutions.

Rank	Customer	Sales amount	Percentage of total revenue	Customers' main operating industry	Type of product/services purchased	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*				
For the year ended December 31, 2025							
1	LONGi	937,728	10.8	PV module manufacturing	N-type 183-N and 210-N TOPCon cell, N-type xBC cell	Prepayment	2018
2	Customer H[1]	570,923	6.6	PV module manufacturing	N-type 182-N, 183-N and 210-N TOPCon cell	Prepayment	2019
3	Customer I[2]	538,134	6.2	PV module manufacturing	N-type 183-N and 210R-N TOPCon cells	Prepayment	2024
4	Customer J[3]	422,961	4.9	PV module manufacturing	N-type 183-N and 210-N TOPCon cell	Prepayment	2021
5	Customer C	406,175	4.7	PV module manufacturing	N-type 183-N and 210-N TOPCon cell	Prepayment	2022

Notes:

(1) Customer H is a solar energy equipment manufacturer, headquartered in Japan, listed on Nasdaq stock market, and engaged in the manufacturing of PV modules and solar power generation systems. Revenue from Customer H include (a) transactions with Customer H's entities who engaged in customer supply arrangements with us, under which revenue is recognized on a net basis, and (b) transactions with those who did not, under which revenue is recognized on a gross basis.

(2) Customer I is a renewable energy company headquartered in Mumbai, Maharashtra, India. It is listed on the National Stock Exchange of India and the Bombay Stock Exchange, and engaged in the R&D, manufacture, and sales of solar PV modules, solar module, semiconductor and other finished products.

(3) Customer J is a renewable energy technology company, headquartered in Tianjin, China, listed on the Shenzhen Stock Exchange, and engaged in the production of semiconductor materials, high-efficiency solar products, and clean energy solutions.

We have maintained long-term collaboration relationships with the majority of our five largest customers for four to eight years. During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes with any of our five largest customers.

RAW MATERIALS AND PROCUREMENT

We procure a range of raw materials, primarily including (i) silicon wafers, (ii) metallic pastes, (iii) silicon rods and other materials such as chemicals, consumables, packaging materials and spare elements.

We formulate our procurement plans by considering production schedules, sales demands, and prevailing market conditions. We adopt quantitative and periodic control methods, establishing safety stock provisions and implementing control over specialized materials. We regularly negotiate pricing and procurement terms with our suppliers and adjust inventory levels flexibly to account for raw material price fluctuations. For further details of our inventory management, see "— Logistics and Inventory Management." We have also established long-term partnerships with our suppliers to enable stable raw material supply. During the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues or shortages with our procurement that materially affected our operations. During the Track Record Period and up to the Latest Practicable Date, we had not adopted any hedging policies for fluctuations in the prices of raw materials.

OUR SUPPLIERS

Raw Material Suppliers

We primarily procure from reputable raw material suppliers. We generally enter into framework agreements with raw material suppliers. Salient terms of the framework supply agreements typically include:

Term. Typically of one year, terminable by either party upon prior written notice. We require suppliers to keep the supply agreement details confidential.

Product specifications and payment terms. We specify the product specification, price, quantity, delivery timeline and other detailed items in each purchase order. We make payments based on mutually agreed prices in the purchase order. We are generally granted a credit period of within 180 days.

Purchase amount forecast. For silicon wafer, we provide the supplier with a forecasted quantity each month, adjustable periodically based on market conditions. Delivery quantities may fluctuate within a band, typically below 20%.

Lock quantity. For other raw materials such as metallic pastes, we commit to a specified lock quantity over the contract term. The supplier shall deliver the materials in monthly installment. We will pay a deposit based on the agreed lock quantity, with adjustments made if our actual consumption falls below the minimum threshold.

Risk Transfer quality assurance and product return. The risk transfers to us upon inspection and receipt, with suppliers required to indemnify us from losses, damages, or liabilities arising from quality defects attributable to the suppliers. We are generally granted a warranty period of at least three months and are entitled to reject, replace or return non-conforming.

Supplier Management

We have established a supplier management system covering supplier selection, evaluation, and monitoring. We consider a set of factors such as production capabilities and contractual performance track records. New suppliers must undergo qualification processes, including

provision of, essential documents such as qualifications, ISO certifications, product technical specifications, third-party test reports, and transportation qualifications. For suppliers handling chemicals, a Material Safety Data Sheet ("MSDS") safety certificate is also required. We conduct monthly evaluations of our suppliers, accessing quality, delivery time, price, customer service. We maintain a pool of alternative suppliers for key materials and use our evaluation system to promote strong suppliers and phase out underperforming ones.

Major Suppliers

In each year during the Track Record Period, purchases from our five largest suppliers amounted to RMB6,105.2 million, RMB3,227.5 million and RMB3,160.0 million, respectively, representing 52.7%, 34.2% and 36.4% of our total purchases, respectively. In addition, purchases from our largest supplier accounted for 24.8%, 13.1% and 13.5% of our total purchases in each year during the Track Record Period, respectively. Except for LONGi, all of our five largest suppliers were Independent Third Parties during the Track Record Period. None of our Directors and their respective associates or our Shareholders who hold more than 5% of our total issued Shares had any interest in our five largest suppliers during the Track Record Period and as of the Latest Practicable Date. Additionally, we did not experience any material disputes with our suppliers during the Track Record Period. The following table sets forth the details of our five largest suppliers in each period during the Track Record Period:

Rank	Supplier	Purchase Amount	Percentage of total purchase amount	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
For the year ended December 31, 2023						
1 . . .	LONGi	2,872,291	24.8	Silicon wafer, silicon rod	Prepayment	2017
2 . . .	Customer J	1,221,266	10.5	Silicon wafer, silicon rod	Prepayment	2021
3 . . .	Customer C	787,884	6.8	Silicon wafer, silicon rod	Prepayment	2017
4 . . .	Supplier A[(1)]	749,331	6.5	Manufacturing equipment	Prepayment	2017
5 . . .	Supplier B[(2)]	474,394	4.1	Silicon wafer	Prepayment	2022

Notes:

(1) Supplier A is a high-tech energy equipment company, headquartered in Guangdong, China, listed on the Shenzhen Stock Exchange, and engaged in the R&D, manufacturing, and sales of solar cell equipment and intelligent manufacturing solutions.

(2) Supplier B is a privately held high-tech company, headquartered in Inner Mongolia, China, engaged in the manufacturing and sales of monocrystalline silicon materials and PV products.

Rank	Supplier	Purchase Amount	Percentage of total purchase amount	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
For the year ended December 31, 2024						
1 . . .	LONGi	1,239,127	13.1	Silicon wafer, silicon rod	Prepayment	2017
2 . . .	Supplier C[(1)]	589,991	6.3	Silver paste	Prepayment	2018
3 . . .	Supplier D[(2)]	513,336	5.4	Monocrystalline furnace	Prepayment	2023
4 . . .	Supplier E[(3)]	484,150	5.1	Silver paste	Prepayment	2017
5 . . .	Customer J	400,872	4.3	Silicon wafer	Prepayment	2021

Notes:

(1) Supplier C is a high-tech materials company, headquartered in Jiangsu, China, listed on the Shanghai Stock Exchange, engaged in the R&D, production, and sales of conductive pastes and advanced electronic materials.

(2) Supplier D is a high-tech manufacturing company, headquartered in Zhejiang, China, listed on the Shenzhen Stock Exchange, and engaged in the development and production of advanced semiconductor and photovoltaic equipment, including crystal growth furnaces and smart factory solutions.

(3) Supplier E is a high-performance electronic materials company, headquartered in Jiangsu, China, listed on the Shenzhen Stock Exchange, and engaged in the R&D, production, and sales of conductive paste and semiconductor materials.

Rank	Supplier	Purchase Amount	Percentage of total purchase amount	Type of product/services provided	Credit terms	Year of commencement of business relationship
		(RMB'000)	*(%)*			
For the year ended December 31, 2025						
1 . . .	LONGi	1,173,510	13.5	Silicon wafer, silicon rod	Prepayment	2017
2 . . .	Supplier C	598,225	6.9	Silver paste	Prepayment	2018
3 . . .	Supplier F[(1)]	516,605	5.9	Silicon wafer, wafer slicing services; slicing equipment	Prepayment; 30 days	2023
4 . . .	Customer J	440,772	5.1	Silicon wafer	Prepayment	2021
5 . . .	Supplier G[(2)]	430,850	5.0	Spare materials, manufacturing equipment	180 days	2022

Notes:

(1) Supplier F is a high-tech manufacturing company, headquartered in Qingdao, Shandong, listed on the Shanghai Stock Exchange STAR Market, engaged in the R&D, production, and sales of high-precision cutting equipment and integrated process solutions for hard and brittle materials, primarily serving the photovoltaic silicon wafer industry.

(2) Supplier G is a high-tech PV equipment company, headquartered in Shenzhen, China, listed on the Shanghai Stock Exchange STAR Market, engaged in the R&D, production, and sales of high-efficiency solar cell process equipment and integrated solutions.

CUSTOMER SUPPLY ARRANGEMENTS

Background and Rationale

In 2024 and 2025, we engaged in certain customer supply arrangements where our customers, including LONGi and certain subsidiaries of Customer H, provided us with silicon wafer and other silicon materials as raw materials of our PV cell products, while we sold PV cells to them (the "**Customer Supply Arrangements**"). During the Track Record Period and up to the Latest Practicable Date, silicon wafers purchased from LONGi or Customer H were not resold back to LONGi or Customer H. Our customers under the Customer Supply Arrangements are generally PV module manufacturers and silicon material providers. According to Frost & Sullivan, the Customer Supply Arrangements emerged as the PV cell industry experienced rapid capacity expansion and underwent technology iteration from P-type PERC cells to N-type cells, where (i) integrated PV module manufacturers sought flexible processing solutions, while (ii) market volatility and pricing adjustments since 2023 driven by increased upstream silicon material production capacity and industry oversupply prompted integrated PV manufacturers and specialized PV cell manufacturers to adopt more flexible supply chain arrangements to manage capacity utilization. In this context, the customer supply arrangement model became widely accepted, whereby specialized PV cell manufacturers provide PV cell processing services using customer-supplied silicon wafers, allowing integrated PV module manufacturers to access external processing capacity and specialized expertise while maintaining control over raw material supply. According to Frost & Sullivan, such arrangement is common in the global PV cell industry due to the high concentration and the extensive business scope of leading market players. We engage in the Customer Supply Arrangements in order to (i) maintain collaboration with key industry participants, (ii) improve capacity utilization, and (iii) secure stable order volumes through long-term commitments.

We have maintained a longstanding business relationship with LONGi since 2017 and entered the customer supply arrangements with LONGi since 2024 due to accelerated capacity and supply-demand imbalance in the global PV cell industry beginning in the fourth quarter of 2023 to secure stable order volumes and enhance visibility over future production planning.

Salient terms of the Customer Supply Arrangements

Roles, responsibilities and risk transfer. We manufacture and sell PV cells to the customers while concurrently procuring the silicon wafers from the same customers, who act as both suppliers of silicon wafers and PV cell purchasers. Our procurement departments assess the qualification, production capability and product quality of customers and monitor the purchase and sales; our finance department is responsible for accurate and complete recording of such arrangements in our accounting books and records. Upon acceptance of the silicon wafers, we assume physical control and bear the inventory and manufacturing risks. We are responsible for timely delivery of PV cells to the designated locations.

Pricing. The price of PV cells comprises (i) the purchase price of silicon wafers at market price, and (ii) a premium that we independently determine based on our raw material costs (excluding silicon wafers), labor costs, and other market conditions. According to Frost & Sullivan, such pricing mechanism is determined on a mutually independent basis, with no additional risks identified beyond those in typical transactions in the PV cell industry, and is consistent with prevailing market practices. Accordingly, the Directors are of the view that such terms in line with market norms. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view mentioned above.

Accounting Treatment

According to IFRS 15, an entity should determine whether the nature of promise is to provide the specified goods or services as a principal, or to arrange for those goods or services to be provided by another party as an agent. Our Reporting Accountant is of the view, and our Directors concur that, we act as agents under the Customer Supply Arrangements, considering that (i) our promise is to provide processing services; (ii) although we obtain legal title and bear inventory risk upon acceptance, the processing services normally completes within a few days, after which legal title and inventory risk transfer to the customer, in which case we shall not necessarily be deemed to control a specified good; (iii) we are not primarily responsible for fulfilling the promise to provide the specified goods because all silicon wafers are exclusively sourced from the respective customer and we are not liable for any delay resulting from the customer's failure to supply; (iv) we do not have significant inventory risk regarding the silicon wafers before or after control transfers to the customer because we do not purchase or commit to purchase silicon wafers before entering into contracts with customers for the corresponding PV cells; (v) our pricing discretion for PV cell sales is narrow, as the price is determined by applying a margin premium to the silicon wafer procurement price. Accordingly, consistent with industry practice, we recognize revenue on a net basis, which entails that (i) revenue derived from selling PV cells to these customers was recognized based on the net amount of consideration to which our Group expected to be entitled and (ii) the purchase amount for silicon wafer was deducted from our revenue and cost of sales in 2024 and 2025. Our Directors are of the view that we have properly reflected and accounted for the legal rights and obligations of each party to the Customer Supply Arrangements in our financial information.

The table below sets forth the breakdown of (i) total amounts before deduction, (ii) deducted amounts, and (iii) total revenue recognized for our PV cells business by type of product for the periods indicated.

	Year ended December 31,								
	2023			2024			2025		
	Amounts before deduction	Deducted Amounts	Revenue recognized	Amounts before deduction	Deducted Amounts	Revenue recognized	Amounts before deduction	Deducted Amounts	Revenue recognized
	(RMB in thousands)								
Sale of PV cell									
– P-type PERC cells	9,645,549	–	9,645,549	601,723	–	601,723	310,425	–	310,425
– N-type TOPCon cells	744,093	–	744,093	4,423,845	883,922	3,539,923	8,385,743	709,727	7,676,016
– N-type xBC cells	–	–	–	–	–	–	487,955	210,269	277,686
Total	**10,389,642**	**–**	**10,389,642**	**5,025,568**	**883,922**	**4,141,646**	**9,184,123**	**919,996**	**8,264,127**

The table below sets forth the breakdown of (i) total amounts before deduction, (ii) deducted amounts, and (iii) total revenue recognized for our PV cells business by customers for the periods indicated.

	For the year ended December 31,								
	2023			2024			2025		
	Amounts before deduction	Deducted Amounts	Revenue recognized	Amounts before deduction	Deducted Amounts	Revenue recognized	Amounts before deduction	Deducted Amounts	Revenue recognized
	(RMB in thousands)								
PV Cells									
Sales to LONGi	2,561,474	–	2,561,474	1,764,484	871,234	893,251	1,663,834	726,106	937,728
Sales to Customer H[(1)]	39,298	–	39,298	43,987	12,688	31,299	614,161	193,890	420,271
Sales to other customers	10,389,642	–	10,389,642	3,217,097	–	3,217,096	6,906,128	–	6,906,128
Total	**10,389,642**	**–**	**10,389,642**	**5,025,568**	**883,922**	**4,141,646**	**9,184,123**	**919,996**	**8,264,127**

Note:

(1) Include only transaction amounts with Customer H's entities who engaged in customer supply arrangements with us.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, six of our top five customers in each year during the Track Record Period were also our suppliers, and six of our top five suppliers in each year during the Track Record Period were also our customers, primarily due to the extended industry chain and high concentration of the global PV cell industry, according to Frost & Sullivan. The following table sets forth certain details of our overlapping customers and suppliers for the periods indicated.

No	Customers/ Suppliers	Period	Revenue amount	% of total revenue	Gross Profit/ (Loss) Margin	Type of product/ services sold	Purchase amount	% of Total purchase amount	Type of product/services purchased
			(RMB in thousands)		*(%)*		*(RMB in thousands)*		
1 . .	**LONGi**[(1)]	FY23	2,561,474	24.4	12.1	P-type PERC cell, N-type 183-N TOPCon cell	2,872,291	24.8	Silicon wafer, silicon rod
		FY24	893,251	20.5	(1.3)	P-type PERC cell, N-type 210-N TOPCon cell	1,239,127	13.1	Silicon wafer, silicon rod
		FY25	937,728	10.8	15.5	N-type 182-N, 183-N, 210-N TOPCon cell and N-type xBC cell	1,173,510	13.5	Silicon wafer, silicon rod
2 . .	**Customer A**	FY23	1,978,104	18.9	15.0	P-type PERC cell, N-type 182-N TOPCon cell	352,831	3.0	Silicon wafer
		FY24	504,053	11.6	(0.3)	P-type PERC cell, N-type 182-N, 183-N 210-N TOPCon cell	103,978	1.1	Silicon wafer
		FY25	338,784	3.9	3.7	N-type 183-N and 210-N TOPCon cell	–	–	–
3 . .	**Customer C**	FY23	425,827	4.1	15.4	P-type PERC cell, N-type 183-N and 210-N TOPCon cell	787,884	6.8	Silicon wafer, silicon rod
		FY24	75,781	1.7	(6.0)	P-type PERC cell, N-type 183-N and 210-N TOPCon cell	28,416	0.3	Silicon wafer
		FY25	406,175	4.7	11.7	N-type 183-N and 210-N TOPCon cell	83,225	1.0	Silicon wafer
4 . .	**Customer E**	FY23	1.6	0.0	0.0	P-type PERC cell	–	–	–
		FY24	453,731	10.4	0.3	N-type 182-N, 183-N and 210-N TOPCon cell	910	0.0	Silicon wafer
		FY25	289,144	3.3	13.2	N-type 183-N and 210-N TOPCon cell	–	–	–
5 . .	**Customer F**	FY23	62,363	0.6	(0.9)	P-type PERC cell, N-type 182-N TOPCon cell	70,360	0.6	Silicon wafer
		FY24	322,969	7.4	(5.4)	P-type PERC cell, N-type 182-N, 183-N and 210-N TOPCon cell	186,117	2.0	Silicon wafer
		FY25	75,299	0.9	12.0	N-type 182-N, 183-N and 210-N TOPCon cell	45,942	0.5	Silicon wafer
6 . .	**Customer G**	FY23	62	0.0	(58.1)	P-type PERC cell, N-type 182-N, 183-N and 210-N TOPCon cell	84	0.0	Silicon wafer
		FY24	210,293	4.8	(1.8)	N-type 183-N and 210-N TOPCon cell	47,627	0.5	Silicon wafer
		FY25	24,264	0.3	(3.6)	N-type 183-N and 210-N TOPCon cell	–	–	–
7 . .	**Customer H**[(1)]	FY23	39,298	0.4	16.4	P-type PERC cell	–	–	–
		FY24	31,299	3.1	58.4	N-type 183-N and 210-N TOPCon cell	–	–	–
		FY25	570,923	6.6	55.1	N-type 183-N and 210-N TOPCon cell	99,447	1.0	Silicon wafer

No	Customers/ Suppliers	Period	Revenue amount	% of total revenue	Gross Profit/ (Loss) Margin	Type of product/ services sold	Purchase amount	% of Total purchase amount	Type of product/services purchased
			(RMB in thousands)		*(%)*		*(RMB in thousands)*		
8 . .	**Customer J**	FY23	325	0.0	(5.8)	N-type 182-N and 210-N TOPCon cell	1,221,266	10.5	Silicon wafer, silicon rod
		FY24	185,638	4.3	1.6	N-type 183-N and 210-N TOPCon cell	400,872	4.3	Silicon wafer
		FY25	422,961	4.9	11.7	N-type 183-N and 210-N TOPCon cell	440,772	5.1	Silicon wafer
9 . .	**Supplier A**	FY23	–	–	–	–	749,331	6.5	Production equipment
		FY24	670	0.0	(1.3)	Silicon wafer	337,018	3.6	Production equipment
		FY25	298	0.0	5.4	Machine	12,545	0.1	Production equipment
10 . .	**Supplier C**	FY23	–	–	–	–	452,776	3.9	Silver paste
		FY24	21	0.0	66.7	N-type 183-N TOPCon cell	589,991	6.3	Silver paste
		FY25	1,292	0.0	18.3	Solar module, N-type 183-N and 210-N TOPCon cell and service	598,225	6.9	Silver paste
11 . .	**Supplier E**	FY23	11	0.0	27.3	P-type PERC Cell	242,902	2.1	Silver paste
		FY24	–	–	–	–	484,150	5.1	Silver paste
		FY25	60	0.0	96.7	210-N TOPCon cell and service	163,834	1.9	Silver paste
12 .	Supplier G	FY23	–	–	–	–	–	–	–
		FY24	–	–	–	–	–	–	–
		FY25	2,876	0.0	3.8	silicon wafer	430,850	5.0	Production equipment

Note:

(1) In 2024 and 2025, LONGi and Customer H engaged in customer supply arrangements with us. Revenue from Customer H include (a) transactions with Customer H's entities who engaged in customer supply arrangements with us, under which revenue is recognized on a net basis, and (b) transactions with those who did not, under which revenue is recognized on a gross basis. For discussion on gross profit margin from specific customers such as Customer H, see "Financial Information — Review of Historical Results of Operations — Gross Profit/(Loss) and Gross Profit/(Loss) Margin — Gross Profit/(Loss) and Gross Profit/(Loss) Margin by Geographical Region."

During the Track Record Period, save for LONGi and certain subsidiaries Customer H under our customer-supply arrangements, our Directors confirmed that, negotiation of terms, and our sales to and purchases from our overlapping customers and suppliers were conducted in the ordinary course of business, individually, on an arm's length basis, and were not related to or inter-conditional upon each other. The raw materials we purchased from the overlapping customers or suppliers were not resold back to them, nor vice versa. Key terms of our sales and supply agreements were substantially similar to those of our other customers or suppliers and are in line with market practice with overlapping customers, with customers concurrently engaging in discussions with other market participants. Accordingly, during the Track Record Period, our Directors confirm that the gross profit/(loss) margins attributable to overlapping customers were generally comparable to those recorded for non-overlapping customers. There were no material variances in gross profit/(loss) margins attributable to customer or supplier overlap.

As silicon wafers are fungible we are not required, and we do not align the specific batch of wafers used in the production of PV cells sold to each customer. Silicon wafers procured from our overlapping customers or suppliers are not necessarily used to produce the same batch of PV cells sold to the same counterparty. We manage wafer inventory on a pooled basis, and production scheduling is determined by overall operational needs rather than by source-specific allocation. Apart from LONGi and Customer H, we do not maintain a direct linkage between procurement and sales for overlapping customers and suppliers. Saved as disclosed, to the best of our knowledge, none of our major customers during each period of the Track Record Period was a supplier of ours and vice versa.

Relationship with LONGi

Background

Listed on the Shanghai Stock Exchange, LONGi is a leading global manufacturer of silicon wafers and PV modules. According to Frost & Sullivan, LONGi, among the top two silicon wafer manufacturers and top two PV module manufacturers, accounted for over 13.0% of global silicon wafer production and over 12.0% of global PV module production in 2024. In addition, LONGi is a forerunner in N-type xBC technology with (i) xBC research initiated in 2017 and adoption as its core strategic path in 2023, (ii) BC cell R&D conversion efficiency reaching 27.81% and module efficiency exceeding 26% as of June 30, 2025, with HPBC 2.0 cells achieving a mass production yield of over 97%, and (iii) 480 core patents out of 3,500 core patents as of June 30, 2025.

Since 2017, we procured silicon wafers from LONGi and since 2018, we started to sell P-type PERC cell to LONGi. In 2024, we signed a cooperation agreement with Yibin High-tech Industrial Park Administrative Committee (宜賓高新技術產業園區管理委員會) ("**Yibin Committee**") and LONGi for a 16GW HPBC (a type of N-type xBC PV cell) PV cell production project. Yibin Committee is a government authority established under the Yibin Municipal People's Government in Sichuan Province for the planning, development, and administration of the Yibin High-tech Industrial Park, a designated national-level high-tech zone. Our Group became acquainted with the Yibin Committee through its initiative to attract strategic PV industry investments in Yibin through active engagements with leading PV manufacturers to explore potential cooperation opportunities.

Cooperation Agreement

The Cooperation Agreement does not have a fixed term. Salient terms of the Cooperation Agreement are as follow:

IP Licensing and sales arrangement. See "— Intellectual Properties — Patent Licensing Agreement."

Roles and responsibilities. Yibin Committee is responsible for coordinating the participation and capital contributions, and supervising and the construction and implementation of the 16 GW HPBC project. For further details of the joint venture formed, see "History, Development and Corporate Structure — Corporate Structure Immediately Before The Completion of The [**REDACTED**]" and "Substantial Shareholders — (b) Substantial Shareholders of other members of our Group."

Procurement conditions. N-type xBC cells supplied to LONGi must be manufactured exclusively using silicon wafers sourced from LONGi and meet relevant quality standards required by LONGi. For N-type xBC cells sold to third-party customers, we shall ensure that, under equivalent performance conditions, the proportion of non-LONGi silicon wafers used in production does not exceed 2% of total procurement.

Pricing. The pricing mechanism is systematically determined by applying a predetermined margin premium to the silicon wafer procurement price. For further details, see "Customer Supply Arrangements — Accounting Treatment."

Mutual and Complementary Relationship

We maintained strong collaboration with LONGi during the Track Record Period. For further details, see "— Intellectual Properties — Patent Licensing Agreement", "— Our Customers", "— Our Suppliers — Major Suppliers", "— Customer Supply Arrangements" and "— Overlapping Customers and Suppliers." In 2023, 2024 and 2025, revenue generated from sales to LONGi amounted to RMB2,561.5 million, RMB893.3 million and RMB937.7 million, accounting for 24.4%, 20.5% and 10.8% of our total revenue in the same periods, respectively. In 2023, 2024 and 2025, purchases from LONGi amounted to RMB2,872.3 million, RMB1,239.1 million and RMB1,173.5 million, accounting for 24.8%, 13.1% and 13.5% of our total purchases in the same periods, respectively.

The continuation of this relationship reflects both parties' commercial interests and operational priorities. Specifically, (i) **specialized PV cell manufacturer:** as a specialized PV cell manufacturer, we provide LONGi with a stable and scalable supply of PV cells while enabling LONGi to avoid competition with other PV module manufacturers; (ii) **established trust and customer relationship:** we have developed a comprehensive understanding of LONGi's product requirements, types and specifications, products delivery practice as well as its operation flow; (iii) **complementary production capacity:** our expanding production capacity allows us to meet LONGi's demand and enhance LONGi's supply flexibility; and (iv) **synergy:** our cooperation with LONGi improves production and R&D efficiency through technical collaboration.

Commercial Rationale for LONGi to Maintain Strategic Relationship with our Group

Our Directors are of the view that it would not be economically beneficial or commercially sensible for LONGi to seek alternative suppliers, given the following considerations: (i) with our rank as third largest specialized N-type TOPCon PV cell manufacturers in the world, our scale, process maturity, and cost structure enable competitive pricing and reliable delivery; (ii) introducing new PV cell suppliers entails risks in product compatibility, yield rates, and production stability, qualification costs, extended validation cycles, and technical uncertainties; (iii) LONGi benefits from long-term cooperation with us, including rolling forecasts, synchronized production schedules, and shared planning; and (iv) our continued engagement with LONGi supports its supply chain resilience. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view mentioned above.

Continuity of business relationship with LONGi

We believe that our relationship with LONGi is unlikely to be materially adversely changed or terminated, and our relationship with LONGi will sustain in the foreseeable future. LONGi has confirmed that, as of the Latest Practicable Date, (i) it has no current plan to terminate the cooperation agreement with us, and (ii) subject to the absence of material disputes or adverse circumstances, LONGi intended to renew the relevant agreements with us on mutually agreed terms. We also consider that, it would be not economically beneficial or commercially sensible for LONGi to seek alternative suppliers taking into consideration the inherent and operational risks associated with the introduction of new supplier. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view as mentioned above, that the Group's relationship with LONGi is unlikely to be materially adversely changed or terminated.

Mitigation Measures to Safeguard our Interest in Technology Development

While this licensing arrangement is important to our current product roadmap, we have implemented a series of measures to safeguard our long-term interests and ensure strategic flexibility: (i) **commercial flexibility**: we have not entered into any long-term exclusive licensing arrangement with LONGi in respect of the N-type HPBC technology, allowing us to pursue other technical collaborations or developing alternative technologies; (ii) **independent R&D**: we have actively pursued independent R&D initiatives in the BC technology domain and filed patent applications covering process innovations, structural designs, and manufacturing techniques; (iii) **diversification**: our N-type TOPCon PV cells and emerging technologies such as perovskite tandem PV cells, which are not subject to licensing restrictions from LONGi; and (iv) we establish internal protocols to monitor licensing compliance and assess risks associated with third-party IP dependencies and are prepared to adjust product mix, accelerate alternative technology development, and reallocate resources in the event of licensing arrangement changes.

Ability to Reduce Reliance on LONGi

We are not overly reliant on LONGi and we are able to reduce reliance on LONGi, considering the following reasons: (i) **strategic diversification:** the number of our customers increased from 276 in 2023 to 351 in 2025; (ii) **declining contribution:** the proportion of our total revenue and purchases attributable to LONGi experienced a general decreasing trend; (iii) **international expansion:** revenue contribution from overseas markets as increased from 3.3% in 2023 to 40.5% in 2025, evidencing a more balanced customer portfolio and reduced domestic reliance; (iv) **exposure management policy:** we have established an internal target to limit LONGi's contribution to revenue and purchases to no more than 20% that we consider achievable based on our customer pipeline and business plans; (v) the number of our suppliers remained above 790 during the Track Record Period; and (vi) **limited dependency:** licensing arrangement with LONGi is limited in scope on one particular model of under N-type xBC cells and does not restrict our broader product portfolio, and we continue to invest in R&D and pursue independent patent applications. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view that the Group is able to reduce its reliance on the LONGi mentioned above.

RECENT REGULATIONS IN RELATION TO TARIFFS

Tariff Policies

For details of the changes in policies issued by the U.S. in relation to imports from Indonesia and China, see "Regulatory Overview — U.S. Tariff Policies."

Impact Assessment

Export

On export side, our Directors are of the view that the Applicable U.S. Tariffs would not have a material and adverse impact on our business and results of operations, for the followings:
Direct Impact

Terminated tariffs. As of Latest Practicable Date, (a) the reciprocal tariffs imposed by the U.S. on imports from China and Indonesia, and fentanyl-related tariffs on imports from China have been terminated; (b) the Section 201 tariff policy has expired, and our products exported from Indonesia had not been subject to Section 201 tariffs.

Minimal amount of export from China to U.S. In 2023, 2024 and 2025, the amount of unit sold by us from China to the U.S. amounted to nil, 13,812.4W and 62,060.5W, which were less than 0.0001GW in each period. In the same periods, in terms of sales volume, less than 0.01%, of our PV cell products, which mainly consists of sample products, were sold to the U.S. from China. We do not have visibility over, nor do we obtain, the identities or background of the downstream customers of our major customer. For further details, see "Financial Information — Review of Historical Results of Operations — Revenue by Geographical Region."

No tariffs incurred for sales from Indonesia to U.S from January 1, 2022 to April 6, 2025. In 2023, 2024, and 2025 the amount of unit sold by us from Indonesia to the U.S., which have obtained the Certificate of Origin from Indonesia, amounted to nil, 0.17GW and 1.00GW, respectively, accounting for over 99.9% of our PV cell products sold to the U.S., respectively. To the best of our Directors' information and knowledge after making reasonable inquiries, including seeking advice from our legal advisor as to U.S. tariffs, from January 1, 2022 to April 6, 2025, we did not incur U.S. tariffs for sales of our PV cell products from Indonesia to U.S., as these products exported from Indonesia to U.S. are not subject to Section 201 Tariffs or other additional U.S. tariffs.

The majority of tariffs bore by our customers since April 7, 2025. Since the enforcement of the Reciprocal Tariffs, within cases where we sold PV cell products from Indonesia to the U.S., our U.S. customers have contractually agreed to assume the responsibility for import clearance and payment of import tariffs based on our sales agreements; from April 7, 2025 to the Latest Practicable Date, tariffs in relation to the direct sales of over 96% of the total sales volume from Indonesia to the U.S. were borne by our our U.S. customers who have contractually agreed to pay the import tariffs.

Manageable impact from ongoing Indonesia AD/CVD investigations. As of the Latest Practicable Date, (i) the preliminary CVD determinations indicate our exports from Indonesia to the United States may be subject to a CVD rate of 104.38% applicable to all-others exporters; and (ii) following DOC's preliminary affirmative determination of critical circumstances, the suspension of liquidation may apply retroactively to entries made up to 90 days prior to the preliminary determination, with our estimated exported amount during the retroactive period being approximately USD32.0 million, which could be subject to potential cash deposit requirement. In the event that final determinations render exports from Indonesia to the United States commercially unviable and we fully terminate such sales, we estimate the potential revenue decrease, considering our revenue from U.S. of RMB1,244.7 million in 2025, to be 14% of our total revenue. Nevertheless, prior to the Preliminary Determination, we implemented mitigation measures, including (i) engaging external AD/CVD counsel to evaluate and respond to the investigations; (ii) reallocating our Indonesia sales to non-U.S. markets, including India, Indonesia domestic market, and Vietnam; (iii) entering into cooperation agreements with local and regional customers; and (iv) pursuing certifications in Indonesia to facilitate domestic and regional sales from March 2025.

Taking into account the preliminary status of the determination, the above measures, and considering the below, we believe the potential impact of the AD and CVD investigations, including any retroactive cash deposit requirements, on our business and financial performance, is manageable: (i) the AD and CVD investigation have not reached a final determination, and the applicable duty rates remain subject to change; (ii) after consulting with our Group's external AD/CVD counsel, our Directors are of the view that the likelihood that the USITC will sustain the critical circumstances finding and require actual duty payment for the exported amount is remote, considering ITC's rare affirmative circumvention determination in the past involving solar products; (iii) our Indonesia production capacity represents approximately 17% of our total production capacity in 2025 and are poised to serve local and regional customers without major impact; (iv) our five largest customers during the Track Record Period are primarily PV module manufacturers in China with primary revenue contribution from non-U.S. markets; and (v) according to Frost & Sullivan, major PV module manufacturers, our primary customers, maintain diversified customer bases across Asia, Europe, the Middle East, and other regions. We will monitor investigation processes and adjust operational strategies as necessary to mitigate any potential adverse impact. Accordingly, as of the Latest Practicable Date, we have not made provision in respect of these investigations.

Remote impact from completed AD/CVD determinations on Cambodia, Malaysia, Thailand, and Vietnam. On April 21, 2025, the DOC issued final affirmative determinations imposing AD/CVD duties on suppliers of PV cells and modules in Cambodia, Malaysia, Thailand, and Vietnam (collectively, the "**Affected Southeast Asian Countries**"), and we do not expect these determinations to materially affect our business as (i) our primary customers are PRC PV module manufacturers and who predominantly serve markets outside the U.S., (ii) our customers in Affected Southeast Asian Countries maintain diversified customer bases, with the majority serving non-U.S. markets with strong solar installation demand, and (iii) the fact that Customer A and Customer G ceased to be our five largest customer in 2025 primarily due to their commercial practices in diversifying supplier base and procurement allocation, rather than due to the impact of AD/CVD determinations. We believe these determinations have not materially altered the market dynamics that adversely affects our business strategies, or financial prospects, and we will continue to leverage our diversified production footprint and customer relationships to serve growing global demand across multiple geographic markets.

Indirect Impact

In terms of indirect effects, we do not expect new U.S. tariff policies to pose material adverse impact on us either for the following reasons: (i) **no adverse impact on our customer relationship or supply chain**: in addition, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material adverse changes in order volume, price, customer payment or logistics arrangements, nor have we received any requests from customers to renegotiate the sales agreement, cancel orders or suspend delivery of products because of the imposition of the U.S. tariffs; (ii) **majority of customer bases in Chinese Mainland**: almost all of our five largest customers in each year during the Track Record Period are PV module manufacturers in China, and we derived a major portion of our revenue from PV module manufacturers in China during the Track Record Period; and (iii) **diversified overseas customer bases**: our primary overseas market were India and Vietnam during the Track Record Period, and to the best of our knowledge, none of our top five customers in each year during the Track Record Period was a U.S. Company.

Import

On import side, our Directors are of the view that the tariffs imposed by China on imports of U.S. origin would not have a material and adverse impact on our business and results of operations, considering: (i) **no procurement of U.S.-origin raw materials**: during the Track Record Period and up to the Latest Practicable Date, we have not imported raw materials of U.S. origin for the production of our PV cell products; and (ii) **primarily sourced from Chinese Mainland**: we

primarily procure key raw materials for production of its PV cells, including (i) silicon wafers, (ii) metallic pastes, (iii) silicon rods and other materials such as chemicals, consumables, packaging materials and spare elements from qualified suppliers in Chinese Mainland.

Second-order effect

The imposition of U.S. tariffs may lead certain market participants to redirect their sales efforts toward non-U.S. markets, which could intensify competition in regions such as Southeast Asia, India, and Europe. We consider that we are well-positioned to compete effectively in these markets due to the following factors: (i) established overseas production capacity: we commenced overseas manufacturing operations through the establishment of our Indonesia production base; According to Frost & Sullivan, we are among the first China-based PV cell manufacturers to establish overseas production capacity, which helps mitigate cost pressures arising from intensified competition; (ii) deep local market and customer insights: our local presence allow us to cultivate customer relationships, supporting tailored product offerings and agile supply chain management; and (iii) competitive cost structure: we benefit from localized sourcing and production, which enable us to offer competitive pricing while maintaining relatively stable gross profit margins.

Conclusion

In light of the above, and including seeking advice from our legal advisor as to U.S. tariffs, our Directors are of the view that the U.S. tariffs had not, and are not expected to have material adverse impact on our Group's business and financial performance. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with views from the Directors and the Company's legal advisor as to U.S. tariffs related to assessment on the Group's exposure to U.S. tariff policies mentioned above.

Internal Control Measures

We have implemented a series of internal control measures: (i) counterparty and transaction screening: we screen counterparties and transactions against applicable sanctions and export control lists on a periodic and event-triggered basis; (ii) regulatory monitoring protocols: we monitor changes in trade policies, export controls, and import requirements across key markets; (iii) contractual safeguards: we incorporate force majeure and change-in-law clauses into our commercial agreements, and reserve rights to suspend or terminate performance where compliance is at risk; (iv) cross-functional coordination: we maintain coordination among our legal, sales, and logistics teams, primarily on compliance with product classification, origin documentation, and shipping requirements; (v) internal escalation: we escalate material trade-related risks to senior management and the Board; (vi) record-keeping: we maintain records of screening results, regulatory assessments, approvals, and retain such records to support audit and regulatory review; and (vii) training: we provide periodic compliance training to relevant personnel and assign clear responsibilities to reinforce awareness of sanctions and export control compliance requirements.

BUSINESS ACTIVITIES SUBJECT TO INTERNATIONAL SANCTIONS

Prior Business Activities with Customers Subject to International Sanctions

Two of our suppliers, Supplier B and another supplier, (the "**Relevant UFLPA Supplier(s)**") that had been added to a list of UFLPA during the Track Record Period and up to the Latest Practicable Date. We ceased all transactions with them in January 2025. We procured silicon wafers and polysilicon from Supplier B from January 2022 to January 2025. In 2023, 2024 and 2025, procurement amount from Supplier B accounted for 4.1%, 1.1% and 0.1% of our total procurement amount in the same periods, respectively. We purchased polisilicon from another Relevant UFLPA Supplier since August 2024. In 2023, 2024 and 2025, procurement amount from such supplier accounted for nil, 1.0% and 0.2% of our total procurement amount in the same periods, respectively.

To the best of our Directors' information and knowledge after making reasonable inquiries, including seeking advice from our legal advisor as to International Sanctions, our Directors are of the view that our Company's overall exposure to UFLPA-related trade restrictions is generally limited and manageable, considering:

Minimal portion of procurement. In 2023, 2024 and 2025, procurement from the Relevant UFLPA Suppliers accounted for only 4.1%, 2.1% and 0.3% of our total procurement amount in the same periods, respectively. We did not experience any material disruption to our production schedule following the cessation, delivery timetable or supply chain continuity, and we did not incur any material one-off costs or penalties in connection with such cessation. In light of (i) the immaterial historical procurement exposure to the Relevant UFLPA Suppliers, (ii) the availability of alternative suppliers providing comparable materials and equipment at similar prices, our Directors are of the view that, the cessation of purchases from the Relevant UFLPA Suppliers has not had and is not expected to have any material adverse impact on our business operations or financial performance.

Export tracing and supply tracing mechanism. We have implemented a product tracing mechanism for exports to the United States, which allows for the identification and segregation of supply chain inputs. Specifically, we require that all products exported to the U.S. be manufactured using raw materials that are fully traceable and sourced from suppliers with no ties to entities on the UFLPA Entity List. We require suppliers to sign an affidavit confirming the source of origin of the raw materials provided. We retain supporting documentation, such as bills of lading, purchase orders, and certificates of origin.

Not subject to enforcement in relation to International Sanctions. To the best of our Directors' information and knowledge after making reasonable inquiries, including seeking advice from our legal advisor as to International Sanctions, during the Track Record Period and up to the Latest Practicable Date, our Group has not been subject to any enforcement actions or potential civil or criminal penalties in relation to International Sanctions, in particular in relation to our business activities with customers subject to international sanctions.

Business Activities in relation to Countries Subject to International Sanctions

During the Track Record Period, we established a subsidiary in Myanmar on April 29, 2021. The subsidiary was set up primarily for strategic planning for potential future expansion into overseas market. Myanmar is subject to U.S. economic sanctions. With respect to Primary Sanctions Risks or Secondary Sanctioned Activity under U.S. law, to the best of our Directors' information and knowledge after making reasonable inquiries, including seeking advice from our legal advisor as to International Sanctions, our operation in Myanmar did not involve Sanctioned Targets or otherwise involve the sectors, industries, or activities necessary to satisfy the jurisdictional and substantive elements of offenses constituting Primary Sanctioned Activities or Secondary Sanctioned Activities under U.S. law, considering the below factors:

No substantial business operation. During the Track Record Period and up to the Latest Practicable Date, our subsidiary in Myanmar does not and are also not expected to engage in any substantial business operations or any sales or purchase transactions in Myanmar, nor does it maintain any bank accounts or hold any assets in Myanmar. Furthermore, during the Track Record Period and up to the Latest Practicable Date, we did not engage in any activities that could be considered as violations of human rights or support of the military in Myanmar.

Not included in any sanctioned or restricted party list. As of the Latest Practicable Date, neither our Company nor our subsidiary in Myanmar is included on any U.S. sanctioned party or restricted party list, nor have we been made aware of any indications that we are subject to sanctions by any U.S. government authorities. Neither our Company nor our subsidiary in Myanmar is a Sanctioned Target, or is incorporated, located, or organized in a Sanctioned Country.

Not engaged in Primary Sanctioned or Secondary Sanctionable Activity. Our Company and our subsidiary in Myanmar did not engage in any Primary Sanctioned Activity or Secondary Sanctionable Activity. Neither our Company nor our subsidiary in Myanmar is a Sanctioned Target, is incorporated, located, or organized in a Sanctioned Country, or is a Sanctioned Trader that conducts 10% or more of its business with Sanctioned Targets or Sanctioned Country entities or persons.

Not subject to enforcement in relation to International Sanctions. To the best of our Directors' information and knowledge after making reasonable inquiries, including seeking advice from our legal advisor as to International Sanctions, during the Track Record Period and up to the Latest Practicable Date, our Group has not been subject to any enforcement actions or potential civil or criminal penalties in relation to International Sanctions, in particular in relation to our subsidiary in Myanmar.

In light of the potential operational, regulatory, and geopolitical risks associated with our subsidiary in Myanmar, we plan to de-register and wind down such subsidiary in 2026. We have undertaken to the Stock Exchange that we will refrain from using any funds raised through the [**REDACTED**] to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Sanctioned Countries or any other government, individual or entity sanctioned. In addition, to control or mitigate the risks regarding international sanctions, we have designated our legal and compliance department to ensure our compliance with applicable sanction laws. The duties of our legal and compliance department include, among others, (i) supervising and preventing our Group from sanction-related risks by implementing certain internal control measures to ensure the compliance of our business operations with sanction laws and regulations; (ii) appointing overseas risks control staff to conduct overseas risk control and management; (iii) assessing the potential sanction risks of business activities to be conducted by reviewing commercial contracts and information received in business activities; (iv) engaging an external sanctions expert or legal advisor to provide updates to us from time to time on latest information on the relevant sanction laws and regulations; and (v) arranging for external international sanctions legal advisors from time to time to provide training programs relating to sanction laws and trade restrictions to our Directors, senior management and other relevant personnel. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' views related to assessment on the Group's exposure to sanction risks mentioned above.

INTRA-GROUP TRANSACTIONS

Our Group has established subsidiaries in Chinese mainland, Indonesia, Myanmar and Singapore. During the Track Record Period, we conduct certain intra-group transactions among our entities in different jurisdictions. Our domestic manufacturing entities assume the R&D functions, and hold relevant intellectual properties. Both domestic and overseas manufacturing entities are responsible for raw material procurement and production. In the sales phase, domestic and overseas sales entities within our Group handle the sale of finished products to customers. The table below sets forth the amount of our intra-group transactions and arrangements for the periods indicated.

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Type of transaction			
Sales of product	176,845	2,194,541	9,739,051
Sales of used equipment	631	161,393	332,303
Inspection and maintenance service	6,682	181	250
PV power generation services	–	48	–
Rental services	–	1,411	10,974
Loan services	–	–	4,625

	Year ended December 31,		
	2023	2024	2025
		(RMB'000)	
Management services	–	–	60,660
IP services	–	–	133,175
Other services	–	–	1,829
Other sales	–	–	46,812
Total	**184,158**	**2,357,574**	**10,329,679**

Transfer pricing arrangements for such intra-group transactions should be on an arm's-length basis according to the transfer pricing guidelines for multinational enterprises and tax administrations (the "**OECD Transfer Pricing Guidelines**") promulgated by the Organization for Economic Cooperation and Development (the "**OECD**").

We have engaged a professional tax consultant company in the PRC, Suzhou RSM Tax Ltd., (the "**Transfer Pricing Consultant**") to evaluate the potential risks in accordance with the OECD Transfer Pricing Guidelines and applicable laws and regulations. Based on the requirements prescribed by the transfer pricing regulations of Chinese Mainland and Indonesia, considering the applicability and reliability of transfer pricing methods, and in combination with the functional risks assumed by each company within our Group as well as their contributions to the profits of our Group, the Transfer Pricing Consultant adopted Transactional Net Margin Method as the profit level indicators to analyze the intra-group transactions. Based on the evaluation, in 2023, 2024 and 2025, most of our Group entities engaged in the intra-group transactions from continuing operations achieved the profitability within or slightly below the arm's length profit ranges derived from the relevant comparable companies. After assessing our transfer pricing arrangements during the Track Record Period, our Directors and our Transfer Pricing Consultant are of the view that our transfer pricing arrangements were consistent with the arm's length principle under both OECD Transfer Pricing Guidelines and the applicable local laws and regulations related to transfer pricing in the relevant jurisdictions in material respects, that no material adjustments to additional taxes are required after taking into account our Group's loss carryforward, and the risk for our Group to conduct material transfer pricing adjustment and pay additional tax can be considered as relatively low. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the view of the Directors and the Transfer Pricing Consultant as mentioned above. In addition, our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any inquiries, audit, investigation or challenge by any relevant tax authorities in any jurisdiction we operate in relation to our intra-group transactions.

LOGISTICS AND INVENTORY MANAGEMENT

Logistics

We engage qualified third-party logistics providers to transport our products to locations designated by our customers. To the best of our knowledge, all of our logistics service providers during the Track Record Period are independent third parties.

Inventory Management

We maintain routine inventory check and provide reports to our management team for review. Our inventories primarily consist of raw materials, work-in-progress and finished goods. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB276.8 million, RMB1,152.9 million and RMB1,893.6 million, respectively. We implement a first-in, first-out approach for both

domestic and overseas operations. Incoming raw materials are inspected, recorded, and allocated based on batch sequence, through to dispatch and production. We also adjust our inventory levels based on sales demand and market condition to prepare for unexpected increase in demand or delay, shortage in supply.

We manage inventory obsolescence through safety stock controls, adjustment mechanisms, and system-based monitoring. We set safety stock standards by product and raw material category, based on procurement cycles, market trends, customer demand, and production schedules. We prioritize usage of near-expiry materials and handle aged inventory through returns, rework, discounting, or disposal. As of the Latest Practicable Date, we operated six, one and one warehouse in China, Indonesia and the U.S., respectively. Specifically, since 2025, we started to collaborate with one third-party warehousing service provider in the U.S. where the third-party warehousing service provider provide the warehouse for use and we operate the warehouse ourselves. In 2023 and 2024 and 2025, our inventory turnover days were 10, 47, and 69 days. For further details, see "Financial Information — Selected Balance Sheet Items — Net Current Assets/Liabilities — Inventories." Our inventory turnover days for overseas sales are typically longer, primarily because the delivery cycle for our overseas customers are generally longer than our domestic customers.

QUALITY CONTROL

We have developed a quality control framework aligned with international standards. Our quality control system spans supplier management, raw material inspection, production processes, product testing, and post-sale services.

Certifications. We hold several industry certifications, including ISO 9001, ISO 14001, ISO 45001, ISO 50001, GB/T 1958, GB/T 2949, and the French Carbon Footprint Certification.

R&D. Our R&D quality control framework integrates testing, validation, and improvement processes, with a focus on product performance, cost efficiency, and sustainability.

Supply Chain. We conduct annual supplier audits and enforce corrective actions for quality failures. Suppliers must submit improvement plans within a specified timeframe, with continuous monitoring of their effectiveness. Non-compliant suppliers may be removed from our approved supplier list.

Production. We use manufacturing execution systems ("MES") to monitor each production stage. Products are labeled at each stage indicating inspection status. Non-conforming products are isolated, and corrective actions are initiated.

Finished Products and Reliability. We conduct finished product testing, including electroluminescence imaging, current-voltage characterization, and environmental stress tests. Failed products are subject to rework or rejection. Our outgoing quality control team oversees the final approval. Any issues are addressed and documented to maintain consistency and reliability.

After-sale Services. We offer warranty programs, technical support, and performance monitoring. We conduct annual surveys, collecting feedback on product performance, delivery, and service. If customers report concerns or dissatisfaction, we initiate formal follow-up to resolve any issues.

INFORMATION SECURITY AND DATA PRIVACY

Data Collection, Usage and Transfer

We collect, store, and process business and transaction data in the course of our operations, which includes background information of our corporate customers and suppliers, manufacturing, inventory and other operational statistics. We do not collect or store personal or sensitive data.

Collected data is stored locally at the premises of the data-generating entity, which retains ownership of the data. We do not share or transfer data collected by us to any third party without prior explicit consent, or unless mandated by a court or administrative order. We do not engage in cross-border data transmission. We have developed an comprehensive information security management framework: (i) **network security**: we deploy firewalls, intrusion detection systems and endpoint security protocols, and regularly conduct vulnerability assessments and penetration tests; (ii) **data protection**: we apply encryption, role-based access controls, and regular backups; access to critical information is restricted based on roles, and only authorized personnel are permitted to handle or view sensitive data; (iii) **security audits**: we conduct regular security audits, real-time monitoring, and performance testing; any identified weakness is promptly addressed through corrective actions, and we perform regular security drills to test our response capabilities; (iii) **disaster recovery**: we maintain a disaster recovery plan, with regular health checks and backups testing; (v) **employee training**: we conduct periodic training sessions and require employees sign confidentiality agreements.

During the Track Record Period, we did not experience any breach of confidential information of users or any other user information related incidents which could cause a material adverse effect on our business, financial condition or results of operations. Our Legal Advisor as to PRC Data Compliance Law is of the view, and our Directors concur that, our policies and practice with respect to data privacy and protection are in compliance with the applicable laws, regulations and regulatory requirements in China on data privacy and protection in all material aspects. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the view of Directors and the legal advisor as mentioned above.

INFORMATION TECHNOLOGY SYSTEM

Our core information technology systems include: (i) KIS, a comprehensive system covering core functions such as financial management, procurement, sales, inventory management, production processing, and report analysis; (ii) U9C, a cloud-native ERP platform designed for large and medium-sized manufacturing enterprises; (iii) MES, used to manage the entire production process, from scheduling and data collection to quality control and performance management ; and (iv) Cloud Star Procurement Platform, a procurement platform that supports full-cycle management of supplier registration, qualification review, bidding, contract signing, and order execution.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material IT system failure or downtime that had a material adverse effect on our business operations. For further details, see "Risk Factors — Risks Relating to Our Business and Industry — Disruption or failure of our IT systems, including cybersecurity incidents, could materially and adversely affect our operations."

COMPETITION

We operate in a competitive PV cell industry, characterized by global demand for advanced, high-performance PV cells, and substantial technical barriers such as strong R&D capabilities, improvement to conversion efficiency and reliability. According to Frost & Sullivan, specialized PV cell manufacturers and integrated PV manufacturers are two types of players in global and China's PV cells industry. Specialized manufacturers refer to companies such as our Group that focus on the research, development, production, and sales of PV cells, and their PV cells are more competitive in quality and prices with enhanced production efficiency. With an N-type TOPCon PV cell external shipment volume of 16.7 GW, we ranked the third among specialized N-type TOPCon PV cell manufacturers, with a market share of 13.5%. For further details, see "Industry Overview."

EMPLOYEES

As of December 31, 2025, we had 5,912 full-time employees, with more than 90% of which were located in PRC and less than 10% of which were based overseas. The table sets forth a breakdown of our employees by function as of December 31, 2025.

Function	Number	Percentage of Total Number (%)
Manufacturing	4,822	82.0
Supply chain	315	5.0
Administrative & IT	164	3.0
R&D	565	10.0
Sales and marketing	46	1.0
Total	**5,912**	**100.0**

Recruitment, Training, Agreement and Benefits

We recruit through on-campus recruitment, employment websites, and internal referrals, with selective use of headhunting agencies for senior management and technical talent. We offer base salaries, performance-based bonuses, and allowances. Employee performance is assessed every three to six months to determine salary adjustments and promotions. New hires undergo induction training covering administrative, quality control, safety, and accommodation matters. We conduct quarterly training for managerial staff, focusing on leadership skills, technical capabilities, and compliance awareness. High-performing employees are enrolled in targeted development programs. We maintain an online training platform. We enter into standard employment agreements with all full-time employees, including those hired through labor dispatch arrangements and noncompetition agreements with key management personnel. Confidentiality obligations apply during and after employment and noncompetition provisions apply during and up to one year after termination.

During the Track Record Period, we did not encounter any significant labor disputes or legal penalties related to employment matters. We also maintain agreements with labor service providers. We established our labor unions in 2017 and our employees actively participate in union activities. We have not experienced any material labor disputes, strikes, protests or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practicable Date. As required by applicable laws and regulations, we participate in various government statutory employee benefit plans, including social insurance plans, and housing provident funds. After consulting with our PRC Legal Advisor, we are of the view that we are in compliance with applicable laws and regulations related to social insurance and housing provident funds in all material aspects during the Track Record Period based on the confirmation from the relevant competent authorities.

INSURANCE

Beside social insurance plans, we also maintain property all-risk, machinery damage, comprehensive property insurance. In line with market practice, we do not maintain insurance for network or information technology systems. We regularly review our insurance policies to comply with statutory requirements. We believe that our existing insurance coverage is adequate for our operations and aligns with industry standards. During the Track Record Period, we were not subject to any material claim of insurance. However, we may still be exposed to potential claims and liabilities exceeding our insurance coverage.

PROPERTIES

As of the Latest Practicable Date, we owned the land use rights of seven land parcels in China and overseas with an aggregate land area of approximately 1.1 sq.km. and leased seven properties in China with an aggregate GFA of approximately 205,615 sq.m.

Owned Properties

Lands

As of the Latest Practicable Date, we owned and occupied the land use rights of (i) six land parcels in China, with an aggregate land area of approximately 840,639 sq.m. and (ii) one land parcel in Indonesia, with an aggregate land area of 238,006 sq.m, which were primarily used as our production bases. As of the Latest Practicable Date, we had obtained all land use rights certificates for all land parcels we owned and occupied. During the Track Record Period, one of the land parcels that we owned the land use rights, was sealed up due to one legal proceeding in relation to a service contract dispute relating to an on-site gas supply agreement. On August 27, 2025 such land parcel has been released as the counter party withdrew the lawsuit pursuant to our settlement agreement. The land parcel was previously used as our Tianchang production base and has been repurposed as investment properties. See "— Production — Our Production Base." In view of the short-term nature of the seal-up and the fact that the land parcel has been released, and is no longer used for production purposes, our PRC Legal Advisor is of the view, and our Directors concur that, the seal-up did not had, and is not expected to have, any material adverse impact on our business operations or financial performance. Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the view of Directors and the legal advisor as mentioned above.

Buildings

As of the Latest Practicable Date, we owned a total of seven buildings, including (i) four buildings in China with an aggregate GFA of approximately 455,171 sq.m. and (ii) three buildings in Indonesia, with an aggregate GFA of approximately 29,559 sq.m., which were primarily used as our production bases. As of the Latest Practicable Date, we had obtained all real estate ownership certificates for all buildings we owned.

Leased Properties

As of Latest Practicable Date, we leased a total of eight properties, including (i) seven properties across China, with an aggregate GFA of approximately 205,615 sq.m., which were mainly as our offices and employee dormitories, and (ii) one property in U.S., with a GFA of approximately 2,682 sq.m., which was used as our warehouse. We are generally allowed to terminate lease agreements with a prior notice. We believe that there is sufficient supply of properties in Chinese mainland; that we do not rely on the existing leases for our business operations; and that our current facilities are adequate to meet our current needs.

Property Valuation

According to Rule 5.01A of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is subject to the requirements of section 38(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance to include a valuation report with respect to certain of our Group's interests in land or buildings, as we had a single property interest that forms part of our property activities with a carrying amount above 1% of our consolidated total assets as of December 31, 2025. Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd., an independent property valuer, has valued certain of our property interests as of December 31, 2025 and is of the opinion that the market value of our property interests as of such date was RMB184.9 million. For further details of the valuation report and certificates in connection with such property interests, see "Appendix III — Property Valuation Report."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Overview

Our Board of Directors monitors our ESG performance to align with evolving industry standards and regulatory requirements. During the Track Record Period and up to the Latest Practicable Date, we confirm that we had not been subject to any material claim or penalty or accident in relation to health, work safety, social and environmental protection, and we had been in compliance with the relevant PRC laws and regulations in all material aspects.

ESG Governance

We have established a tiered ESG governance structure comprising three levels: (i) decision-making level. Our Board of Directors serves as the highest decision-making body for ESG matters. The Chairman of our Board also leads the ESG Committee, and our Executive Director, Ms. Zhang Min, concurrently serves as the Chair of our ESG Committee. In 2025, she led three ESG Committee meetings and oversaw the strategic planning and execution of key ESG initiatives. She spearheaded the preparation of our 2025 ESG report; (ii) management level. We have established the ESG Committee to supervise and guide ESG work. The ESG Committee analyzes ESG-related issues, evaluates our policies, proposes recommendations, reviews and approves annual ESG reports before submission to our Board. The ESG Committee is supported by an ESG management group comprising 18 members, including departmental heads and site-level general managers. During the Track Record Period, the ESG Committee held meetings at least three times annually, with reporting conducted through formal presentations and written submissions prepared by the ESG management group; and (iii) execution level. Our ESG management group is responsible for coordinating our environmental protection work along with other working departments in our Group such as safety and environmental protection.

ESG Strategies

Our ESG strategy centers around five key pillars (i) green; we focus on reducing our environmental impact; (ii) responsibility; meaning upholding business ethics, strengthening internal controls, and enhancing risk management. (iii) optimization; referring to the focus on improving resource efficiency, increasing battery conversion efficiency, and optimizing product quality; (iv) well-being; meaning safeguarding employee rights, supporting employee development, and ensuring health and safety; and (v) technology; meaning driving technological innovation, protecting intellectual property rights, and leading industry standards in sustainable technology development.

Stakeholder Engagement and Materiality Assessment

Stakeholder engagement

We have established diverse channels to actively engage with: (i) government authorities; we maintain communication through tax compliance, lawful operations, and contributions to the regional economy, (ii) employees; we prioritize employee rights and development through representative meetings, employee surveys, and welfare programs, (iii) customers; we gather feedback through surveys and communication channels and focus on the protection of customer rights, product quality, and responsible service performance, (iv) suppliers, we uphold fair competition and transparent procurement processes, and (v) the community; our commitment to the community includes volunteer activities, charitable donations, and support for local environmental protection and infrastructure development.

Materiality assessment

To identify and assess material ESG topics, we evaluate both internal and external factors, considering relevant regulatory requirements, industry standards, and stakeholder feedback. Our material ESG topics encompass the following three areas (i) environmental, covering climate change response, environmental management, energy management, water resource management, nature conservation, biodiversity protection and the development of green and renewable energy; (ii) social, covering product quality and safety, customer service, clean technology R&D, sustainable supply chain, labor rights, diversity, equity, and inclusion, employee training and development, occupational health and safety and community engagement; and (iii) governance, covering corporate governance, ESG management, business ethics, information security and privacy protection, risk management and economic performance.

ESG Risk Identification, Assessment and Management

Risk identification

Our risk identification process is based on a comprehensive evaluation of both internal and external factors, stakeholder expectations, and materiality assessments. We also analyze and assess collected information to determine the probability and impact of risks, identifying key ESG risk points and promptly addressing them. The major ESG risks we identified in key areas of our ESG initiatives can be categorized into (i) physical risks, including acute risk, arising from extreme weather events, such as high-temperature heatwaves, flooding and heavy rainfall, and typhoons and chronic risk such as water resource stress and sea level rise, and (ii) transformation risks, including policy risk arising from stricter international trade and environmental policies, potentially increasing export costs, limiting market access and affecting financing and market ratings, as well as from market shifts toward low-carbon photovoltaic products and faster competitor deployment in low-carbon and high-efficiency technologies, which may erode our competitive advantages.

Strategies Addressing ESG-related Risks

We have implemented internal policies to manage and mitigate ESG-related risks across (i) environmental risk management, including integrating environmental risk identification and management into our daily risk management system, identifying and managing climate-related risks, and periodically assessing the implementation of environmental safety management goals to reduce environmental compliance risks; and (ii) social risk management, including regular hazard investigations supported by emergency response plans and risk assessments, stakeholder engagement through annual surveys and ESG concept solicitation activities, and ESG management capability training covering all domestic and overseas base managers as well as full-time and part-time staff.

Opportunities Related to the Environment and Climate

The demand for clean energy, particularly in PV power generation, is expected to continue its upward trajectory.

Measures and Targets

Our ESG Committee implemented measures to manage and mitigate the ESG risks identified through our ESG risk assessment process.

Climate Risk Management

We recognizes the United Nations Sustainable Development Goals ("UN SDGs") and the important value of the Paris Agreement. We implement the national Dual Carbon strategy, actively explores climate action and accelerates the certification of product carbon footprint. We build a climate change governance structure led by our Board of Directors and supervised by ESG Committee.

Energy and Resource Management

We practice low energy consumption, low emission and recycling. We comprehensively promote water resources management through: (i) improving energy management system by formulating and implementing the Energy Management Manual and other internal norms, (ii) promoting energy conversion and emission reduction measures such as process improvement, technical transformation and equipment upgrading, (iii) continuously improving the recycling rate of packaging materials, (iv) under targeted energy saving measures, we implement a range of energy-saving measures through process optimization, equipment upgrades, increased use of green electricity we have built high-efficiency equipment rooms with high annual energy efficiency ratio, optimized lighting systems by selectively switching off fixtures and promoted the use of renewable energy by increasing the proportion of rooftop solar power for self-consumption and procuring green certificates.

Water Resource Management

We emphasize water resources conservation and management by establishing water resources management system to reduce the total water consumption and water consumption intensity, realizing scientific water use. This includes (i) scientific water use, through water-saving technical transformation, recycling of reclaimed water, and other measures, (ii) resource utilization though water-saving measures and regularly conducted pipe network investigations and water use analyses. We also explore wastewater treatment and reclaimed water recovery technologies, enhancing the efficiency of water resource use and recovery, For instance, in 2025, we carried out projects to recover air-conditioning condensate water for reuse in exhaust gas towers and to recycle wastewater. Through these two transformation projects, we expect to save approximately 0.69 million tons of tap water per year, reduce water costs by approximately RMB1.63 million per year, and save approximately RMB2.7 million per year in sewage discharge costs, and (iii) targeted technical saving measures, to reduce water consumption across our production facilities. These include repurposing airconditioning condensate water for cooling tower replenishment, utilizing concentrated water from wastewater treatment stations, and recycling dilute acid wastewater for use in other processes. We have also upgraded our ultrapure water systems by transitioning to reverse osmosis supply and lowering system pressure, thereby improving water efficiency and reducing overall consumption. These measures form part of our broader commitment to sustainable resource management and operational optimization.

Pollutant Management

We abide by relevant laws and regulations and actively implement various measures to ensure compliance, including (i) wastewater management, through the formulation and implementation of the wastewater pollution prevention and control system and other internal systems according to the Law of the PRC on Prevention and Control of Water Pollution and the adoption of advanced wastewater treatment processes and regular maintenance and upgrades of wastewater treatment facilities, (ii) waste gas management by complying with the Law of the PRC on the Prevention and Control of Atmospheric Pollution and other relevant regulations and conduct classification monitoring and strict treatment for waste gas generated at each stage of production, (iii) hazardous waste management through institutional controls, process upgrades, and resource recovery initiatives including standardized collection, storage, and disposal of hazardous waste and general industrial solid waste.

Monitoring Indicators

	Year ended December 31,		
	2023	2024	2025
Indicators			
GHG Emission[1]			
– Scope 1 Emissions (tons of CO2e)	114	418	473
– Scope 2 Emissions (tons of CO2e)	473,759	974,283	1,566,481
– Scope 3 Emissions (tons of CO2e)[3]	1,409,042	1,661,678	3,939,706
– Total GHG emission (tons of CO2e)	1,882,914	2,636,379	5,506,660
Gas Consumption			
– Total natural gas consumption (standard cubic meter)	35,390	53,306	75,649
Gasoline Consumption			
– Gas consumption (Liter)	12,101	8,509	9,093
– Diesel consumption (Liter)	1,232	16,136	11,311
– Total gasoline consumption (Liters)	13,333	24,645	20,404
Power Consumption			
– Purchased electricity (MWh)	928,596	1,569,611	2,488,298
– Electricity from renewable resource (MWh)	17,500	11,514	5,735
– Total electricity consumption (MWh)	946,096	1,581,125	2,494,033
Water Consumption			
– Total water consumption (tons)	8,591,206	10,935,959	14,193,815
Waste Water Generation			
– Total waster water (ton)	7,019,464	9,087,473	11,635,416
Waste Gas Emission			
– Total waster gas emission (ton)	15	26	51
General Waste Generation			
Non-hazardous Waste			
– Amount of non-hazardous waste (tons)	32,334	34,339	29,834
Hazardous Waste			
– Amount of hazardous waste (tons)	84	85	140

Notes:

(1) GHG emission statistics are quantified in accordance with the "Greenhouse Gas Accounting System" and the ISO 14064-1:2018 standard for the quantification and reporting of greenhouse gas emission and removals at an organizational level. Since 2025, we incorporate emissions from diesel usage in forklifts and refrigerant refill usage in air conditioners into the calculation of GHG emissions.

(2) Scope 3 GHG emissions refer to indirect emissions that occur in the value chain of us, including indirect categories such as purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, employee commuting and downstream leased assets. Since 2025, we incorporated Scope 3 emission generated from employee commuting into the calculation.

During the Track Record Period, total electricity consumption and water consumption incnreased was in line with our business expansion and production capacity enhancement. In terms of GHG emission, our major products and one factory achieved French carbon footprint certifications. We also have achieved zero major safety incidents as defined by regulations, zero environmental incidents in 2025. We plan to achieve an approximately 9.0% reduction in GHG emission intensity per product unit, an approximately 26% reduction in gas consumption intensity and an approximately 5% reduction in water and electricity consumption intensity from 2026 to 2028. Specifically, in 2026, we plan to achieve an approximately 3.0% reduction in GHG emission intensity per product unit, an approximately 9.5% reduction in gas consumption intensity, and an approximately 1.9% reduction in water and electricity consumption intensity. This target covers Scope 1 and Scope 2 emissions and is set on an intensity basis rather than absolute emissions, taking into account our ongoing capacity expansion. The reduction rate is derived from historical

emissions and production data from 2023 to 2025, and reflects planned mitigation measures and industry benchmarks. In addition, we plan to peak Scope 1 and Scope 2 GHG emission at the operational level by 2030 and achieve carbon neutrality at the operational level by 2050.

Corporate Social Responsibility

Human Resource Management

Employee Rights and Benefits. Our recruitment and promotion processes are based without discrimination based on age, gender, ethnicity, or health conditions. In 2025, over 25% of our workforce comprised female employees.

Employee Training. Our training systems comprise five distinct modules, including induction training, rookie training, job foreman training, engineer training and supervisor training to provide hierarchical and systematic training. In 2025, we conducted 2,733 training sessions, reaching over 128,898 trainees and totaling over 145,686 training hours.

Employment Care. We offer health and wellness initiatives and financial assistance. We grant consolation payments for those with major diseases and family financial difficulties. Internal donations will be organized for those in severe distress. We organize monthly recreational activities such as sports competitions and speech contests and hold special events and provide holiday benefits during major holidays.

Safety Management

Safety Management Mechanism. We have established a routine safety management mechanism including regular safety training, ongoing safety hazard investigations, and frequent safety drills. In 2025, we conducted 141 safety hazard investigations and organized 348 safety emergency drills with over 12,000 participants.

Production Safety. We have set up a safety production committee to improve the safety production management system. We achieved the goals of zero major EHS responsibility accidents, zero fire disasters, and zero occupational diseases or health hazards.

Occupational Health Safety. We provide annual occupational health examinations for employees exposed to occupational hazards. Additionally, our multiple production sites are certified under the ISO 45001 occupational health safety management system.

Supply Chain Management

Behavior standard agreement is signed with all of our suppliers to effectively lower exposure to supply chain risks. We establish a designated task force to trace every process of the directional material through ERP/MES information system and prevent artificial tampering. We require suppliers to adhere to environmental protection, safety, human rights, and labor standards. In 2025, over 25% of our suppliers passed ISO14001 environment management system certification, over 30% of our suppliers passed ISO9001 quality management system certification and over 20% of our suppliers passed ISO45001 occupational health safety management system certification.

Anti-corruption, Anti-bribery and Business Ethics

We adopt a zero-tolerance policy toward unethical business practices such as corruption, extortion, fraud, and money laundering. We have established internal policies, including the Anti-Corruption Control Procedures and Integrity and Clean Governance Regulations. In 2025, we signed the Integrity and Self-Discipline Commitment with all employees and conducted regular business ethics training and education. We require all business partners to comply with applicable

anti-corruption laws and uphold business ethics. Our audit department conducts annual audits on business ethics compliance in key high-risk departments and monitors their education or business ethics standards. Additionally, all business lines are conducted a comprehensive review at least once every three years.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, results of operations and financial conditions. We believe that the business operations we engaged in had been carried out in compliance with applicable laws and regulations in the jurisdictions we operate in all material respects during the Track Record Period and up to the Latest Practicable Date.

Title Defects of Leased Properties

Absence of Valid Title Certificates

As of the Latest Practicable Date, landlords of five of seven of our leased properties in China, which are primarily used as offices and warehouses, have not provided us with valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us, with a GFA of approximately 205,095 sq.m. As advised by our PRC Legal Advisor, if the lessors of the leased properties do not have the requisite rights to lease the relevant properties, we would not be subject to any administrative penalties with respect to these properties, considering that according to the applicable PRC laws and regulations (i) the imposition of administrative penalties must be based on provisions expressly stipulated by laws, regulations, and rules; and (ii) no applicable laws, rules or regulations stipulate that any penalty shall be imposed on the tenants with respect to the landlord's lack of valid title certificates. Nevertheless, our use of the leased properties without valid title certificates may be affected by third parties' claims or challenges against the lease and we may be required to vacate and relocate. As of the Latest Practicable Date, we were not aware of any challenge made by a third party or competent government authority on the titles of any of these leased properties that might affect our current occupation. Additionally, where a dispute arises, or we suffer a loss as a result of the said leases, we have a right to require the lessor to indemnify such losses under the lease agreements in accordance with the relevant provisions of the PRC Civil Code. We believe that in the event that the third parties challenge our use of such leased properties and we are required to relocate, we are able to find suitable alternative properties within the proximate area, without incurring substantial additional costs.

We have strengthened internal controls by (i) requiring our lessors to furnish documentation evidencing title prior to execution of lease agreements, and (ii) incorporating indemnity provisions in new lease whereby lessors undertake to compensate us for losses arising from the absence of valid title certificates.

Non-registration of Lease Agreements

Property lease agreements shall be registered with the relevant local branches of the PRC Ministry of Housing and Urban-Rural Development. As of the Latest Practicable Date, we had not completed lease registration for six of our seven leased properties. We are in the progress of obtaining the registration for the remaining properties. We were unable to obtain registration primarily due to the difficulty to procure the valid title certificates or relevant authorization documents from the landlords. According to the relevant PRC laws and regulations, relevant government authorities may order for registration within a prescribed period, and the lessor or us

may be subject to a fine ranging from RMB1,000 to RMB10,000 per non-registered lease. As of the Latest Practicable Date, the aggregate amount of maximum fine will be approximately RMB60.0 thousand, which our Directors believe will not have any material adverse impact on our business operations. As advised by our PRC Legal Advisor, lack of registration does not affect the validity of lease agreements. In addition, as of the Latest Practicable Date, in relation to the leased properties that had not completed lease registration, we have not been required by authorities to register, nor been penalized or fined by the relevant authorities in relation to the leased properties. Based on the above, our PRC Legal Advisor is of the view that the lack of registration for lease agreements described above will not, individually or in the aggregate, materially affect our business and results of operation. We enhanced our internal control procedures by requiring lessors to cooperate with us in completing the registration of lease agreements with the relevant housing administrative authorities. We also engage with our lessors to obtain valid title certificates or other documentation evidencing their legal rights to lease the relevant properties. Among the six remaining properties: (i) for five properties, we expect to complete the registration process by December 2026; and (ii) for one property, we expect to complete the registration process by December 2027.

Absence of Lease Agreements

In addition, during the Track Record Period, we did not enter into the lease agreement with the landlord for one property, which we occupied and used for business operation. On December 31, 2025, we entered into a formal lease agreement with the landlord in respect of the property. For The landlord is expected to obtain the valid title certificate of the property in December 2026 and we expect to complete the registration process in 2027. To prevent recurrence, we have enhanced our internal control measures to (i) require a duly executed lease agreement before occupation, (ii) implement a lease management policy that requires written approval from our legal departments before occupation, and (iii) conduct periodic reviews to track the execution and renewal of lease agreements. further details, see "Risk Factors — Risks Relating to Conducting Business In The Jurisdictions We Operate — We have not obtained the relevant real estate ownership certificates or proof of authorizations for certain of our leased properties, which may materially and adversely affect our use of such properties."

Environmental Impact Assessment and Energy Conservation Assessment

Background and Reasons

During the Track Record Period, our 5GW High-Efficiency Solar Cell Smart Factory Project, 5GW High-Efficiency Crystalline Silicon Solar Cell Intelligent Production Line Construction Project, 10GW PERC Cell Production Line Technology Upgrade and Renovation Project and 12GW Monocrystalline Silicon Ingots Project in our Yibin base (collectively, "**Yibin Base PV cell Projects**") commenced production prior to obtaining energy conservation acceptance. As of January 31, 2026, all of our Yibin Base PV cell Projects have obtained the relevant energy conservation acceptance.

During the Track Record Period and up to the Latest Practicable Date, our N-type xBC cell production line upgrade project (the "**xBC Upgrade Project**") commenced production before obtaining (i) the energy conservation examination ("節能審查") and (ii) energy conservation acceptance ("節能驗收"). In addition, the xBC Upgrade Project was in the process of obtaining environmental protection acceptance ("環保驗收") during the Track Record Period. The xBC Upgrade Project commenced operations in phases, with construction, commencement of production and environmental protection acceptance carried out on a phased basis. Phase I of the xBC Upgrade Project has obtained its environmental protection acceptance in February 2026.

The lack of energy conservation examination opinion and energy conservation acceptance was primarily due to our local management team's unfamiliarity with evolving regulatory requirements which prevented timely completion of the necessary application.

Potential Legal Consequences

Environmental Impact Assessment

On January 27, 2026, we have obtained written confirmation from the Bureau of Ecology and Environment Yibin High-tech Industrial Park (宜賓高新技術產業園區管理委員會生態環境局) ("**the Yibin High-tech Park EEB**"), which confirmed that, as of the date of the confirmation, (i) the operations were in compliance with applicable environmental protection laws, regulations, rules, and normative documents, (ii) no environmental protection incidents had been identified in relation to the xBC Upgrade Project, nor had any material environmental pollution or ecological damage been identified during its construction and operation, and (iii) we had not been subject to administrative measures such as production suspension orders or usage, closure orders, fines, or other penalties that would materially and adversely affect the company's business operations. On October 17, 2025, pursuant to an interview with an independent environment assessment expert (the "**Environment Expert Interview on Environment Assessment**"), we are in compliance with applicable environmental protection laws, regulations, rules, and normative documents based on onsite inspection.

Energy conservation Assessment

For failure to obtain the energy conservation examination opinion before commencing construction, we may be ordered by the relevant authorities to suspend construction or production and make rectification within a prescribed time limit. If cannot be rectified, rectification is inadequate, or not completed within the prescribed time limit, we may be ordered to cease operations and close the relevant facility, while the relevant responsible persons may be held accountable. For failure to obtain energy conservation acceptance before commencing operation, we may be ordered to rectify the situation within a prescribed time limit. If cannot be rectified, rectification is inadequate, or not completed within the time limit, penalties may be imposed.

On March 4, 2026, we obtained written confirmation ("**the March 4 Confirmation**") issued by Yibin Municipal Development and Reform Commission (宜賓市發展和改革委員會) ("**Yibin MDRC**"), confirmed that as of the date of the written confirmation, (i) we had, in all material aspects, complied with applicable energy usage and conservation laws, regulations, rules, and normative documents, with no violations of national industrial policies or administrative penalties for breaches of energy conservation requirements for our Yibin operations; (ii) the xBC Upgrade Project had not yet obtained the relevant energy conservation review and acceptance, but relevant energy conservation review reports had been prepared and submitted, and the Yibin High-tech Park DRC is overseeing the project through supervision and providing guidance to ensure completion of the relevant procedures; (iii) the xBC Upgrade Project is expected to obtain the energy conservation review and acceptance by August 2026, the design of the project complies with applicable energy conservation laws and regulations, and there are no substantive legal impediments; and (iv) we had not been subject to any administrative penalties, orders to suspend construction, production or usage, closure orders, fines, or other penalties that could have materially and adversely affected the business operations of our Group.

On October 17, 2025 an independent energy conseervation expert is of the view that: (i) the xBC Upgrade Project not yet obtained energy conservation review and acceptance, but relevant review reports are being prepared; (ii) there are no substantive legal impediments for the xBC Upgrade Project to complete the required review and acceptance approval procedures; (iii) the project design complies with applicable energy conservation laws and regulations; (iv) such project does not constitute material non-compliance; and (v) our energy usage complies in all material respects with the applicable laws, regulations, rules and regulatory requirements in China, and we have established dedicated energy management bodies and system documentation, with no violations of national industrial policies or administrative penalties for such project.

Competency of the Authorities and Independent Experts

As confirmed by our PRC Legal Advisor, the written confirmations were issued by the competent authorities within the scope of their authority. Based on the above written confirmations, our PRC Legal Advisor is of the view that (i) there are no substantive legal impediments for the xBC Upgrade Project to obtain the required environmental protection acceptance and energy conservation acceptance approvals and (ii) the non-compliance incidents does not have and is not expected to have a material adverse effect on our production and operations. The independent energy conservation expert (i) has over 10 years of experience in energy conservation assessment and energy conservation acceptance; (ii) holds a bachelor's degree in engineering and is a qualified Senior Engineer (Electrical Design) and (iii) is the Chief Electrical Engineer at Sichuan Nanyuan Architectural Design Co., Ltd.. The independent environment assessment expert (i) possesses over 36 years of experience in environmental impact assessment and environmental protection acceptance inspections, (ii) holds a bachelor's degree in engineering and is a qualified Senior Engineer (Environmental Monitoring) and (iii) is a Senior Engineer at the Yibin Ecological and Environmental Monitoring Center Station of Sichuan Province. Having reviewed the backgrounds of the independent experts, our PRC Legal Adviser is of the view that the two independent experts possess the requisite professional competence to provide expert opinions on the environmental impact assessment or energy conservation assessment, as applicable, in respect of the relevant projects of our Company.

Enhanced Internal Control

We have enhanced our environmental protection internal control measures as follows: (i) we established an Environmental Management Committee led by senior management and a dedicated environmental protection department; (ii) we conduct regular training and performance evaluations on environmental and safety responsbilities; (iii) we maintain an environmental management system covering energy consumption management, pollutant monitoring, solid waste disposal, and environmental oversight; (iv) we require construction projects to obtain necessary permits and approvals before commencemen; and (v) we conduct regular internal reviews to monitor compliance with regulatory requirements.

We have enhanced our energy conservation internal control measures including: (i) we formulated internal policies, which define energy management objectives and responsibilities; (ii) we standardized processes for water usage, electricity management and metering to comply with energy-saving requirements; (iii) we established an energy management unit and appointed dedicated personnel for daily supervision; and (v) we deployed an online energy monitoring system to track energy consumption in real time, improving energy utilization efficiency and strengthening our energy-saving management framework. Based on the Directors' views and the PRC Legal Advisor's views mentioned above, and on the due diligence conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to doubt that the aforementioned non-compliances have had or would have a material adverse effect on the Group's business and financial operations.

INTERNAL CONTROL AND RISK MANAGEMENT

We have established a comprehensive risk management and internal control system aimed at identifying, assessing, and mitigating risks across all aspects of our operations. Our Board of Directors oversees the implementation of risk management policies and procedures that address key operational, financial, legal, and market risks, including information system risk, financial reporting risk, human resources risk, and anti-corruption risk. We have implemented, or will continue to implement, among other things, the following risk management measures: (i) establish an Audit Committee to supervise our financial reporting process and internal control system. For the qualifications and experience of the committee members, see "Directors and Senior Management"; (ii) adopt various policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to risk management and connected transaction; (iii) provide training periodically

to our senior management and employees to enhance their knowledge of, and compliance with, applicable laws and regulations and include relevant policies against non-compliance in our employee guidelines; (iv) organize training sessions for our Directors and senior management on relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong; and (v) enhance our reporting and records system for production facilities, including on quality assurance, safety management systems and regular facility inspections; (vi) establish emergency procedures for major quality-related issues; and (vii) provide training programs on quality assurance and product safety.

We have engaged an internal control consultant to review the effectiveness of our internal controls associated with our major business processes, identify deficiencies and areas for improvement, provide recommendations, and review the implementation status of these remedial actions. We also conduct periodic reviews of our policies and procedures to mitigate risks and align with regulatory requirements and business objectives.

IMPACT OF COVID-19 PANDEMIC

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption to our regular operations, including procurement of raw materials, production process and sales, due to the COVID-19 pandemic. In light of the above, our Director is of the view that, the COVID-19 pandemic has not had any material adverse impact on our business operations and financial performance.

LICENSES, APPROVALS AND PERMITS

As of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant government authorities that are material to our business operations in China and overseas. We are required to renew such certificates, permits and licenses from time-to-time, and we are continuingly overseeing the compliance with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals and permits, and currently we do not expect any material difficulties in such renewal.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received as of the Latest Practicable Date:

Award/Recognition	Award Year	Awarding Institution/Authority
National High-tech Enterprise ("國家級高新技術企業")	2025	Ministry of Industry and Information Technology of the People's Republic of China ("中華人民共和國工業和信息 化部")
National Specialized, Refined, Featured, and Innovative Little Giant Enterprises ("第三批國家專精特新小巨人")	2024, 2025	Ministry of Industry and Information Technology of the People's Republic of China ("中華人民共和國工業和信息化部")
Leading Top 100 Photovoltaic Enterprises in China ("2024年度領跑中國可再生能源光伏百強優秀光伏電池/組件企業")	2024, 2025, 2026	Jiangsu Provincial Renewable Energy Industry Association ("江蘇省可再生能源行業協會")
Comprehensive Top 100 Private Manufacturing Enterprises in Anhui Province ("安徽省民營企業製造業綜合百強企業") . . .	2023	Department of Industry and Information Technology of Anhui Province ("安徽省工業和信息化廳")

You should read the following discussion and analysis together with our audited consolidated financial information and the notes thereto included in the Accountants' Report in Appendix I, which have been prepared in accordance with IFRSs.You should note that this section contains forward-looking statements based on our current expectations and assumptions, and actual results may differ due to various risks and uncertainties. You should consider this document as a whole, including the sections headed "Risk Factors" and "Business."

OVERVIEW

We are a leading specialized PV cell manufacturer. Since our establishment in 2016, we have been dedicated to the R&D, manufacturing and sale of PV cells. Based on customer needs, we provide both P-type and N-type cells to the markets. Building on our position in N-type TOPCon cells, we have advanced into the field of N-type xBC cells.

According to Frost & Sullivan, we were the world's third-largest specialized N-type TOPCon cell manufacturer in terms of shipment volume in 2024, with a market share of 13.5%. We were awarded as the "National Specialized, Refined, Featured and Innovative Little Giant Enterprise" ("國家專精特新小巨人", were recognized as a top PV cell brand in the "olaris Cup" (北極星杯), and were listed as the "VBL 2023 Most Promising PV Brand." We have participated in drafting multiple industry standards in China. Additionally, our PV cell products have obtained French Carbon Footprint Certification and TÜV SÜD certification, underscoring our global competitiveness. Our revenue was RMB10,493.9 million in 2023, RMB4,358.8 million in 2024 and RMB8,712.7 million in 2025. We recorded gross profit of RMB919.7 million in 2023, gross loss of RMB322.5 million in 2024 and gross profit of RMB1,521.7 million in 2025.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General Conditions and the Fluctuation of Overall PV Cell Market

We primarily engage in the R&D, production and sales of PV cells, and our results are significantly affected by market demand. According to Frost & Sullivan, solar power is expected to become the largest single energy source globally by 2029, accounting for 36.7% of total installed capacity, and by 2027 in China, accounting for 39.0%. Global PV cell shipment volume increased from 208.2 GW in 2021 to 694.8 GW in 2025 and is projected to reach 1,352.5 GW in 2031, representing a CAGR of 11.3% from 2026 to 2031. In China, shipment volume grew from 180.3 GW in 2021 to 647.1 GW in 2025 and is expected to reach 1,188.2 GW in 2031, with a CAGR of 10.3% over the same period.

Prior to 2024, P-type PERC cells dominated the PV cell market due to mature technology and lower costs. However, as their efficiency approaches the theoretical limit, industry demand has shifted toward higher-performance N-type technologies, including TOPCon, xBC and HJT cells. Among them, N-type TOPCon cells have led commercialization and are expected to remain a key beneficiary of the P-to-N transition. According to Frost & Sullivan, global shipment of N-type TOPCon cells is expected to reach 961.0 GW in 2031, with a CAGR of 8.1% from 2026 to 2031, while shipment in China is projected to reach 844.2 GW in 2031, with a CAGR of 6.8% over the same period. In 2024, global external shipment volume of N-type TOPCon cells by specialized manufacturers reached 123.2 GW. With external shipment volume of 16.7 GW, we ranked third globally among specialized manufacturers, with a market share of 10.6%. See "Industry Overview — Competitive Analysis of PV Cell Industry — Ranking of N-Type TOPCon PV Cell Shipment of Global PV Cell Manufacturers".

In recent years, governments worldwide have introduced policies to support renewable energy development and carbon reduction, including the advancement of PV technology. In 2024, China's National Energy Administration issued the "2025 Energy Work Guidance" to accelerate energy transition and support the PV industry. In Indonesia, the government announced a comprehensive investment plan targeting approximately USD200 billion by 2040 to promote green infrastructure and industrial development. Such regulatory support continues to drive technological innovation, efficiency improvements, and cost reductions within the PV cell industry, accelerating the global transition toward clean energy solutions. Going forward, leveraging our established market position and technology capacity fueled by successful innovation, we are well-positioned to capture future market opportunities to achieve continuous growth.

Enhancement of our Production Capabilities

In observation of significant growth in market demand, including growth driven by the P-N transition, the growth in our revenue and market share during the Track Record Period largely relied upon, and is expected to continue depend on our ability to successfully enhance production capabilities and improve production efficiency. It is critical for us to successfully manage production ramp-up and quality control so as to deliver products in adequate volume and of high quality to customers.

In the past few years, we have significantly enhanced our production capabilities and output by establishing new and expanding our existing production plants. During the Track Record Period and up to the Latest Practicable Date, we had three key manufacturing bases, including two manufacturing bases in China and one base in Indonesia. In 2025, our effective production capacity for PV cells was approximately 39.1 GW. In 2023, 2024 and 2025, the utilization rates of P-type PERC cells were 95.4%, 97.4% and 89.1%, respectively, while our utilization rates of N-type TOPCon cells were 79.9%, 91.7% and 92.2%, respectively. See "Business — Production — Production Capabilities". Given the strong and continuing growth in global market demand for PV cells, we have been proactively identifying and seeking suitable opportunities of production capability enhancement and technological innovation to improve our production efficiency. See "Business — Production — Our Production Capability Enhancement Plan".

Competition and Pricing

We face competition in the global PV cell markets. We believe the factors that are critical to our competitiveness in these markets include research and development capabilities, quality of our products, relationship with our customers, marketing and sales channels, competitive pricing, brand recognition and after-sales services. We believe that we have enjoyed certain competitive advantages as a result of our technological developments, quality of our product offerings at competitive prices, strong relationships with our customers, sales, marketing and after-sale services network and brand recognition, among other factors. However, increased competition or our inability to sustain our competitive advantage could adversely affect our results of operations.

Our pricing directly affects our revenue and gross profit margin. The average selling price of P-type PERC cells decreased from RMB0.67/W (exclusive of tax) in 2023 to RMB0.25/W in 2024 due to lower silicon wafer prices and market supply-demand dynamics. We shut down the Ptype PERC production lines at our Tianchang Base in September 2024 and did not recognize revenue thereafter.We commenced sales of N-type TOPCon cells in 2023. The average selling price decreased from RMB0.44/W in 2023 to RMB0.28/W in 2024 due to lower silicon wafer prices and intensified competition, and remained at RMB0.30/W in 2025. For gross profit margin details, see "— Review of Historical Results of Operations — Gross Profit/(Loss) and Gross Profit/(Loss) Margin."

Ability to Manage Fluctuation of Cost of Raw Materials and Improvement in Production Efficiency

Our results and profitability depend in part on production efficiency and cost control. Our cost of sales mainly comprises raw materials, manufacturing costs, staff costs and inventory impairment. Raw material costs amounted to RMB8,466.4 million, RMB3,694.6 million and RMB5,791.5 million in 2023, 2024 and 2025, representing 88.4%, 78.9% and 80.5% of total cost of sales, respectively. Silicon wafers and silver paste together accounted for more than 50% of total cost of sales throughout the Track Record Period. Accordingly, fluctuations in the availability and prices of key raw materials may materially affect our costs, margins and results of operations.

According to Frost & Sullivan, silicon wafers are the main raw materials of PV cells. The price spread between the average selling price of PV cells and the cost of silicon wafers is a key indicator of our gross profit. While our gross profit is affected by the selling price of PV cells and the total cost of PV cells, which includes both silicon wafer cost and non-silicon cost, the price spread serves as a meaningful indicator for our profitability. Assuming non-silicon costs remain relatively stable, a wider price spread typically corresponds to a higher gross profit. Such correlation is broadly consistent with our historical performance and reflects the pricing dynamics of the PV cell manufacturing industry. During the Track Record Period, we enhanced manufacturing efficiency and raw material utilization through process optimization, upgraded equipment and advanced production technologies. We also improved waste management and overall production management. Going forward, we plan to expand into silicon wafer manufacturing when appropriate to support production needs, reduce costs and strengthen supply chain stability.

Investment in R&D and Advance in Technology

The PV cell industry is characterized by evolving technologies and standards. These technological evolutions and developments place increasing demands on the improvement of our products, such as requiring PV cells to have higher conversion efficiency and lifetime electricity generation. During the Track Record Period, we primarily relied on our in-house R&D team to develop key technologies and ensure a pace of innovation. We have collaborated with industry partners to jointly develop new products and technologies, focusing on enhancing production efficiency and advancing PV cell performance.

We focused on the advanced technology of PV cells and built our core competitiveness through continuous R&D. We have invested in talented developers and engineers to grow our strength in the new and key technologies of PV cells. While exploring new technological frontiers in the PV cell industry, we also continued to optimize the performance of our existing products through our R&D efforts. As the market evolves, the performance of our products also requires consistent enhancement. Our ability to develop more advanced technologies and design innovative products that tailor to customers' changing requirements has been and will continue to be critical to our ability to maintain our competitive edge and excel in the market. Therefore, the outcome and effectiveness of our research efforts could affect our profitability and future results of operations.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("**IASB**"). All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions, have been early adopted by our Group in the preparation of the historical financial information throughout the Track Record Period. The historical financial information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each of the Track Record Period.

MATERIAL ACCOUNTING POLICIES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. These policies involve subjective assumptions, estimates and complex judgments. Such estimates are continuously reviewed and are based on historical experience and reasonable expectations of future events. We have not made material changes to our assumptions or estimates in the past and do not expect significant changes under current circumstances. When reviewing our consolidated financial statements, you should consider our material accounting policies, the judgments involved and the sensitivity of reported results to changes in assumptions and conditions. Our material accounting policies and significant accounting judgments and estimates, which are important for an understanding of our financial position and results of operations, are set forth in detail in Notes 2.3 and 3 to the Accountants' Report set out in Appendix I to this document.

REVIEW OF HISTORICAL RESULTS OF OPERATIONS

The table below sets forth a summary of our results of operations in absolute amount and as percentages of our total revenue for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
REVENUE	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**
Cost of sales	(9,574,214)	(91.2)	(4,681,246)	(107.4)	(7,190,956)	(82.5)
Gross profit/(loss)	**919,684**	**8.8**	**(322,494)**	**(7.4)**	**1,521,725**	**17.5**
Other income and gains	148,667	1.4	106,540	2.4	272,850	3.1
Selling and distribution expenses	(11,049)	(0.1)	(15,218)	(0.3)	(21,777)	(0.2)
Administrative expenses	(152,425)	(1.5)	(211,487)	(4.9)	(282,735)	(3.2)
Research and development costs	(219,327)	(2.1)	(281,018)	(6.4)	(367,001)	(4.2)
Other expenses	(177,064)	(1.7)	(213,695)	(4.9)	(66,149)	(0.8)
Finance costs	(11,328)	(0.1)	(34,365)	(0.8)	(66,977)	(0.8)
Impairment losses on financial assets, net	(2,419)	0.0	(676)	0.0	(12,156)	(0.1)
PROFIT/(LOSS) BEFORE TAX	**494,739**	**4.7**	**(972,413)**	**(22.3)**	**977,780**	**11.2**
Income tax (expense)/credit	(84,953)	(0.8)	108,189	2.5	(121,247)	(1.4)
PROFIT/(LOSS) FOR THE YEAR	**409,786**	**3.9**	**(864,224)**	**(19.8)**	**856,533**	**9.8**

Revenue

Revenue by Product and Services

Our revenue was primarily derived from sales of P-type PERC cells and N-type TOPCon cells. The following table sets forth a breakdown of our revenue by products and services for periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
PV cells						
N-type TOPCon cells	744,093	7.1	3,539,923	81.2	7,676,016	88.1
P-type PERC cells	9,645,549	91.9	601,723	13.8	310,425	3.6
N-type xBC cells	–	–	–	–	277,686	3.2
Sub-total	**10,389,642**	**99.0**	**4,141,646**	**95.0**	**8,264,127**	**94.9**
Others[(1)]	**104,256**	**1.0**	**217,106**	**5.0**	**448,554**	**5.1**
Total	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**

Note:
(1) Primarily include PV cell manufacturing services and sales of silicon wafers.

The table below sets forth the breakdown of (i) total amounts before deduction, (ii) deducted amounts of purchase amount of silicon wafers under Customer Supply Arrangements, and (iii) total revenue recognized for our PV cells business by type of product for the periods indicated. See "Business — Customer Supply Arrangements" for details.

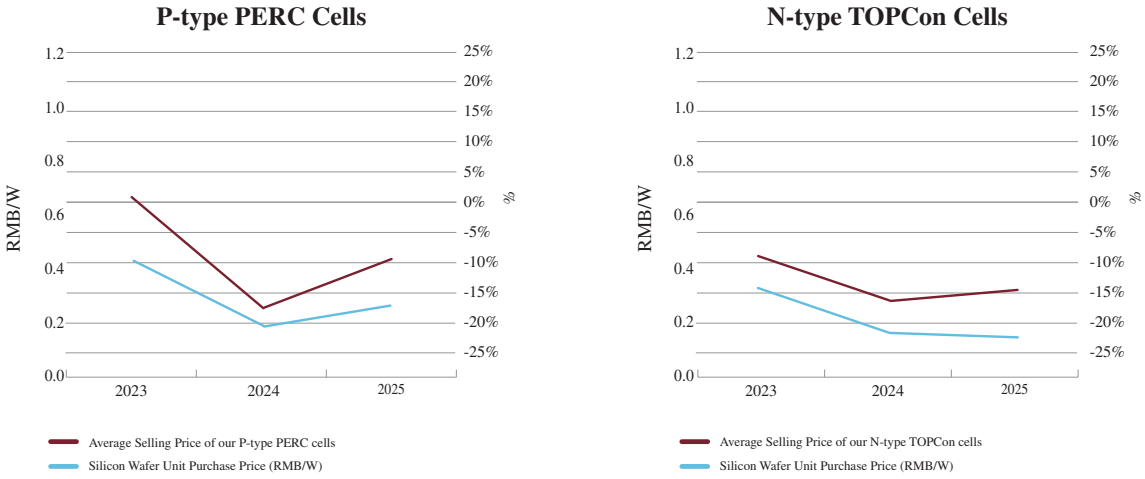
	Year ended December 31,								
	2023			2024			2025		
	Amounts before deduction	Deducted Amounts	Revenue recognized	Amounts before deduction	Deducted Amounts	Revenue recognized	Amounts before deduction	Deducted Amounts	Revenue recognized
	(RMB in thousands)								
Sale of PV cell									
– P-type PERC cells	9,645,549	–	9,645,549	601,723	–	601,723	310,425	–	310,425
– N-type TOPCon cells	744,093	–	744,093	4,423,845	883,922	3,539,923	8,385,743	709,727	7,676,016
– N-type xBC cells	–	–	–	–	–	–	487,955	210,269	277,686
Total	**10,389,642**	**–**	**10,389,642**	**5,025,568**	**883,922**	**4,141,646**	**9,184,123**	**919,996**	**8,264,127**

The following table sets forth the purchase price for the silicon wafer, the average selling prices and other metrics for our P-type cells and N-type cells before the deduction under customer supply arrangements for the periods indicated:

	Years ended December 31,		
PV Cell	**2023**	**2024**	**2025**
N-type TOPCon Cell			
Silicon wafer unit purchase price (RMB/W)[(1)]	0.32	0.16	0.15
Average selling price (exclusive of tax) (RMB/W)	0.44	0.28	0.30
Price spread	0.12	0.12	0.15
Total silicon wafer purchase price (RMB'000)	552,204	2,727,236	4,394,865
P-type PERC Cell			
Silicon wafer unit purchase price (RMB/W)[(1)]	0.44	0.19	0.26
Average selling price (exclusive of tax) (RMB/W)	0.67	0.25	0.41
Price spread	0.23	0.06	0.15
Total silicon wafer purchase price (RMB'000)	6,528,410	445,112	199,311
N-type xBC Cells			
Silicon wafer unit purchase price (RMB/W)[(1)]	–	–	0.21
Average selling price (exclusive of tax) (RMB/W)	–	–	0.31
Price spread	–	–	0.10
Total silicon wafer purchase price (RMB'000)	–	–	322,290

Note:
(1) As silicon wafers are typically sold on a per piece basis and would not have a wattage until manufactured into PV cells, for ease of comparison and for illustrative purpose only, we have converted silicon wafer unit price from RMB/pc to RMB/W based on the standardized wattage that a piece of silicon wafer would generate after being manufactured into PV cells with corresponding sizes.

The following graph demonstrates the relationship among our silicon wafer unit purchase price by type and the average selling price of our PV cells, as well as the gross margin of our PV cells in each period during the Track Record Period, net of tax.



Comparison between 2025 and 2024: Our revenue increased by 99.9% from RMB4,358.8 million in 2024 to RMB8,712.7 million in 2025, primarily driven by an increase in the revenue from N-type TOPCon cells, which was partially offset by a decrease in the revenue from P-type PERC cells.

PV Cells

P-type PERC cells: Our revenue generated from sales of P-type PERC cells decreased by 48.4% from RMB601.7 million in 2024 to RMB310.4 million in 2025, primarily due to our shutting down of production lines for P-type PERC cells in Tianchang Base and the partial conversion of production lines at our Yibin Base to manufacture N-type TOPCon cells.

N-type TOPCon cells: Our revenue generated from sales of N-type TOPCon cells significantly increased by 116.8% from RMB3,539.9 million in 2024 to RMB7,676.0 million in 2025, primarily due to a significant increase in the sales volume of our N-type TOPCon cells from 16.7 GW in 2024 to 29.8 GW in 2025. The increase in the sales volume was primarily due to: (i) the growth in the market demand for our N-type TOPCon cells, which was in line with the growing industry trend, according to Frost & Sullivan. In particular, according to Frost & Sullivan, the global shipment volume of N-type TOPCon cells increased by 14.8% from 566.7 GW in 2025 to an expected volume of 650.7 GW in 2026. The the shipment volume of N-type TOPCon cells in China increased by 13.3% from 536.0 GW in 2025 to an expected volume of 607.2 GW in 2026; (ii) our further expansion into overseas markets, in particular, Vietnam and the U.S., following the commencement of operation of our production base in Indonesia (Phase I) in November 2024; and (iii) an increase in our effective production capacity for N-type TOPCon cells in 2025 to capture our overseas expansion and the increasing market demand. For growth trend of the N-type TOPCon cell market, see "Industry-Overview — Analysis of PV Cell Industry — Market Size of PV Cell Market" for details. For analysis of our effective production capacity, see "Business — Production — Production Capabilities" for details.

N-type xBC cells: We recorded revenue generated from sales of N-type xBC cells of RMB277.7 million in 2025 as we delivered the first-batch new products during the period. See "Business — Our Products — PV Cell Products — N-type xBC Cells" for details.

Others

Our revenue generated from others increased by 106.6% from RMB217.1 million in 2024 to RMB448.6 million in 2025, primarily due to increased revenue from PV cell manufacturing services and increased external sales of silicon wafers.

Comparison between 2024 and 2023: Our revenue decreased by 58.5% from RMB10,493.9 million in 2023 to RMB4,358.8 million in 2024, primarily due to a decrease in the revenue from P-type PERC cells, which was partially offset by an increase in the revenue from N-type TOPCon cells.

PV Cells

P-type PERC cells: Our revenue generated from sales of P-type PERC cells decreased by 93.8% from RMB9,645.5 million in 2023 to RMB601.7 million in 2024, primarily due to: (i) a 83.7% decrease in the sales volume of our P-type PERC cell from 14.7 GW in 2023 to 2.4 GW in 2024, as we strategically shifted our focus to produce and promote the sales of our N-type TOPCon cells to capture the competitive advantages in the industry trend of P-N transition. See "Industry Overview — Analysis of PV Cell Industry — Development Trends of PV Cell Market" and "Business — Production — Production Capabilities" for details; and (ii) a 62.7% decrease in the average selling price of our P-type PERC cells from RMB0.67/W (exclusive of tax) in 2023 to RMB0.25/W (exclusive of tax) in 2024, which was primarily due to a decrease in the prevailing market price of P-type PERC cells. Such decrease was primarily caused by (a) competitive market condition in 2024 and (b) a decrease in the unit purchase price of silicon wafers from RMB0.44 /W in 2023 to RMB0.19/W in 2024, which was in line with the industry trend, according to Frost & Sullivan. For details, see "Industry Overview — Analysis of PV Cell Industry — Development Trends of PV Cell Market" and "Industry Overview — Analysis of PV Cell Industry — Price Analysis of PV Cells."

N-type TOPCon cells: Our revenue generated from sales of N-type TOPCon cells increased by 375.7% from RMB744.1 million in 2023 to RMB3,539.9 million in 2024, primarily due to a 882.4% increase in the sales volume of our N-type TOPCon cells form 1.7 GW in 2023 to 16.7 GW in 2024. The increase in the sales volume was primarily due to (i) the growth in the market demand for our N-type TOPCon cells, which was in line with the growing industry trend, according to Frost & Sullivan; and (ii) an increase in our effective production capacity for N-type TOPCon cells from 2.4 GW in 2023 to 20.8 GW in 2024 to capture such market demand. The increase in the sales volume of our N-type TOPCon cells was partially offset by a 36.4% decrease in the average selling price of our N-type TOPCon cells from RMB0.44/W (exclusive of tax) in 2023 to RMB0.28/W (exclusive of tax) in 2024, which was primarily due to a decrease in the prevailing market price of N-type TOPCon cells. Such decrease was primarily caused by (a) competitive market condition in 2024 and (b) a decrease in the unit purchase price of silicon wafers from RMB0.32/W in 2023 to RMB0.16/W in 2024, which was in line with the industry trend, according to Frost & Sullivan, and (c) a decrease in consumption of raw materials in manufacturing process resulted from optimization of screen pattern and the decreased labor requirements brought by intelligent production and management system according to Frost & Sullivan. For details, see "Industry Overview — Analysis of PV Cell Industry."

Others

Our revenue generated from others increased significantly by 108.1% from RMB104.3 million in 2023 to RMB217.1 million in 2024, primarily due to (i) an increase in PV cell manufacturing services resulted from increasing number of customer orders, and (ii) an increase in sales of silicon wafers as we launched our silicon rod pulling project, manufacturing silicon rods for purpose of producing silicon wafers.

Revenue by Geographical Region

The following table sets forth a breakdown of our revenue by geographical region, based on the delivery address designated by our customers, for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Chinese Mainland	**10,152,391**	**96.7**	**3,890,669**	**89.3**	**5,186,848**	**59.5**
Overseas	**341,507**	**3.3**	**468,083**	**10.7**	**3,525,833**	**40.5**
– India	263,950	2.5	324,492	7.4	1,035,156	11.9
– Vietnam[(1)]	26,219	0.2	31,297	0.7	387,590	4.4
– U.S.	–	–	105,353	2.4	1,244,666	14.3
– Singapore[(2)]	18,075	0.2	–	0.0	337,082	3.9
– Thailand[(3)]	3,864	0.0	–	0.0	179,255	2.1
– Indonesia[(4)]	–	0.0	11	0.0	194,014	2.2
– Others[(5)]	29,399	0.3	6,930	0.2	148,070	1.7
Total	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**

Note:

(1) Our major customer in Vietnam is Customer H, which accounted for 100.0%, 100.0%, and 99.1% of our total revenue from Vietnam in 2023, 2024 and 2025, respectively. Customer H is a solar energy equipment manufacturer, headquartered in Japan, listed on Nasdaq stock market, and engaged in the manufacturing of PV modules and solar power generation systems.

(2) Our major customers in Singapore are two Singapore-incorporated entities of international photovoltaic groups. One is affiliated with a Southeast Asia-based photovoltaic manufacturer with production facilities in the region, primarily engaged in the manufacturing and sale of photovoltaic cells and modules for export markets. The other is part of a multinational photovoltaic enterprise with manufacturing operations in Southeast Asia and North America, and primarily undertakes regional sales coordination and supply chain management functions in support of the group's global solar project execution.

(3) Our major customer in Thailand is an overseas manufacturing entity of a PRC-based photovoltaic enterprise with production facilities in Southeast Asia, supplying photovoltaic cells and modules for regional solar power applications.

(4) Our major customer in Indonesia is a photovoltaic cell and module manufacturer established in Batang, Central Java, Indonesia, as part of an integrated manufacturing hub with planned annual production capacity exceeding 5 GW, serving both domestic and international markets including export channels

(5) Primarily includes Middle East.

Information regarding our customers' downstream sales arrangements and customer portfolios is generally commercially sensitive and is not disclosed to us in the ordinary course of business. In certain cases, however, we may be aware of the intended destination markets of the products sold to our customers where such information is specified in the relevant sales agreements. For example, based on contractual arrangements, we understand that certain customers in Vietnam and Thailand may further process the products purchased from us and sell the finished products to end markets such as the United States and Europe. However, we do not have visibility over, nor do we obtain, the identities or detailed background of their downstream customers. To the best of our knowledge, the downstream customers of our major customers are primarily engaged in the solar energy industry, including power generation companies, project developers and operators of utility-scale and distributed photovoltaic projects, as well as end users involved in the installation and operation of photovoltaic systems. We do not participate in, and have no control over, the sales channels or customer selection decisions of our customers in respect of the finished photovoltaic modules.

The following table sets forth a breakdown of the revenue of our products and services by geographical region, based on the delivery address designated by our customers, for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
N-type TOPCon cells[(1)]	**744,093**	**7.1**	**3,539,923**	**81.2**	**7,676,016**	**88.1**
Chinese Mainland	744,092	7.1	3,392,139	77.8	4,407,739	50.6
Overseas	1	0.0	147,784	3.4	3,268,277	37.5
– India	–	–	4,394	0.1	1,006,691	11.6
– Vietnam	1	0.0	31,169	0.7	387,590	4.4
– U.S.	–	–	105,353	2.4	1,027,056	11.8
– Singapore	–	–	–	–	337,082	3.9
– Thailand	–	–	–	–	179,255	2.1
– Indonesia	–	–	11	0.0	187,609	2.2
– Others[(2)]	–	–	6,857	0.2	142,994	1.6
P-type PERC cells[(3)]	**9,645,549**	**91.9**	**601,723**	**13.8**	**310,425**	**3.6**
Chinese Mainland	9,304,045	88.7	281,423	6.5	62,294	0.7
Overseas	341,504	3.2	320,300	7.3	248,131	2.8
– India	263,950	2.5	320,099	7.3	28,464	0.3
– Vietnam	26,217	0.2	128	0.0	–	0.0
– U.S.	–	–	–	–	217,610	2.5
– Singapore	18,075	0.2	–	–	–	0.0
– Thailand	3,864	0.0	–	–	–	0.0
– Indonesia	–	–	–	–	–	0.0
– Others[(2)]	29,398	0.3	73	0.0	2,057	0.0
N-type xBC cells [(4)]	**–**	**–**	**–**	**–**	**277,686**	**3.2**
Chinese Mainland	–	–	–	–	277,686	3.2
Overseas	–	–	–	–	–	–
– India	–	–	–	–	–	–
– Vietnam	–	–	–	–	–	–
– U.S.	–	–	–	–	–	–
– Singapore	–	–	–	–	–	–
– Thailand	–	–	–	–	–	–
– Indonesia	–	–	–	–	–	–
– Others[(2)]	–	–	–	–	–	–
Sub-total	**10,389,642**	**99.0**	**4,141,646**	**95.0**	**8,264,127**	**94.9**
Others[(5)]	**104,256**	**1.0**	**217,106**	**5.0**	**448,554**	**5.1**
Total	**10,493,898**	**100.0**	**4,358,752**	**100.0**	**8,712,681**	**100.0**

Notes:

(1) In 2023, 2024 and 2025, our overseas sales of N-type TOPCon cells were manufactured as follows: (i) PRC production bases accounted for 100.0%, 3.7%, and 16.6% of overseas revenue, respectively, with such PRC-manufactured cells primarily exported to (a) Vietnam in 2023, (b) India in 2024, and (c) India and Singapore in 2025; (ii) Indonesia production bases accounted for nil, 96.3%, and 83.4% of our overseas revenue, respectively, with such cells primarily exported to the remaining overseas countries and regions.

(2) Primarily include Middle East.

(3) In 2023, 2024 and 2025, our overseas sales of P-type PERC cells were manufactured as follows: (i) PRC production bases accounted for 100.0%, 100.0%, and nil of overseas revenue, respectively, with such PRC-manufactured cells were primarily exported to (a) India and Vietnam in 2023, (b) India in 2024 and (c) U.S., primarily consisting sample products, in 2025; and (ii) Indonesia production bases accounted for 0.0%, 0.0%, and 100% of our overseas revenue, with such cells primarily exported to the remaining overseas countries and regions.

(4) All of our N-type xBC cells sold in 2025 were manufactured in our Yibin Base.

(5) Primarily include PV cell manufacturing services and sales of silicon wafers.

The following table sets forth a breakdown of the sales volume of our major products by geographical region, based on the delivery address designated by our customers, for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	GW	*GW*	*GW*
N-type TOPCon cells	**1.7**	**16.7**	**29.8**
Chinese Mainland	1.7	16.4	22.2
Overseas	–	0.3	7.6
– India	–	0.0	3.2
– Vietnam	–	0.1	0.7
– U.S.	–	0.2	1.6
– Singapore	–	–	0.9
– Thailand	–	–	0.3
– Indonesia	–	0.0	0.5
– Others	–	0.0	0.4
P-type PERC cells	**14.7**	**2.4**	**0.7**
Chinese Mainland	14.1	1.1	0.3
Overseas	0.6	1.3	0.4
– India	0.5	1.3	0.1
– Vietnam	0.0	–	–
– U.S.	–	–	0.3
– Singapore	0.0	–	–
– Thailand	0.0	–	–
– Indonesia	–	–	–
– Others	0.1	0.0	0.0
N-type xBC cells	**–**	**–**	**1.6**
Chinese Mainland	–	–	1.6
Overseas	–	–	–
– India	–	–	–
– Vietnam	–	–	–
– U.S.	–	–	–
– Singapore	–	–	–
– Thailand	–	–	–
– Indonesia	–	–	–
– Others	–	–	–
Total	**16.4**	**19.1**	**32.1**

The following table sets forth a breakdown of the average selling price (ASP) of our major products by geographical region, based on the delivery address designated by our customers, for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	RMB/W	*RMB/W (exclusive of tax)*	*RMB/W*
N–type TOPCon cells[(1)]	**0.44**	**0.28**	**0.30**
Chinese Mainland	0.44	0.28	0.25
Overseas	–	0.62	0.45
– India	–	0.44	0.32
– Vietnam[(2)]	–	0.88	0.85
– U.S.	–	0.59	0.67
– Singapore	–	–	0.35
– Thailand	–	–	0.63

	Year Ended December 31,		
	2023	2024	2025
	RMB/W	*RMB/W (exclusive of tax)*	*RMB/W*
– Indonesia	–	0.56	0.36
– Others	–	0.37	0.31
P-type PERC cells[(1)]	**0.67**	**0.25**	**0.41**
Chinese Mainland	0.68	0.27	0.21
Overseas	0.62	0.24	0.54
– India	0.59	0.24	0.32
– Vietnam	0.87	–	–
– U.S.	–	–	0.59
– Singapore	0.83	–	–
– Thailand	0.82	–	–
– Indonesia	–	–	–
– Others	0.74	0.63	0.46
N-type xBC cells[(1)]	**–**	**–**	**0.31**
Chinese Mainland	–	–	0.31
Overseas	–	–	–
– India	–	–	–
– Vietnam	–	–	–
– U.S.	–	–	–
– Singapore	–	–	–
– Thailand	–	–	–
– Indonesia	–	–	–
– Others	–	–	–

Note:

(1) The ASP is calculated by dividing the amounts before deduction under PV cell business (before the deduction of the purchase amount for silicon wafers under the Customer Supply Arrangements) by the sales volume excluding the sales volume related to the PV cell manufacturing services in the same period, for details, see "Business — Customer Supply Arrangements."

(2) The relatively higher average selling price of N-type TOPCon cells in Vietnam is driven by higher overseas cost structures, supply–demand conditions, and business model variations. Sales to Vietnam during the relevant period were primarily conducted under a customer supply arrangement with one of our customers, under which sales of N-type TOPCon cells were conducted on a dual-role basis whereby the same customer acted as both a supplier of silicon wafers and a purchaser of finished PV cells. For further details, see "Business – Customer Supply Arrangements". The selling price of N-type TOPCon cells comprised (i) the purchase price of silicon wafers supplied by the customer and (ii) a processing premium independently determined by us to reflect non-silicon raw material costs, manufacturing costs, labor costs and other market conditions. The silicon wafers supplied by such customer in Vietnam were priced at a level higher than the prevailing market price of comparable silicon wafers sourced through ordinary market channels. As the silicon wafer component constituted a portion of the total selling price, the relatively higher wafer procurement price directly resulted in a higher quoted average selling price on a per-watt basis. According to Frost & Sullivan, such customer supply arrangements and the associated pricing mechanisms are common industry practice in the global photovoltaic cell market, particularly during periods of rapid technology transition, and do not indicate preferential pricing or additional risks beyond those inherent in ordinary sales transactions. We are therefore of the view that the relatively higher average selling price of N-type TOPCon cells sold to Vietnam during the relevant period was commercially justified and consistent with prevailing market practices.

The differences in ASP between Chinese Mainland and overseas markets were primarily driven by variations in regional supply-demand dynamics and trade conditions. The PV cell market in Chinese Mainland experienced a relatively more pronounced supply surplus during the Track Record Period, resulting in relatively lower prevailing market prices and therefore lower ASP. In contrast, competition in certain overseas markets was comparatively less intense, according to Frost & Sullivan. In addition, trade policies and tariff measures in certain jurisdictions, such as the United States, restricted or increased the cost of exporting PV cells manufactured in Chinese Mainland. Leveraging our overseas production base, particularly our Indonesia production base, we were able to supply overseas customers more efficiently and participate in markets where supply-demand imbalance was less severe than in Chinese Mainland. As a result, the ASP of our PV cells in overseas markets was generally higher than that in Chinese Mainland. The specific reasons for the fluctuations in ASP by region are further discussed below.

P-type PERC cells

Chinese Mainland

Comparison between 2025 and 2024. Our revenue of P-type PERC cells generated from Chinese mainland decreased from RMB281.4 million in 2024 to RMB62.3 million in 2025, primarily due to our dynamic adjustment of the production of P-type PERC cells and transition to the production of N-type TOPCon cells, which was in line with the industry trend, according to Frost & Sullivan.

Comparison between 2024 and 2023. Our revenue of P-type PERC cells generated from Chinese mainland decreased by 97.0% from RMB9,304.0 million in 2023 to RMB281.4 million in 2024, primarily due to our transition from P-type PERC cells to N-type TOPCon cells, which resulted in an overall increase in revenue from N-type TOPCon cell and a corresponding decrease in revenue from P-type PERC cells. For details, see "— Revenue by Products and Services — Comparison between 2024 and 2023 — PV cells."

Overseas

Comparison between 2025 and 2024. Our revenue of P-type PERC cells generated from overseas markets decreased from RMB320.3 million in 2024 to RMB248.1 million in 2025, primarily due to our dynamic adjustment of the production of P-type PERC cells and transition to the production of N-type TOPCon cells, which was in line with the industry trend, according to Frost & Sullivan. In particular, the material fluctuations in our overseas revenue were mainly attributable to changes in sales in certain overseas regions, where revenue experienced relatively larger period-to-period variations, as analyzed below.

India. Our revenue generated from India decreased from RMB320.1 million in 2024 to RMB28.5 million in 2025. Such decrease was primarily attributable to a reduction in sales volume from approximately 1.3 GW to 0.1 GW, as Indian customers rapidly reduced procurement of P-type PERC products in favor of N-type alternatives. Although ASP increased from RMB0.24/W to RMB0.32/W, mainly due to preferential trade policies applicable to Indonesian-sourced products supplied to India, the increase in ASP was insufficient to offset the near-cessation of sales volume.

Vietnam. Our revenue generated from Vietnam decreased from RMB0.1 million in 2024 to nil in 2025. Such decrease was primarily attributable to the complete phase-out of P-type PERC products in the Vietnamese market.

United States. Our revenue generated from the United States increased from nil in 2024 to RMB217.6 million in 2025. Such increase was primarily attributable to the commencement of supply to a photovoltaic module manufacturer in North America that continues to produce P-type PERC modules, resulting in limited sales volumes during the period.

Others. Our revenue generated from other overseas regions increased to RMB2.1 million in 2025. Such revenue was primarily attributable to project-based processing and supply arrangements requiring traceable, Indonesian-origin P-type products for export-oriented module projects.

Comparison between 2024 and 2023. Our revenue of P-type PERC cells generated from overseas markets remained relatively stable at RMB341.5 million in 2023 and RMB320.3 million in 2024. In particular, the material fluctuations in our overseas revenue were mainly attributable to changes in sales in certain overseas regions, where revenue experienced relatively larger period-to-period variations, as analyzed below.

India. Our revenue generated from India increased from RMB264.0 million in 2023 to RMB320.1 million in 2024. The sales volume increased from approximately 0.5 GW in 2023 to approximately 1.3 GW in 2024 mainly attributable to the continued concentration of market demand

for P-type PERC products in India, as a significant portion of local photovoltaic module manufacturers experienced a relatively slow pace of production line upgrades toward N-type TOPCon technologies. Nevertheless, ASP decreased from RMB0.59/W to RMB0.24/W, primarily due to intensified market competition and declining upstream costs.

Vietnam. Our revenue generated from Vietnam decreased from RMB26.2 million in 2023 to RMB0.1 million in 2024. Such decrease was primarily attributable to the near-complete withdrawal of P-type PERC products from the Vietnamese market, as downstream module manufacturers accelerated production line upgrades and shifted procurement toward N-type technologies.

Singapore. Our revenue generated from Singapore decreased from RMB18.1 million in 2023 to nil in 2024, because demand for P-type products declined.

Thailand. Our revenue generated from Thailand decreased from RMB3.9 million in 2023 to nil in 2024, reflecting the accelerated phase-out of P-type products by downstream customers.

Others. Our revenue from other overseas regions decreased from RMB29.4 million in 2023 to RMB73 thousand in 2024, reflecting only residual sales during the transition period.

N-type TOPCon cells

Chinese Mainland

Comparison between 2025 and 2024. Our revenue of N-type TOCon cells generated from Chinese mainland increased by 29.9% from RMB3,392.1 million in 2024 to RMB4,407.7 million in 2025, primarily due to (i) the growth in the market demand for our N-type TOCon cells and (ii) an increase in our effective production capacity for N-type TOCon cells. For details, see "— Revenue by Products and Services — Comparison between 2025 and 2024 — PV cells."

Comparison between 2024 and 2023. Our revenue of N-type TOPCon cells generated from Chinese mainland increased significantly from RMB744.1 million in 2023 to RMB3,392.1 million in 2024, primarily due to our transition from P-type PERC cells to N-type TOPCon cells, which resulted in an overall increase in revenue from N-type TOPCon cell and a corresponding decrease in revenue from P-type PERC cells. For details, see "— Revenue by Products and Services — Comparison between 2024 and 2023 — PV cells."

Overseas

Comparison between 2025 and 2024. Our revenue of N-type TOPCon cells generated from overseas markets increased significantly from RMB147.8 million in 2024 to RMB3,268.3 million in 2025, primarily due to (i) a significant increase in sales volume, as a result of the commencement of operation of our product base in Indonesia in November 2024; and (ii) relatively high average selling price of N-type TOPCon cells of RMB0.45/W in 2025, as compared to that of RMB0.62/W in 2024. In particular, the material fluctuations in our overseas revenue were mainly attributable to changes in sales in certain overseas regions, where revenue experienced relatively larger period-to-period variations, as analyzed below.

India. Our revenue generated from India increased significantly from RMB4.4 million in 2024 to RMB1,006.7 million in 2025. Such increase was primarily attributable to a substantial increase in sales volume from approximately 0.0GW to approximately 3.2 GW, following the completion of customer product certification and the establishment of a dedicated overseas sales organization. In addition, due to overall market price adjustments amid competitive industry conditions, we recorded a decrease in ASP from RMB0.44/W to RMB0.32/W.

Vietnam. Our revenue generated from Vietnam increased significantly from RMB31.2 million in 2024 to RMB387.6 million in 2025. Such increase was primarily attributable to a substantial increase in sales volume from 0.1 GW to approximately 0.7 GW, primarily driven by expanded orders from Customer H under Customer Supply Arrangements. For further details, see "Business – Customer Supply Arrangements".

United States. Our revenue generated from the United States increased significantly from RMB105.4 million in 2024 to RMB1,027.1 million in 2025. Such increase was primarily attributable to an increase in sales volume from 0.2GW to approximately 1.6 GW. The increase was driven by (i) our continued expansion of business development efforts in the U.S., which enabled us to progressively penetrate the local photovoltaic market and secure orders from U.S.-based module manufacturers; (ii) the establishment and operation of local warehousing and after-sales support capabilities in the U.S., which significantly enhanced our ability to provide timely delivery, localized services and more flexible fulfillment arrangements; and (iii) growing procurement demand from customers.

Singapore. Our revenue generated from Singapore increased from nil in 2024 to RMB337.1 million in 2025. The increase was primarily attributable to the ramp-up of overseas sales coverage and trading-based supply arrangements with overseas module manufacturers operating through Singapore entities.

Thailand. Our revenue generated from Thailand increased from nil in 2024 to RMB179.3 million in 2025, primarily attributable to successful development of module manufacturing customers.

Indonesia. Our revenue generated from Indonesia increased from RMB11 thousand in 2024 to RMB187.6 million in 2025, driven by localized customer development following the ramp-up of our Indonesian production base.

Others. Our revenue generated from other overseas regions increased from RMB6.9 million in 2024 to RMB143.0 million in 2025, reflecting the conversion of early-stage introductions into larger procurement orders.

Comparison between 2024 and 2023. Our revenue of N-type TOPCon cells generated from overseas markets increased significantly from RMB1 thousand in 2023 to RMB147.8 million in 2024, primarily due to our transition from P-type PERC cells to N-type TOPCon cells, which resulted in an overall increase in revenue from N-type TOPCon cell and a corresponding decrease in revenue from P-type PERC cells. For details, see "— Revenue by Products and Services — Comparison between 2024 and 2023 — PV cells." In particular, the material fluctuations in our overseas revenue were mainly attributable to changes in sales in certain overseas regions, where revenue experienced relatively larger period-to-period variations, as analyzed below.

India. Our revenue generated from India increased from nil in 2023 to RMB4.4 million in 2024. Such increase was primarily attributable to the initial product introduction and customer certification phase in the Indian market.

Vietnam. Our revenue generated from Vietnam increased from RMB1 thousand in 2023 to RMB31.2 million in 2024. Such increase was primarily attributable to the commencement of sales following successful product introduction, with sales volume increasing from 0.0GW to approximately 0.1 GW.

United States. Our revenue generated from the U.S. increased from nil in 2023 to RMB105.4 million in 2024. Such increase was primarily attributable to the commencement of sales facilitated by a supply chain service provider, which procured products from us to support increased procurement demand from a North America–based photovoltaic module manufacturer. Sales volume

increased to approximately 0.2 GW, while the ASP of RMB0.59/W reflected additional compliance, traceability and logistics costs associated with the U.S. market. Pricing during the period remained relatively conservative as we prioritized customer onboarding and production line qualification.

Indonesia. Our revenue generated from Indonesia increased from nil in 2023 to RMB11 thousand in 2024, representing initial overseas market testing activities.

Others. Our revenue generated from other overseas regions increased from nil in 2023 to RMB6.9 million in 2024, primarily attributable to early-stage product introduction and sample or trial orders from overseas customers.

N-type xBC cells

Chinese Mainland

Our revenue of N-type xBC cells generated from Chinese mainland increased from nil in 2024 to RMB277.7 million in 2025 as we delivered the first-batch new products during the period in Chinese mainland. See "Business — Our Products — PV Cell Products — N-type xBC Cells" for details.

Cost of Sales

Our cost of sales consists of (i) cost of raw materials, mainly including silicon wafers, metallic pastes, silicon rods and other materials such as consumables, packaging materials and spare elements, (ii) manufacturing costs, (iii) staff costs, (iv) impairment loss on inventory and (v) others. The table below sets forth a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of total cost of sales for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Cost of sales						
Cost of raw materials	8,466,440	88.4	3,694,642	78.9	5,791,504	80.6
Manufacturing costs	801,657	8.4	657,476	14.0	958,667	13.3
Staff costs	214,838	2.2	214,819	4.6	147,277	2.0
Impairment loss on inventory	72,761	0.8	79,802	1.7	14,604	0.2
Others[(1)]	18,518	0.2	34,507	0.8	278,904	3.9
Total	**9,574,214**	**100.0**	**4,681,246**	**100.0**	**7,190,956**	**100.0**

Note:

(1) Primarily include freight expenses.

Comparison between 2025 and 2024: Our cost of sales increased by 53.6% from RMB4,681.2 million in 2024 to RMB7,191.0 million in 2025, which was primarily due to (i) an increase in cost of raw materials for the expansion of production capacity led to higher production volume which in turn resulted in increased raw material consumption and (ii) an increase in manufacturing costs including increase in depreciation of production facilities and utilities expenses. The increase in cost of sales was in line with the revenue increase for the same period.

Comparison between 2024 and 2023: Our cost of sales decreased by 51.1% from RMB9,574.2 million in 2023 to RMB4,681.2 million in 2024, primarily due to (i) a decrease in cost of raw materials as the average selling price of silicon wafers used in production of P-type PERC cells decreased from RMB1.5/piece in 2023 to RMB1.0/piece in 2024 and the average selling price of silicon wafers used in production of N-type TOPCon cells decreased from RMB1.4/piece in 2023

to RMB1.1/piece in 2024, according to Frost & Sullivan, and (ii) a decrease in manufacturing costs due to improved production efficiency resulted from upgrade in production facilities. The decrease in cost of sales was in line with the revenue decrease for the same period.

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

Gross Profit/(Loss) and Gross Profit/(Loss) Margin by Products and Services

The table below sets forth a breakdown of our gross profit/(loss) and gross profit/(loss) margin by products for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
PV cells						
N-type TOPCon cells	(158,451)	(21.3)	(260,148)	(7.3)	1,376,502	17.9
P-type PERC cells	1,057,385	11.0	(104,050)	(17.3)	47,726	15.4
N-type xBC cells	–	–	–	–	32,809	11.8
Others[(1)]	**20,750**	**19.9**	**41,704**	**19.2**	**64,688**	**14.4**
Total	**919,684**	**8.8**	**(322,494)**	**(7.4)**	**1,521,725**	**17.5**

Note:
(1) Primarily include PV cell manufacturing services and sales of silicon wafers.

We recorded a gross loss of RMB322.5 million in 2024. In 2025, we recorded gross profit of RMB1,521.7 million.

Comparison between 2025 and 2024: Our gross profit margin was 17.5% in 2025, compared with gross loss margin of 7.4% in 2024, primarily due to an increase in gross profit of N-type TOPCon cells.

PV Cells

P-type PERC cells: Our gross margin of P-type PERC cells improved from a gross loss margin of 17.3% in 2024 to a gross profit margin of 15.4% in 2025, primarily attributable to higher ASP and improved margins in overseas markets.

N-type TOPCon cells: Our gross loss margin of N-type TOPCon cells was 7.3% in 2024, compared with gross profit margin of 17.9% in 2025, primarily due to: (i) a decrease by 16.7% in average cost of sales of N-type TOPCon cells from RMB0.30/W in 2024 to RMB0.25/W in 2025, which resulted from: (a) a decrease in cost of raw materials due to the decrease in the purchase price of silicon wafers to relatively lower level, which was in line with the industry trend. For instance, the unit purchase price of silicon wafers for N-type TOPCon cells decreased from RMB0.16/W in 2024 to RMB0.15/W in 2025. See "Industry Overview — Analysis of PV Cell Industry — Raw Materials Analysis of PV Cells." The price spread between the average of average selling price of N-type TOPCon cells and the unit purchase price of silicon wafers increased from RMB0.12/W in 2024 to RMB0.15/W in 2025; and (b) the decrease in manufacturing costs and labor costs due to economies of scale; (ii) the increase in the overseas revenue proportion of N-type TOPCon cells with relatively higher gross profit margin compared with those in domestic markets.

N-type xBC cells: We did not sell N-type xBC cells in 2024, and we recorded a gross profit margin of 11.8% in 2025, as we delivered the first-batch new products during the period. See "Business — Our Products — PV Cell Products — N-type xBC Cells" for details.

Others

Our gross profit margin of others decreased from 19.2% in 2024 to 14.4% in 2025, primarily due to the decrease in gross profit margin of PV cell manufacturing services.

Comparison between 2024 and 2023: Our gross loss margin of 7.4% in 2024, compared with a gross profit margin was 8.8% in 2023, primarily due to the increase in gross loss margin of P-type PERC cells, which was partially offset by the decrease in gross loss margin of N-type TOPCon cells.

PV Cells

P-type PERC cells: Our gross loss margin of P-type PERC cells was 17.3% in 2024, compared with a gross profit margin of in 2023 was 11.0%, primarily due to a decrease in average selling price of P-type PERC cells due to from RMB0.67/W (exclusive of tax) in 2023 to RMB0.25/W (exclusive of tax) in 2024, which was primarily due to a decrease in the prevailing market price of P-type PERC cells. Such decrease was primarily caused by (a) competitive market condition in 2024 and (b) a decrease in the unit purchase price of silicon wafers from RMB0.44/W in 2023 to RMB0.19/W in 2024, which was in line with the industry trend, according to Frost & Sullivan. For details, see "Industry Overview — Analysis of PV Cell Industry — Development Trends of PV Cell Market" and "Industry Overview —Analysis of PV Cell Industry — Price Analysis of PV Cells". The price spread between the average of average selling price of P-type PERC cells and the unit purchase price of silicon wafers decreased from RMB0.23/W in 2023 to RMB0.06/W in 2024.

N-type TOPCon cells: Our gross loss margin of N-type TOPCon cells decreased from 21.3% in 2023 to 7.3% in 2024, primarily due to a decrease in average cost of sales resulted from (a) a decrease in cost of raw materials due to the decrease in the average selling price of silicon wafers to relatively lower level, see "Industry Overview — Analysis of PV Cell Industry — Raw Materials Analysis of PV Cells", and (b) the decrease in manufacturing costs and labor costs due to economies of scale, which was partially offset by a decrease in average selling price.

Others

Our gross profit margin of others remained stable at 19.9% in 2023 and 19.2% in 2024.

Gross Profit/(Loss) and Gross Profit/(Loss) Margin by Geographical Region

The table below sets forth a breakdown of the gross profit/(loss) and gross profit/(loss) margin of our products and services by geographical regions, based on the delivery address designated by our customers, for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
PV cells						
N-type TOPCon cells	**(158,451)**	**(21.3)**	**(260,148)**	**(7.3)**	**1,376,502**	**17.9**
Chinese Mainland	(158,451)	(21.3)	(339,934)	(8.0)	468,945	10.6
Overseas	–	–	79,786	54.0	907,557	27.8
– India	–	–	(139)	(3.2)	106,365	10.6

	Year Ended December 31,					
	2023		2024		2025	
	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin	Gross Profit/ (Loss)	Gross Profit/ (Loss) Margin
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
– Vietnam	–	–	25,598	58.4	198,016	51.1
– U.S.	–	–	52,685	50.0	376,548	36.7
– Singapore	–	–	–	–	104,967	31.1
– Thailand	–	–	–	–	70,841	39.5
– Indonesia	–	–	6	54.5	36,081	19.2
– Others	–	–	1,636	23.9	14,739	10.3
P-type PERC cells	**1,057,385**	**11.0**	**(104,050)**	**(17.3)**	**47,726**	**15.4**
Chinese Mainland	1,017,011	10.9	(34,350)	(12.2)	(14,239)	(22.9)
Overseas	40,374	11.8	(69,700)	(21.8)	61,965	25.0
– India	29,409	11.1	(69,681)	(21.8)	2,408	8.5
– Vietnam	4,400	16.8	(24)	(18.9)	–	–
– U.S.	–	–	–	–	58,900	27.1
– Singapore	1,716	9.5	–	–	–	–
– Thailand	(47)	(1.2)	–	–	–	–
– Indonesia	–	–	–	–	–	–
– Others	4,896	16.7	5	6.9	657	31.9
N-type xBC cells	**–**	**–**	**–**	**–**	**32,809**	**11.8**
Chinese Mainland	–	–	–	–	32,809	11.8
Overseas	–	–	–	–	–	–
– India	–	–	–	–	–	–
– Vietnam	–	–	–	–	–	–
– U.S.	–	–	–	–	–	–
– Singapore	–	–	–	–	–	–
– Thailand	–	–	–	–	–	–
– Indonesia	–	–	–	–	–	–
– Others	–	–	–	–	–	–
Others[(1)]	**20,750**	**19.9**	**41,704**	**19.2**	**64,688**	**14.4**
Total	**919,684**	**8.8**	**(322,494)**	**(7.4)**	**1,521,725**	**17.5**

Note:
(1) Primarily include PV cell manufacturing services and sales of silicon wafers.

The gross profit margin of our PV cells sold in overseas markets was generally higher than in Chinese mainland, primarily because the average selling price of PV cells sold in overseas markets was relatively high, which was in line with the industry trend. According to Frost & Sullivan, the market price of PV cells sold in overseas markets was relatively high, primarily because (i) major overseas markets, in particularly, India, Vietnam and the U.S., did not have supply-demand surplus or had smaller supply-demand surplus than Chinese mainland; and (ii) the cost of sales of PV cell manufacturers in overseas markets was higher than in Chinese mainland.

P-type PERC cells

Chinese Mainland

Comparison between 2025 and 2024. Our gross loss margin of P-type PERC cells sold in China turned from 12.2% in 2024 to 22.9% in 2025, primarily due to our dynamic suspension of the production of P-type PERC cells and transition to the production of N-type TOPCon cells, which was in line with the industry trend, according to Frost & Sullivan, coupled with our capacity ramp-up.

Comparison between 2024 and 2023. We recorded gross profit margin of P-type PERC cells sold in China of 10.9% in 2023 and gross profit loss of P-type PERC cells sold in China of 12.2% in 2024, primarily due to a 60.3% decrease in the average selling price of P-type PERC cells sold in China from RMB0.68/W in 2023 to RMB0.27/W in 2024. Such decrease in the average selling price was primarily caused by caused by (a) competitive market condition in 2024 and (b) a decrease in the unit purchase price of silicon wafers, which was in line with the industry trend globally, according to Frost & Sullivan.

Overseas

Comparison between 2025 and 2024. We recorded gross loss margin of P-type PERC cells sold overseas of 21.8% in 2024 and gross profit margin of P-type PERC cells sold overseas of 25.0% in 2025, primarily due to (a) our dynamic adjustment of the production of P-type PERC cells and transition to the production of N-type TOPCon cells, which was in line with the industry trend, according to Frost & Sullivan and (b) an increase in average selling price of P-type PERC cells in relation to our refined selling price strategy for P-type PERC cells sold overseas, partially offset by our capacity ramp-up. In particular, the material fluctuations in our overseas gross profit/(loss) margin were mainly attributable to changes in gross profit/(loss) margin in certain overseas regions, as analyzed below.

India. We recorded a gross profit margin of 8.5% from sales of P-type PERC cells in India in 2025, compared to a gross loss margin of 21.8% in 2024. Such improvement was primarily due to higher average selling prices for Indonesian-origin P-type PERC cells supplied to India, which benefited from applicable tax advantages.

Comparison between 2024 and 2023. We recorded gross profit margin of P-type PERC cells sold overseas of 11.8% in 2023 and gross profit loss of P-type PERC cells sold overseas of 21.8% in 2024, primarily due to a 61.3% decrease in the average selling price of P-type PERC cells sold overseas from RMB0.62/W in 2023 to RMB0.24/W in 2024. Such decrease in the average selling price was primarily caused by caused by (a) competitive market condition in 2024 and (b) a decrease in the unit purchase price of silicon wafers, which was in line with the industry trend globally, according to Frost & Sullivan. In particular, the material fluctuations in our overseas gross profit margin were mainly attributable to changes in gross profit margin in certain overseas regions, as analyzed below.

India. We recorded a gross loss margin of 21.8% from sales of P-type PERC cells in India in 2024, compared to a gross profit margin of 11.1% in 2023. This was primarily attributable to oversupply in the P-type PERC market, resulting in a decline in ASP that exceeded cost reductions across the supply chain.

Vietnam. We recorded a gross loss margin of 18.9% from sales of P-type PERC cells in Vietnam in 2024, compared to a gross profit margin of 16.8% in 2023. Such deterioration was primarily attributable to a decline in sales volume as P-type PERC products were phased out in the Vietnamese market.

N-type TOPCon cells

Chinese Mainland

Comparison between 2025 and 2024. We recorded gross profit loss of N-type TOPCon cells sold in China of 8.0% in 2024 and gross profit margin of N-type TOPCon cells sold in China of 10.6% in 2025, primarily due to a decrease in cost of raw materials due to the decrease in the purchase price of silicon wafers to relatively lower level, which was in line with the industry trend globally. See "— Gross Profit/(Loss) and Gross Profit/(Loss) Margin by Products and Services — Comparison between the 2025 and 2024 — PV cells" for details.

Comparison between 2024 and 2023. The gross profit loss margin of N-type TOPCon cells sold in China decreased from 21.3% in 2023 to 8.0% in 2024, primarily due to a decrease in average cost of sales which resulted from (i) a decrease in cost of raw materials due to the decrease in the unit purchase price of silicon wafers to relatively lower level, which was in line with the industry trend globally, according to Frost & Sullivan; and (ii) a decrease in manufacturing costs and labor costs due to economies of scale. Such decrease in average cost of sales was partially offset by a decrease in average selling price. See "— Gross Profit/(Loss) and Gross Profit/(Loss) Margin by Products and Services — Comparison between 2024 and 2023 — PV cells" for details.

N-type TOPCon cells

Overseas

Comparison between 2025 and 2024. We recorded gross profit margin of N-type TOPCon cells sold overseas of 54.0% in 2024 and gross profit margin of N-type TOPCon cells sold overseas of 27.8% in 2025. In particular, the material fluctuations in our overseas gross profit/(loss) margin were mainly attributable to changes in gross profit/(loss) margin in certain overseas regions, as analyzed below.

India. The gross profit margin of our N-type TOPCon cells in India improved from a gross loss margin of approximately 3.2% in 2024 to a gross profit margin of approximately 10.6% in 2025. Such improvement was primarily attributable to higher average selling prices supported by preferential tax treatment applicable to cells supplied from our overseas manufacturing base into the Indian market, resulting in pricing levels that were higher than those in the domestic market during the same period.

Vietnam. The gross profit margin of our N-type TOPCon cells in Vietnam remained stable from approximately 58.4% in 2024 to approximately 51.1% in 2025. The relatively higher gross profit margin in Vietnam was primarily attributable to our sales to Customer H. Customer H further processes the products purchased from us and sells the finished products to overseas markets such as the United States, where PV products generally command higher selling prices and gross profit margins. In mid-2024, we entered into a one-year supply agreement with Customer H, under which Customer H made an advance payment for the procurement of N-type TOPCon cells and the purchase price was predetermined, with priority supply from our Indonesia production base. Following the signing of the agreement, the prevailing market price of N-type TOPCon cells declined due to market conditions, while the contracted selling price to Customer H remained unchanged, resulting in a relatively higher gross profit margin for the relevant sales transactions. In addition, most of our transactions with Customer H were contracted before June 2025, when PV products imported from Indonesia into the United States were not subject to additional tariffs. After such tariffs were imposed, we bore the additional tariff costs for certain shipments under the existing contractual arrangements, which resulted in a reduction in the ASP and gross profit margin of the relevant sales.

United States. The gross profit margin of our N-type TOPCon cells in the United States decreased from approximately 50.0% in 2024 to approximately 36.7% in 2025. This was primarily attributable to the transition from initial customer qualification and pilot orders in 2024, which carried higher pricing premiums, to large-scale commercial supply in 2025 with more market-based pricing.

Thailand. We did not record sales of our N-type TOPCon cells in Thailand in 2024. The gross profit margin of our N-type TOPCon cells in Thailand was approximately 39.5% in 2025, which was relatively higher primarily because the end customers of our Thai customers were located in the United States, where products supplied to the U.S. market generally commanded higher ASP and gross profit margins.

Singapore. We did not record sales of our N-type TOPCon cells in Singapore in 2024. The gross profit margin of our Ntype TOPCon cells in Singapore was approximately 31.1% in 2025, which was relatively higher primarily because the end customers of our Singapore customers were located in the United States, where products supplied to the U.S. market generally commanded higher ASP and gross profit margins.

Comparison between 2024 and 2023. The gross profit margin of N-type TOPCon cells sold overseas increased from nil in 2023 to 54.0% in 2024 as we started to sell N-type TOPCon cells sold overseas in 2024.

N-type xBC cells

Chinese Mainland

We recorded gross profit margin of N-type xBC cells of nil in 2024 and 11.8% in 2025, as we delivered the first-batch new products during the period. See "Business — Our Products — PV Cell Products — N-type xBC Cells" for details.

Other Income and Gains

The table below sets forth a breakdown of our other income and gains, both in absolute amounts and as percentages of our total other income and gains for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Other income						
Government grants	77,206	51.9	41,083	38.6	153,385	56.2
Bank interest income	39,962	26.9	20,025	18.8	18,505	6.8
Extra deduction of input VAT	17,531	11.8	2,181	2.0	40,832	15.0
Others	2,935	2.0	4,913	4.6	5,716	2.1
Total other income	**137,634**	**92.6**	**68,202**	**64.0**	**218,438**	**80.1**
Gains						
Foreign exchange gains, net	1,820	1.2	–	–	–	–
Fair value gains on financial assets at FVTPL, net	8,902	6.0	4,869	4.6	3,007	1.1
Gains on commodity futures	–	–	12,318	11.6	21,167	7.8
Compensation income for breach of contract[(1)]	231	0.2	9,769	9.2	4,025	1.5
Gain on disposal of items of property, plant and equipment	–	–	11,060	10.4	4,245	1.6
Gain on modification of a lease contract	–	–	–	–	21,781	8.0
Others	80	0.0	322	0.3	187	0.1
Total gains	**11,033**	**7.4**	**38,338**	**36.0**	**54,412**	**19.9**
Total other income and gains	**148,667**	**100.0**	**106,540**	**100.0**	**272,850**	**100.0**

Note:

(1) Primarily refer to compensation we received for our damages related to contract breach by counterparties. The amount of such compensation was RMB9.8 million in 2024, primarily consisting of (i) compensation from a counterparty for breach of a raw material procurement contract and (ii) compensation from a counterparty for breach of a manufacturing equipment procurement contract.

Comparison between 2025 and 2024: Our other income and gains increased by 156.2% from RMB106.5 million in 2024 to RMB272.9 million in 2025, primarily due to an increase in government grants, mainly including the non-recurring grants received from the local governments in connection with the support and incentives for enterprise development and innovation capability. The non-recurring grants in connection with the support and incentives for enterprise development and innovation capability was granted by local government for supporting enterprises' technology innovation and business development. We received the grant in 2023 and 2025, primarily because our local plant commenced production in the respective period.

Comparison between 2024 and 2023: Our other income and gains decreased by 28.4% from RMB148.7 million in 2023 to RMB106.5 million in 2024, primarily due to (i) a decrease in government grants received from local governments in connection with the support and incentives for enterprise development and innovation capability; (ii) a decrease in bank interest income as a result of a decrease in our bank deposits during the year, notwithstanding a slight increase in pledged deposits, as our overall cash and cash equivalents declined from 2023 to 2024; and (iii) a decrease in extra deduction of VAT.

Selling and Distribution Expenses

Our selling and distribution expenses consist of (i) employee salaries and benefits expenses, (ii) travelling expenses, (iii) entertainment expenses, (iv) advertising expenses, and (v) others. The table below sets forth a breakdown of our selling and distribution expenses, both in absolute amounts and as percentages of total selling and distribution expenses for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Selling and distribution expenses						
Employee salaries and benefits expenses	5,403	49.0	6,919	45.6	12,990	59.7
Travelling expenses	2,164	19.6	4,905	32.2	4,099	18.8
Entertainment expenses	1,615	14.6	962	6.3	1,502	6.9
Advertising expenses	1,243	11.2	1,527	10.0	1,656	7.6
Others	624	5.6	905	5.9	1,530	7.0
Total	**11,049**	**100.0**	**15,218**	**100.0**	**21,777**	**100.0**

Comparison between 2025 and 2024: Our selling and distribution expenses increased by 43.4% from RMB15.2 million in 2024 to RMB21.8 million in 2025, primarily due to higher performance-based compensation for our sales personnel, as well as the expansion of our sales team and the growth in sales volume.

Comparison between 2024 and 2023: Our selling and distribution expenses increased by 38.2% from RMB11.0 million in 2023 to RMB15.2 million in 2024, primarily due to (i) an increase in employee salaries and benefits expenses due increase in selling and marketing personnel, (ii) an increase in travelling expenses and (iii) an increase in advertising expense attributable to our overseas expansion strategy.

Administrative Expenses

Our administrative expenses consist of (i) employee salaries and benefits expenses, (ii) depreciation and amortization expenses, (iii) tax and surcharges, (iv) share-based payment expense, (v) consulting service expenses, (vi) listing expenses and (vii) others. The table below sets forth a breakdown of our administrative expenses, both in absolute amounts and as percentages of total administrative expenses for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Administrative expenses						
Employee salaries and benefits expenses	58,072	38.1	70,852	33.6	120,303	42.5
Depreciation and amortization expenses	17,517	11.5	51,008	24.1	32,617	11.5
Tax and surcharges	24,894	16.3	28,855	13.6	33,301	11.8
Share-based payment expenses	11,228	7.4	8,871	4.2	12,988	4.6
Consulting service expenses	8,538	5.6	11,021	5.2	10,637	3.8
Listing Expense	–	–	–	–	9,674	3.4

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Others	32,176	21.1	40,880	19.3	63,215	22.4
Total	**152,425**	**100.0**	**211,487**	**100.0**	**282,735**	**100.0**

Comparison between 2025 and 2024: Our administrative expenses increased by 33.7% from RMB211.5 million in 2024 to RMB282.7 million in 2025, primarily due to (i) an increase in employee salaries and benefits expenses due to the increased personnel driven by the increase in administrative personnel in the newly-established manufacturing bases, and (ii) an increase in others as a result of increased office expenses in line with the expansion of our business operations.

Comparison between 2024 and 2023: Our administrative expenses increased by 38.8% from RMB152.4 million in 2023 to RMB211.5 million in 2024, primarily due to (i) an increase in employee salaries and benefits expenses due to the increased personnel driven by the increase in administrative personnel in the newly-established manufacturing bases, and (ii) an increase in depreciation and amortization expenses primarily because (i) we ceased several production lines in Tianchang Base and related depreciation of property and land was recorded under administrative expenses; and (ii) the completion of our Yibin Base led to an increase in administrative assets, resulting in higher depreciation.

Research and Development Costs

Our research and development costs consist of (i) materials consumed, (ii) staff costs, (iii) depreciation and amortization, and (iv) others. The table below sets forth a breakdown of our research and development costs, both in absolute amounts and as percentages of total research and development costs for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Research and development costs						
Materials consumed	108,997	49.7	173,999	61.9	251,035	68.4
Staff costs	76,602	34.9	76,270	27.1	83,858	22.8
Depreciation and amortization	31,068	14.2	23,556	8.4	20,811	5.7
Others	2,660	1.2	7,193	2.6	11,297	3.1
Total	**219,327**	**100.0**	**281,018**	**100.0**	**367,001**	**100.0**

Comparison between 2025 and 2024: Our research and development costs increased by 30.6% from RMB281.0 million in 2024 to RMB367.0 million in 2025, primarily due to an increase in materials consumed.

Comparison between 2024 and 2023: Our research and development costs increased by 28.1% from RMB219.3 million in 2023 to RMB281.0 million in 2024, primarily due to an increase in materials consumed.

Other Expenses

Our other expenses consist of (i) loss on disposal of property, plant and equipment; (ii) impairment loss on property, plant and equipment, (iii) foreign exchange losses, net, (iv) fair value losses on commodity futures and (v) others. The table below sets forth a breakdown of our other expenses for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Other expenses						

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Loss on disposal of property, plant and equipment	914	0.5	–	–	–	–
Impairment loss on property, plant and equipment[(1)]	161,897	91.4	207,983	97.3	–	–
Foreign exchange losses, net	–	–	764	0.4	62,726	94.8
Losses on commodity futures	11,563	6.5	–	–	–	–
Others	2,690	1.6	4,948	2.3	3,423	5.2
Total	**177,064**	**100.0**	**213,695**	**100.0**	**66,149**	**100.0**

Note:

(1) Primarily refer to the inventory write-downs recognized as a result of the cessation of production at our Ruineng plants in October 2023 and Desheng plant in October 2024, both of which form part of the production capacity of our Tianchang Base, following impairment testing. See "Business — Production — Our Production Base."

Comparison between 2025 and 2024: Our other expenses decreased from RMB213.7 million in 2024 to RMB66.1 million in 2025, primarily due to a decrease in impairment loss on property, plant and equipment.

Comparison between 2024 and 2023: Our other expenses increased from RMB177.1 million in 2023 to RMB213.7 million, primarily due to an increase in impairment loss on property, plant and equipment.

Finance Costs

Our finance costs consist of (i) interest on bank borrowings, (ii) expense on discounting bills receivables and (iii) others. The table below sets forth details of our finance costs, both in absolute amounts and as percentages of our total finance costs, for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Interest on bank borrowings	6,822	60.2	11,702	34.1	35,159	52.5
Interest on lease liabilities	–	–	–	–	5,157	7.7
Others	2,544	22.5	9,480	27.6	11,608	17.3
Expense on discounting bills receivables	1,962	17.3	13,183	38.3	15,053	22.5
Total	**11,328**	**100.0**	**34,365**	**100.0**	**66,977**	**100.0**

Comparison between 2025 and 2024: Our finance costs increased from RMB34.4 million in 2024 to RMB67.0 million in 2025, primarily due to (i) an increase in interest on bank borrowings due to increased bank loans and (ii) an increase in others primarily including amounts due to a non-controlling shareholder.

Comparison between 2024 and 2023: Our finance costs increased from RMB11.3 million in 2023 to RMB34.4 million in 2024, primarily due to (i) an increase in interest on bank borrowings resulted from increased bank loans; (ii) an increase in expenses on discounting bills receivables and (iii) an increase in others primarily including amounts due to a non-controlling shareholder.

Impairment Losses on Financial Assets

In 2023 and 2024, we recorded impairment losses of RMB2.4 million and RMB0.7 million, respectively, mainly attributable to the increase in overseas sales, which led to a higher balance of accounts receivable from overseas customers. Impairment losses on financial assets amounted to RMB0.7 million and RMB12.2 million in the 2024 and 2025, respectively, primarily due to the increase in trade and bills receivables, which expanded our overall credit exposure.

Income Tax Expense/(Credit)

The table below sets forth a breakdown of our income tax expense/(credit) for the periods indicated:

	Year Ended December 31,					
	2023		2024		2025	
	RMB'000	*(%)*	*RMB'000*	*(%)*	*RMB'000*	*(%)*
Current						
Charge for the year	38,720	45.6	869	(0.8)	174,475	143.9
Adjustments for previous periods	–	–	–	–	14,653	12.1
Deferred tax	46,233	54.4	(109,058)	100.8	(67,881)	(56.0)
Total	**84,953**	**100.0**	**(108,189)**	**100.0**	**121,247**	**100.0**

In 2023, 2024 and 2025, our effective tax rates, calculated as our income tax expense/(credit) divided by our profit before tax, were 17.2%, 11.1%, and 12.4%, respectively, which were lower than the 25% statutory rate primarily because we and certain subsidiaries enjoyed preferential tax treatments. See Note 11 to "Appendix I — Accountants' Report".

We recognized income tax expense of RMB85.0 million in 2023 primarily due to a decrease in current tax expenses, which was partially offset by an increase in deferred tax. We recognized income tax credit of RMB108.2 million in 2024, primarily due to a decrease in deferred tax expenses. We recognized income tax expense of RMB121.2 million in 2025, primarily due to an increase in current tax expense, which was mainly attributable to the significant increase in our overseas profits during the year.

Profit/(Loss) For the Year

As a result of the foregoing, we record profit for the year of RMB409.8 million in 2023. We recorded loss for the year of RMB864.2 million in 2024. We recorded profit for the year of RMB856.5 million in 2025.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our use of cash was primarily related to operating activities and capital expenditure. We have historically financed our operations through cash generated from our operating activities and financing activities. As of December 31, 2025, we had RMB655.2 million of available cash and cash equivalents. Our available cash and cash equivalents comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash. See Note 22 to "Appendix I — Accountants' Report" for more details. Our Directors are of the opinion that, taking into account the financial resources available to us, including our cash and cash equivalents on hand, cash generated from operations and the estimated net [**REDACTED**] from the [**REDACTED**], we have sufficient working capital to meet our present requirements, that is, for the next 12 months from the date of the [**REDACTED**].

Cash Flows Analysis

The following table sets forth selected cash flow statement information for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net cash flows from operating activities	72,259	113,151	52,672
Net cash flows used in investing activities	(1,149,574)	(1,515,839)	(982,489)
Net cash flows from financing activities	411,281	1,227,634	923,047
Net increase/decrease in cash and cash equivalents	(666,034)	(175,054)	(6,770)
Cash and cash equivalents at the beginning of the year	1,505,904	840,294	666,451
Effect of foreign exchange rate changes, net	424	1,211	(4,529)
Cash and cash equivalents at the end of the year	840,294	666,451	655,152

Operating Activities

Our cash flows from operating activities reflect our profit before tax adjusted for: (i) non-cash or non-operating items such as depreciation of property, plant and equipment, (ii) the effects of movement in working capital such as inventories, trade and bills receivables and trade and bills payables and (iii) other cash items such as income tax paid.

In 2025, we had net cash flows from operating activities of RMB52.7 million, which primarily consisted of profit before tax of RMB977.8 million, as adjusted for: (i) non-cash and non-operating items such as gain on lease modification of RMB21.8 million, gains on commodity futures of RMB21.2 million and interest income of RMB18.5 million, which was partially offset by depreciation of property, plant and equipment of RMB630.1 million, and (ii) the effects of movement in working capital such as an increase in trade and bills receivables of RMB1,258.1 million, an increase in inventories of RMB755.3 million and an increase in pledged deposits of RMB331.3 million, which was partially offset by an increase in trade and bills payables of RMB1,023.9 million. The above changes in working capital in 2025 resulted in our recording net cash inflows from operating activities during the year and were mainly attributable to the expansion of our operations. New production capacity was added in 2025, including newly commissioned production lines and the enlarged production at Indonesian production base, resulting in higher levels of raw materials and inventories compared to the end of the prior year. The increase in pledged deposits was primarily due to bill margin requirements. Certain subsidiaries established in 2025 were required to provide full cash collateral for bills issued. Additionally, the increase in trade and bills receivables was in line with the growth in our sales, as domestic sales are mainly settled through bills receivable, leading to a higher balance of bills receivable during the period. Going forward, we expect to further improve our net operating cash outflow position by optimizing our financing structure (including reducing reliance on bank acceptance bills and lowering deposit ratios), strengthening inventory management and accelerating inventory turnover, negotiating more favorable payment terms with suppliers, and enhancing overall operational efficiency to reduce unnecessary costs and expenses.

In 2024, we had net cash flows from operating activities of RMB113.2 million, which primarily consisted of loss before tax of RMB972.4 million, as adjusted for: (i) non-cash and non-operating items such as depreciation of property, plant and equipment of RMB585.5 million and impairment loss on property, plant and equipment of RMB208.0 million, and (ii) the effects of movement in working capital such as an increase in trade and bills payables of RMB1,311.7 million, which was partially offset by an increase in inventories of RMB955.8 million.

In 2023, we had net cash flows from operating activities of RMB72.3 million, which primarily consisted of profit before tax of RMB494.7 million, as adjusted for: (i) non-cash and non-operating items such as depreciation of property, plant and equipment of RMB354.0 million and impairment loss on property, plant and equipment of RMB161.9 million, (ii) the effects of movement in working capital such as a decrease in pledged deposits of RMB678.3 million and a decrease in trade and bills payables of RMB193.4 million, which was partially offset by an increase in trade and bills receivables of RMB1,528.2 million.

Investing Activities

In 2025, our net cash used in investing activities amounted to RMB982.5 million, which primarily resulted from purchases of items of property, plant and equipment and other intangible assets of RMB1,411.5 million and placement of financial assets at FVTPL of RMB1,302.8 million, which was partially offset by maturity of financial assets at FVTPL of RMB1,523.3 million and receipt of government grants related to assets of RMB142.1 million. For details, see "— Selected Balance Sheet Items — Net Current Assets/Liabilities — Assets Classified as Held of Sale."

In 2024, our net cash used in investing activities amounted to RMB1,515.8 million, which primarily resulted from purchases of items of property, plant and equipment and other intangible assets of RMB2,008.1 million and placement of financial asserts at FVTPL of RMB1,224.7 million, partially offset by maturity of financial assets at FVTPL of RMB1,415.5 million resulted from redemption of wealth management products.

In 2023, our net cash used in investing activities amounted to RMB1,149.6 million, which primarily resulted from purchase of items of property, plant and equipment and other intangible assets of RMB1,781.2 million, and placement of financial assets at FVTPL of RMB321.9 million, which was partially offset by receipt of government grants related to assets of RMB615.6 million and by maturity of financial assets at FVTPL of RMB310.4 million resulted from redemption of wealth management products.

Financing Activities

In 2025, our net cash from financing activities amounted to RMB923.0 million, which primarily resulted from new bank loans of RMB939.7 million, contribution from non-controlling shareholders of RMB534.0 million and proceeds from issue of shares of RMB300.0 million, which was partially offset by repayment of bank loans of RMB786.1 million and interest paid of RMB54.7 million.

In 2024, our net cash from financing activities amounted to RMB1,227.6 million, which primarily resulted from new bank loans of RMB970.2 million, loans from a non-controlling shareholder of RMB350.0 million and contribution from non-controlling shareholders of RMB100.0 million, which was partially offset by repayment of bank loans of RMB180.3 million.

In 2023, our net cash from financing activities amounted to RMB411.3 million, which primarily resulted from contribution from non-controlling shareholders of RMB350.0 million and new bank loans of RMB215.0 million, which was partially offset by repayment of bank loans of RMB75.0 million and repayment of other payables of RMB60.8 million.

SELECTED BALANCE SHEET ITEMS

Net Current Assets/Liabilities

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
CURRENT ASSETS				
Inventories	276,843	1,152,868	1,893,570	2,290,206
Trade and bills receivables	1,470,331	1,264,183	2,087,465	2,529,560
Prepayments, other receivables and other assets	423,268	467,520	757,150	509,134
Income tax recoverable	48,918	5,288	7,206	7,198
Financial assets at fair value through profit or loss ("FVTPL")	394,507	220,823	24,515	116,551
Pledged deposits	787,047	792,939	1,115,050	1,197,896
Cash and cash equivalents	840,294	666,451	655,152	641,495
	4,241,208	4,570,072	6,540,108	7,292,040
Assets classified as held for sale	–	85,323	–	–
Total current assets	**4,241,208**	**4,655,395**	**6,540,108**	**7,292,040**
CURRENT LIABILITIES				
Trade and bills payables	1,233,625	2,545,287	3,569,146	3,859,929
Other payables and accruals	3,959,587	3,846,711	3,339,898	3,188,912
Interest-bearing bank borrowings	215,165	683,199	564,789	762,806
Contract liabilities	162,379	293,046	154,900	339,314
Lease liabilities	–	–	41,786	65,029
Income tax payable	647	811	155,343	118,834
Total current liabilities	**5,571,403**	**7,369,054**	**7,825,862**	**8,334,824**
NET CURRENT LIABILITIES	**(1,330,195)**	**(2,713,659)**	**(1,285,754)**	**(1,042,784)**

Our net current liabilities increased from RMB1,330.2 million as of December 31, 2023 to RMB2,713.7 million as of December 31, 2024, primarily due to (i) an increase in trade and bills payables of RMB1,311.7 million for the payment of the increasing stock of raw materials and finished goods, (ii) an increase in interest-bearing bank borrowings of RMB468.0 million and (iii) an increase in contract liabilities of RMB130.7 million.

Our net current liabilities decreased from RMB2,713.7 million as of December 31, 2024 to RMB1,285.8 million as of December 31, 2025, primarily due to (i) an increase in trade and bills receivables of RMB823.3 million resulted from increase in sales of PV cells and (ii) an increase in pledged deposits of RMB322.1 million, which was partially offset by an increase in trade and bills payables of RMB1,023.9 million.

Our net current liabilities decreased from RMB1,285.8 million as of December 31, 2025 to RMB1,042.8 million as of January 31, 2026, primarily due to (i) a increased in interest-bearing bank borrowings of RMB198.0 million, (ii) a decrease in other payables and accruals of RMB151.0 million, and (iii) a increase in lease liabilities of RMB23.2 million, which were partially offset by (i) an increase in contract liabilities of RMB184.4 million and (ii) an increase in trade and bills payables of RMB290.8 million.

We recorded net current liabilities of RMB1,330.2 million, RMB2,713.7 million, RMB1,285.8 million and RMB1,042.8 million as of December 31, 2023, 2024, 2025 and January 31, 2026, respectively. To further improve our net current liabilities position as of December 31, 2025, we plan to continually enhance our cash flow in order to strengthen our working capital and manage our capital expenditure in line with our operating and financing activities. Specifically, we plan to (i) extend or restructure short-term borrowings into long-term debt to optimize our capital structure, (ii) further improve cash flow generated from operating activities by driving sales growth and implementing cost control initiatives, (iii) strengthen accounts receivable management to accelerate collection cycles, (iv) maintain flexible inventory levels and improve supply chain efficiency to shorten inventory turnover days, (v) expand financing channels by securing new bank facilities and policy-based funding support and (vi) renegotiate supplier payment terms to extend settlement periods. We believe these measures will contribute to a more stable liquidity position and improved capital structure, thereby supporting the orderly execution of our business operations and long-term strategic plans.

Inventories

The table below sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	123,113	687,474	992,689
Work in progress	19,285	105,746	99,349
Finished goods	134,445	359,648	801,532
Total	**276,843**	**1,152,868**	**1,893,570**

Our inventories increased by 316.5% from RMB276.8 million as of December 31, 2023 to RMB1,152.9 million as of December 31, 2024, primarily due to (i) an increase in raw materials to facilitate the production needs in Indonesia Base I as it commenced manufacturing, and to facilitate the production for silicon rod pulling, which required higher inventory reserves to support ramp-up and ongoing production activities and (ii) an increase in finished goods due to (a) our expansion in production capacity and production volume in newly-established production base in Indonesia and (b) our anticipation of the increase in the market price of PV cell in 2025.

Our inventories increased by 64.2% from RMB1,152.9 million as of December 31, 2024 to RMB1,893.6 million as of December 31, 2025, primarily due to (i) an increase in raw materials and (ii) an increase in finished good resulted from (a) business expansion and (b) our anticipation of the increase in the market price of PV cell in 2025, coupled with our strategic inventory build-up in the third quarter, which was partially offset by a decrease in work in progress.

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within six months	246,839	1,061,415	1,683,486
Six months to one year	24,515	73,715	166,729
Over one year	5,489	17,738	43,355
Total	**276,843**	**1,152,868**	**1,893,570**

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

	Year Ended December 31,		
	2023	2024	2025
Inventory turnover days[(1)]	10	47	69

Note:

(1) Average inventory turnover days were calculated based on the average of the beginning and ending balances of inventories of a given year divided by the cost of sales (before the deduction of the purchase amount for silicon wafers under the Customer Supply Arrangements) for that corresponding year and multiplied by 365 days for a year.

Our inventory turnover days increased from 10 days in 2023 to 47 days in 2024, and further increased to 69 days in 2025, mainly due to: (i) an increase in our launch of silicon rod pulling, manufacturing silicon rods for purpose of producing silicon wafers, which led to a buildup of raw material inventory in preparation for future production needs; (ii) industry-wide competitive market condition among downstream players as compared to the expansion of our production capacity, which slowed inventory movement and resulted in increased finished goods inventory. Specifically, our overall production volume for PV cells, including both P-type PERC cells and N-type TOPCon cells, increased by 26.3% from 16.7 GW in 2023 to 21.1 GW in 2024, and further increased by 34.6% to 28.4 GW in 2025; and (iii) the extension of our overseas sales activities, where longer delivery cycles compared to domestic sales led to increased inventory levels, including goods in transit and pre-shipment stock.

As of January 31, 2026, RMB923.5 million, or 48.8% of our inventories outstanding as of December 31, 2025 had been subsequently sold or utilized.

Trade and Bills Receivables

The table below sets forth our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	39,124	52,975	348,979
Bills receivables at amortized cost	1,292,893	869,583	1,689,580
Bills receivables at fair value through other comprehensive income ("FVTOCI")	139,947	343,992	63,225
Impairment	(1,633)	(2,367)	(14,319)
Total	**1,470,331**	**1,264,183**	**2,087,465**

Our balance of trade and bills receivables decreased by 14.0% from RMB1,470.3 million as of December 31, 2023 to RMB1,264.2 million as of December 31, 2024, primarily due to a decrease in bills receivables at amortized cost resulted from a slowdown in market demand, which was partially offset by an increase in bills receivables at fair value through other comprehensive income ("FVTOCI"). Our balance of trade and bills receivables increased by 65.1% from RMB1,264.2 million as of December 31, 2024 to RMB2,087.5 million as of December 31, 2025, primarily due to an increase in bills receivables at amortized cost.

Accounting policy and treatment in respect of receivables classified as at FVTOCI. Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are

recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

The table below sets forth an aging analysis of trade receivables based on the transaction dates and net of loss allowance as of the date at the end of each reporting year and period indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 90 days	37,491	50,608	334,660

The table below sets forth an aging analysis of bills receivables based on the transaction dates and net of loss allowance as of the date at the end of each reporting year indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 180 days	1,432,840	1,213,575	1,752,805

The table below sets forth our trade receivables turnover days during the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
Trade receivables turnover days[(1)]	0.9	3.2	7.6

Note:

(1) Trade receivables turnover days were calculated based on the average of opening and closing balance of trade receivables for the relevant year, divided by the revenue (before the deduction of the purchase amount for silicon wafers under the Customer Supply Arrangements) for the same year and multiplied by 365 days for the year.

During the Track Record Period, the customers who settled payments by bills were generally our PV cells customers. The table below sets forth our bills receivables turnover days during the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
Bills receivables turnover days[(1)]	40.0	92.1	56.2

Note:

(1) Bills receivables turnover days were calculated based on the average of opening and closing balance of bills receivables for the relevant year, divided by the revenue (before the deduction of the purchase amount for silicon wafers under the Customer Supply Arrangements) for the same year and multiplied by 365 days for the year.

Our trade receivables turnover days were 0.9 days, 3.2 days and 7.6 days in 2023, 2024 and 2025, respectively.

Our bills receivable turnover days increased from 40.0 days in 2023 to 92.1 days in 2024, primarily due to an extended average maturity of bills provided by customers from 30 days in 2023 to 54 days in 2024, as more customer chose to provide bills based on self-owned bank credit in 2024, which typically had longer maturities compared to the third-party endorsed bills widely used by customers in 2023. Our bills receivables turnover days decreased to 56.2 days in 2025, primarily due to higher volume of bills collected or discounted within a shorter period as market conditions stabilized.

We have made loss allowance after our assessment of the recoverability of outstanding balances. There is no recoverability issue for our trade and bills receivables as the trade and bills receivables, including trade and bills receivables aged over one year, follow the normal settlement rate. We have made adequate provision for expected credit loss for trade and bills receivables, including trade and bills receivables aged over one year, in the balance sheet.

As of January 31, 2026, RMB476.4 million, or 22.8%, of our trade and bills receivables as of December 31, 2025 had been subsequently settled.

Prepayment, Other Receivables and Other Assets

The table below sets forth the breakdown of our prepayments, other receivables and other assets as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Prepayments	94,772	123,251	376,625
VAT recoverable	319,298	321,937	230,748
Deposits and other receivables	10,981	8,998	34,360
Tax refund for export	–	13,744	87,682
Deferred listing expenses	–	–	10,430
Others	1,335	2,650	20,569
Impairment allowance	(3,118)	(3,060)	(3,264)
Total	**423,268**	**467,520**	**757,150**

Our prepayments, other receivables and other assets increased from RMB423.3 million as of December 31, 2023 to RMB467.5 million as of December 31, 2024, mainly due to the increase in VAT recoverable incurred by our construction of production bases. Our prepayments, other receivables and other assets increased to RMB757.2 million as of December 31, 2025, mainly due to increase in prepayments in relation to raw materials, which was partially offset by the VAT recoverable refund.

As of January 31, 2026, RMB559.3 million, or 73.9% of our prepayments, deposits and other receivables as of December 31, 2025, had been settled.

Financial Assets at FVTPL

Our financial assets at FVTPL primarily consists of wealth management products issued by banks in Chinese Mainland. Our financial assets at FVTPL decreased from RMB394.5 million as of December 31, 2023 to RMB220.8 million as of December 31, 2024, mainly due to redemption of matured wealth management products. Our financial assets at FVTPL decreased from RMB220.8 million as of December 31, 2024 to RMB24.5 million as of December 31, 2025, mainly due to the maturity of our wealth management products.

We manage and evaluate our financial investments on a fair value basis in line with our business needs and investment strategy. We use idle cash and bank balances to invest in highly liquid, low-risk wealth management products and negotiable certificates of deposit to enhance returns while controlling risk.Our finance department is responsible for proposing, analyzing and monitoring such investments under established internal policies and guidelines. Our management team has experience in overseeing financial and treasury management activities. Material investments in wealth management products or negotiable certificates of deposit, as well as significant changes to our investment portfolio, require approval from the officer overseeing financial matters, the general manager and the Chairperson, but not the Board under our Articles of

Association. In making such investment decisions, we consider factors including macroeconomic conditions, market environment, the credit profile of issuing institutions, our working capital needs and the expected return and risk exposure.

Upon [**REDACTED**], we intend to continue our investments, such as wealth management products and negotiable certificate of deposits with banks, strictly in accordance with our internal policies (which include approval by the chief financial officer) and Articles of Association, and, to the extent that an investment in wealth management products 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).

Pledged Deposits

Our pledged deposits mainly includes security deposits for bank acceptance bills and margin deposits for letters of credit. Our pledged deposits remained relatively stable at RMB787.0 million as of December 31, 2023 and RMB792.9 million as of December 31, 2024. Our pledged deposits increased from RMB792.9 million as of December 31, 2024 to RMB1,115.1 million as of December 31, 2025, primarily due to business expansion.

Assets Classified as Held for Sale

We had assets classified as held for sale of RMB85.3 million as of December 31, 2024 due to the return of a parcel of land upon negotiation with local government. This parcel of land was provided by Yibin Municipal People's Government related to our 16GW HPBC (a type of N-type xBC cell) PV cell production project in Yibin High-tech Industrial Park (宜賓高新技術產業園). The area of such land is approximately 310,000 sq.m., representing approximately 28.7% of the aggregate land area of which we owned and occupied land use rights as of the Latest Practicable Date. For details about the production project, see "Business—Overlapping Customers and Suppliers—Relationship with [**REDACTED**]—Background." In early 2025, we returned the land to Yibin Municipal People's Government and subsequently entered into a lease agreement for the same land with the government. This arrangement was for the purpose of reducing our capital expenditure. The construction of the 16GW HPBC projection project was not affected by the return of the land as we continued constructing the production project following our lease of the same land. We believe that the return of such land did not have any material adverse impact on our business operations or financial performance.

As of December 31, 2025, the amount of assets classified as held for sale was nil as we had collected all amount in full.

Trade and Bills Payables

The table below sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Within one year	620,058	904,886	1,598,827
Over one year and within two years	3,980	7,921	7,158
Over two years	490	1,257	1,029
Total	**624,528**	**914,064**	**1,607,014**

Our trade payables increased by 46.4% from RMB624.5 million as of December 31, 2023 to RMB914.1 million as of December 31, 2024, and continued to increase to RMB1,607.0 million as of December 31, 2025, primarily due to an increase in purchase of raw materials for purpose of business operation to mitigate the impact of raw material price fluctuations.

The table below sets forth our trade payables turnover days during the dates indicated:

	Year Ended December 31,		
	2023	2024	2025
Trade payables turnover days[(1)]	19	50	57

Note:

(1) The trade payables turnover days is the average of the opening and closing trade payable divided by our total cost of sales (before the deduction of the purchase amount for silicon wafers under the Customer Supply Arrangements) for that year and multiplied by 365 days for the year.

Our trade payables turnover days increased from 19 days in 2023 to 50 days in 2024 and further increased to 57 days in 2025, primarily due to an increase in procurement volumes in line with our business development.

As of January 31, 2026, RMB759.8 million, or 47.3% of our total trade and bills payables as of December 31, 2025, had been settled.

Other Payables and Accruals

The table below sets forth our other payables and accruals as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payables for purchase of property, plant and equipment	3,813,829	3,636,807	3,329,532
Amounts due to independent third parties	35,665	393,945	35,665
Other payables	30,833	22,306	22,727
Payroll payables	44,646	55,173	73,190
Other tax payable	34,614	27,827	21,844
Government grants	–	68,933	–
[**REDACTED**]	–	–	[REDACTED]
Total	**3,959,587**	**4,204,991**	**3,486,127**
Analyzed as:			
Current	3,959,587	3,846,711	3,339,898

Our other payables and accruals increased from RMB3,959.6 million as of December 31, 2023 to RMB4,205.0 million as of December 31, 2024, mainly due to (i) an increase in payables for purchase of property, plant and equipment resulted from our expansion of production bases and facilities and (ii) an increase in payroll payables, which was in line with our business expansion as we recruited more employees to meet the manufacturing and management needs. Our other payables and accruals decreased to RMB3,486.1 million as of December 31, 2025, primarily due to a decrease in amounts due to independent third parties.

As of January 31, 2026, RMB473.1 million, or 13.6% of our other payables and accruals as of December 31, 2025, had been settled.

Current Interest-Bearing Bank Borrowings

Our current interest-bearing bank borrowings during the Track Record Period were primarily used for business operation purposes. Our current interest-bearing bank borrowings increased from RMB215.2 million as of December 31, 2023 to RMB683.2 million as of December 31, 2024, which were primarily due to (i) purchase for raw materials to address the fluctuation in procurement costs of raw materials and (ii) satisfying for the expansion of production bases. Our current interest-bearing borrowings decreased to RMB564.8 million as of December 31, 2025, primarily because we repaid proportion of these interest-bearing bank borrowings.

Contract Liabilities

Our contract liabilities include advances received from our customers based on sales sale of PV cell and related services. We typically require our customers to pay part of the consideration for their purchases from us upon or prior to the delivery of the products and related services. Our contract liabilities increased from RMB162.4 million as of December 31, 2023 to RMB293.0 million as of December 31, 2024, primarily as the overseas sales of PV cells increased as a result of overseas expansion, leading to the increase in balance of contract liabilities. Our contract liabilities decreased from RMB293.0 million as of December 31, 2024 to RMB154.9 million as of December 31, 2025, primarily due to the fulfillment of overseas sales contracts and the recognition of revenue for which advance payments had been received.

As of January 31, 2026, 84.7% of our contract liabilities as of December 31, 2025, had been subsequently recognized as revenue.

Non-Current Assets/Liabilities

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

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	5,648,118	6,682,069	7,097,644
Right-of-use assets	94,607	251,696	399,866
Investment properties	92,922	90,620	261,329
Other intangible assets	1,449	2,208	7,013
Prepayments, other receivables and other assets	92,641	9,408	9,138
Deferred tax assets	4,774	65,186	144,707
Total non-current assets	**5,934,511**	**7,101,187**	**7,919,697**
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	50,025	310,351	550,412
Other payables	–	358,280	146,229
Deferred income	50,000	–	–
Lease liabilities	–	–	155,271
Deferred tax liabilities	48,646	–	11,640
Total non-current liabilities	**148,671**	**668,631**	**863,552**
Net assets	**4,455,645**	**3,718,897**	**5,770,391**

Property, Plant and Equipment

The table below sets for a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Buildings	1,359,907	1,660,927	1,506,166
Machinery	3,461,550	4,340,829	5,088,976
Motor vehicles	3,839	2,324	3,745
Electronic and other equipment	14,262	13,207	16,595
PV power stations	34,950	109,620	104,647
Construction in progress	773,610	555,162	377,515
Total	**5,648,118**	**6,682,069**	**7,097,644**

Our property, plant and equipment increased from RMB5,648.1 million as of December 31, 2023 to RMB6,682.1 million as of December 31, 2024, mainly due to (i) a continuing increase in buildings resulted from our expansion of manufacturing bases and production facilities and (ii) a continuing increase in machinery and other equipment, which was in line with our business expansion. Our property, plant and equipment increased to RMB7,097.6 million as of December 31, 2025, primarily due to our expansion of manufacturing bases and production facilities.

Right-of-use Assets

The right-of-use assets mainly related to our leasehold lands. Our right-of-use assets increased from RMB94.6 million as of December 31, 2023 to RMB251.7 million as of December 31, 2024, mainly due to our expansion and construction of production bases. Our right-of-use assets increased to RMB399.9 million as of December 31, 2025, primarily due to the addition of plant, equipment and warehouse leases for our production facility in July.

Investment Properties

Our investment properties are industrial properties. Our investment properties remained stable at RMB92.9 million as of December 31, 2023 and RMB90.6 million as of December 31, 2024, but increased to RMB261.3 million as of December 31, 2025, because one additional owned property was transferred from property, plant and equipment and right-of-use assets to investment property, following a change of use upon Board resolution.

Prepayment, Other Receivables and Other Assets

Our prepayments, other receivables and other assets decreased from RMB92.6 million as of December 31, 2023 to RMB9.4 million as of December 31, 2024, mainly due to a decrease in prepayments for property, plant and equipment as the completed construction of our production lines for silicon rod pulling in Yibin Base, and further decreased to RMB9.1 million as of December 31, 2025.

As of January 31, 2026, RMB2.8 million, or 30.6% of our prepayments, deposits and other receivables as of December 31, 2025, had been settled.

INDEBTEDNESS

The table below sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of January 31,
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (Unaudited)*
Current:				
Interest-bearing bank borrowings	215,165	683,199	564,789	762,806
Lease liabilities	–	–	41,786	65,029
Amounts due to an independent third party	35,665	35,665	35,665	35,665
Non-current:				
Interest-bearing bank borrowings	50,025	310,351	550,412	491,704
Lease liabilities	–	–	155,271	132,497
Amounts due to an independent third parties	–	358,280	–	–
Total	**300,855**	**1,387,495**	**1,347,923**	**1,487,701**

Interest-bearing Bank Borrowings

As of December 31, 2023, 2024 and 2025, our interest-bearing bank borrowings, including the current and non-current portion, were RMB265.2 million, RMB993.6 million and RMB1,115.2 million, respectively. See "— Selected Balance Sheet Items — Net Current Assets/Liabilities — Current Interest-bearing Bank Borrowings" and — Selected Balance Sheet Items — Non-current Assets/Liabilities — Non-current Interest-bearing Bank Borrowings". Our interest-bearing bank borrowings increased by 12.5% from RMB1,115.2 million as of December 31, 2025 to RMB1,254.5 million as of January 31, 2026, primarily due to an increase in short-term bank borrowings to support our working capital needs. As of January 31, 2026, our unutilized banking facilities were RMB548.0 million.

Lease Liabilities

As of December 31, 2023, 2024 and 2025, our lease liabilities, including current and non-current portion, were nil, nil and RMB197.1 million, respectively. Our leased liabilities, including current and non-current portion, remained stable at RMB197.5 million as of January 31, 2026,.

Amounts Due to an Independent Third Party

As of December 31, 2023, 2024, 2025 and January 31, 2026, our current amounts due to an independent third party was RMB35.7 million, RMB35.7 million, RMB35.7 million and RMB35.7 million, respectively. The amounts due to an independent third party represents the loan provided by the local government to support the expansion of production bases and production facilities.

Amounts Due to Independent Third Parties

As of December 31, 2023, 2024, 2025 and January 31, 2026, our non-current amounts due to independent third parties was nil, RMB358.3 million, nil and nil, respectively. As of December 31, 2024, the amounts of RMB358.3 million represents the loan with at 6.0% per annum provided by a third independent party which was of a non-trade nature and was settled in August 2025. See Note 24 to the Accountants' Report in Appendix I to this document.

No Other Outstanding Indebtedness

Except as disclosed above, as of January 31, 2026, we did not have any material mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors confirm that there has been no material change in our indebtedness since January 31, 2026 and up to the Latest Practicable Date.

CONTINGENT LIABILITIES

As of the Latest Practicable Date, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

The table below sets forth a breakdown of our capital expenditures for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Acquisition of property, plant and equipment and other intangible assets	1,781,159	2,008,065	1,411,483
Acquisition of leasehold land	36,390	245,961	–
Total	**1,817,549**	**2,254,026**	**1,411,483**

We expect to fund our future capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and net [**REDACTED**] from the [**REDACTED**]. We will continue to make capital expenditures to meet the expected growth of our business.

CAPITAL COMMITMENTS

The table below sets forth a breakdown of our capital commitments for the periods indicated:

	Year Ended December 31,		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Acquisition of property, plant and equipment	960,042	118,564	246,741
Total	**960,042**	**118,564**	**246,741**

We expect to fund our future capital expenditures with a combination of cash flow generated from operating activities, equity and debt financing and net [**REDACTED**] from the [**REDACTED**]. We will continue to make capital expenditures to meet the expected growth of our business.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into, nor do we expect to enter into, any off-balance sheet arrangements. We also have not entered into any financial guarantees or other relevant commitments. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing or hedging with us.

RELATED PARTY TRANSACTIONS AND BALANCES

During the Track Record Period, we entered into certain related party transactions from time to time, primarily related to the compensation of our key management personnel. See Note 35 to the Accountants' Report in Appendix I to this document for more details. Our Directors believe that our transactions with related parties during the Track Record Period were conducted in the ordinary and usual course of business and on an arm's length basis, and they did not distinct our results of operations or make our historical results not reflective of our future performance. All guarantees provided by related parties will be released before the [**REDACTED**].

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by us during the in 2023, 2024 and 2025. Currently, we do not have a fixed dividend distribution ratio and a formal dividend policy. Any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. As advised by our PRC Legal Advisor, any future net profit that we make may be used to pay or declare dividends after our Board has formulated a profit distribution plan and approved by our Shareholders in a general meeting. However, such net profit must be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such statutory common reserve fund has reached more than 50% of our registered capital. We recorded earnings per share of RMB0.84 and RMB2.21 in 2023 and 2025, respectively. We recorded loss per share of RMB2.14 in 2024.

[**REDACTED**]

[**REDACTED**] represent professional fees, [**REDACTED**] and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] will be approximately HK$[**REDACTED**] (at the mid-point [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] and no exercise of the [**REDACTED**]), representing approximately [**REDACTED**]% of the gross [**REDACTED**] (based on the mid-point [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. We expect to incur [**REDACTED**] expenses of approximately HK$[**REDACTED**], of which approximately HK$[**REDACTED**] had been and is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and approximately HK$[**REDACTED**] is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect such expenses to materially impact our results of operations in 2025. By nature, our [**REDACTED**] expenses are composed of (i) [**REDACTED**] of approximately HK$[**REDACTED**] and (ii) [**REDACTED**] expenses of approximately HK$[**REDACTED**], which consist of fees and expenses of Joint Sponsors, legal advisors and the Reporting Accountant of approximately HK$[**REDACTED**] million and other fees and expenses of approximately HK$[**REDACTED**] million. RMB[**REDACTED**] (HK$[**REDACTED**]) was recognized and charged to our consolidated statements of profit or loss and other comprehensive income in 2025.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had retained profits of RMB765.1 million.

KEY FINANCIAL RATIO

The table below sets forth our key financial ratio for the years or periods, or as of the dates indicated:

	As of/Year Ended December 31,		
	2023	2024	2025
Gross profit margin	8.8%	(7.4)%	17.5%
Return on equity[(1)]	10.1%	(21.1)%	18.1%
Return on assets[(2)]	4.5%	(7.9)%	6.5%
Gearing ratio[(3)]	6.8%	37.3%	23.4%
Debt to equity ratio[(4)]	(12.1)%	19.4%	12.0%

Notes:

(1) Return on equity was calculated based on net profit/annualised profit for the period indicated divided by the average balance of total equity at the beginning and the end of that year multiplied by 100%.

(2) Return on assets equals to net profits/annualised profit for the period indicated divided by the average balance of total assets at the beginning and the end of that year multiplied by 100%.

(3) Gearing ratio was calculated as total debt (including interest-bearing bank and other borrowings and lease liabilities) divided by total equity and multiplied by 100%.

(4) Debt to equity ratio is calculated based on net debt (total debt net of cash and cash equivalents) as of the end of the year divided by total equity as of the end of the same year and multiplied by 100%.

Gross Profit Margin

See "Financial Information — Review of Historical Results of Operations — Gross Profit/(Loss) and Gross Profit/(Loss) Margin".

Return on Equity

Our return on equity was negative 21.1% in 2024 and was 18.1% in 2025, primarily because we had a net loss for the year in 2024 and we had a net profit in 2025.

Return on Assets

Our return on assets was negative 7.9% in 2024 and was 6.5% in 2025, primarily because we had a net loss for the year in 2024 and we had a net profit in 2025.

Gearing Ratio

Our gearing ratio increased from 6.8% as of December 31, 2023 to 37.3% as of December 31, 2024, primarily due to the increase in our interest-bearing bank borrowings. Our gearing ratio decreased from 37.3% as of December 31, 2024 to 23.4% as of December 31, 2025, primarily due to the increase in our total equity from the contribution from non-controlling shareholders.

Debt to Equity Ratio

Our debt to equity ratio was negative 12.1% as of December 31, 2023 and 19.4% as of December 31, 2024, primarily because we had more total debt than cash and cash equivalent as of December 31, 2024, reflecting our investment in our property, plant and equipment. Our debt to equity ratio decreased from 19.4% as of December 31, 2024 to 12.0% as of December 31, 2025, primarily due to the increase in our total equity from the contribution from non-controlling shareholders.

PROPERTY INTERESTS AND PROPERTY VALUATION

Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd., an independent property valuer, has valued certain of our property interests as of December 31, 2025 and is of the opinion that the market value of our property interests as of such date was RMB184.9 million. For further details of the valuation report and certificates in connection with such property interests, see "Appendix III — Property Valuation Report."

A reconciliation of the net book value of our investment properties as of December 31, 2025, as set out in the Accountant's Report in Appendix I to this Document, to their fair value as of December 31, 2025 as stated in the property valuation report set out in Appendix III to this Document is set out below:

	(RMB in thousands)
Net book value of the investment property as of December 31, 2025	**173,090**
Fair value gain	11,770
Market value of the investment property as of December 31, 2025 as set out in the property valuation report in Appendix III to this Document	**184,860**

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISKS

Credit Risk

We trade with recognized and creditworthy customers and conduct credit assessments for customers on credit terms. Receivable balances are monitored on an ongoing basis. See Note 38 to the Accountants' Report in Appendix I for details.

Liquidity Risk

Our management monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance our operations and mitigate the effects of fluctuations in cash flows. See Note 38 to the Accountants' Report in Appendix I to this document for details.

Foreign Currency Risk

We have exposure to foreign currencies other than our functional currencies. A sensitivity analysis of reasonably possible changes in USD exchange rates is set out in Note 38 to the Accountants' Report in Appendix I.

To manage foreign exchange volatility and foreign exchange control risks, we may (i) adjust the structure of foreign currency-denominated assets and liabilities in light of currency trends to mitigate potential gains or losses; (ii) conduct foreign exchange swaps based on forecasts of capital requirements and foreign currency cash flows, aligning with our foreign currency holdings and repayment obligations; and (iii) conduct overseas settlements or utilize cross-border RMB export trade receipts when exchange conditions are favorable. We adopt a centralized foreign exchange management framework led by our finance department, which oversees risk exposure and guides implementation of risk mitigation measures. Where material foreign exchange risks arise, a designated team chaired by the general manager will review exposure, operational performance and market conditions on a regular basis to ensure timely response and continuous refinement of our risk management policies.

Capital Management

The primary objectives of our capital management are to safeguard our abilities to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

We manage our capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, we may return capital to shareholders or issue new shares. We are not subject to any externally imposed capital requirements.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF OUR GROUP ATTRIBUTABLE TO OWNERS OF OUR COMPANY

See Appendix II to this document.

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, operational or prospects since December 31, 2025, being the latest balance sheet date of our consolidated financial statements as set out in the Accountants' Report included in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Except as otherwise disclosed in this document, our Directors have confirmed that, as of the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rule 13.13 to Rule 13.19 of the Listing Rules.

OVERVIEW

As of the Latest Practicable Date, our Company was held as to (i) approximately 45.63% by Nanjing Yingfa, which was in turn held as to 36% by Mr. Zhang Fayu (張發玉), 24% by Ms. Luo Baoying (羅寶英), 20% by Ms. Zhang Min (張敏) and 20% by Mr. Zhang Jie (張傑); (ii) approximately 2.62% by Yinfa Qinhe, whose general partner is Mr. Zhang Fayu; and (iii) approximately 0.85% by Mr. Zhang Fayu. Mr. Zhang Fayu and Ms. Luo Baoying are spouses and the parents of Ms. Zhang Min and Mr. Zhang Jie (collectively, the "**Zhang Fayu Family**"). The Zhang Fayu Family collectively controlled approximately 49.10% of the voting rights at the general meetings of our Company as of the Latest Practicable Date.

Immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the Zhang Fayu Family will, directly and indirectly through Nanjing Yingfa and Yingfa Qinhe, be able to control approximately [**REDACTED**]% of the voting rights at general meetings of our Company. Accordingly, the Zhang Fayu Family, Nanjing Yingfa and Yingfa Qinhe will constitute a group of Controlling Shareholders of our Company upon [**REDACTED**].

INTERESTS OF THE CONTROLLING SHAREHOLDERS IN OTHER BUSINESSES

Our Controlling Shareholders confirmed that as of the Latest Practicable Date, they did not have any interest in other 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.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Taking into consideration the following factors, our Directors believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the [**REDACTED**].

Operational Independence

Our Group operates independently from our Controlling Shareholders and their close associates.

We have full rights to make all decisions regarding, and carry out, our business operations independently. We have established our own organizational structure, with each department assigned to specific areas of responsibilities which have been in operation and are expected to continue to operate independently of our Controlling Shareholders and their respective close associates. We have independent access to suppliers and customers. We are also in possession of all assets, licenses, trademarks and other intellectual property and research and development facilities necessary to carry on and operate our business, and we have sufficient operational capacity in terms of capital and employees to operate independently.

We have entered into certain transactions with our Controlling Shareholders and their close associates (the "**Continuing Connected Transactions with our Controlling Shareholders**"), each of which will constitute a continuing connected transaction upon [**REDACTED**] and *de minimis* transactions under Chapter 14A of the Listing Rules. See "Connected Transaction — Fully Exempt Continuing Connected Transactions" for details.

In addition, during the Track Record Period, we entered into lease agreements with Nanjing Yingfa, our Controlling Shareholder, and Yingfa Electronics and Shanghai Pudong Yingfa Electronics Co., Ltd. (上海浦東英發電子有限公司), close associates of our Controlling Shareholders (the "**Lease Agreements**"), pursuant to which they leased to us the premises located in Nanjing City, Jiangsu Province, Tianchang City, Anhui Province and Shanghai City, for our use in ancillary facility and office purposes. As the Lease Agreements were entered into prior to the

[**REDACTED**] and each transaction thereunder is one-off in nature upon application of HKFRS 16, the payment of the rental contemplated thereunder will not be classified as a continuing connected transaction under Chapter 14A of the Listing Rules. Accordingly, the transactions under the Lease Agreements will not be subject to any of the reporting, announcement, annual review and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Our Directors are of the view that transactions under the Lease Agreements and the Continuing Connected Transactions with our Controlling Shareholders will not undermine the operational independence of our Group on the basis that, (i) with our access to independent sources, and in the sufficiently competitive market, our Group has other suppliers and customers who are Independent Third Parties, and will be able to identify other suitable substitutes for our office and ancillary facility through fair negotiation at similar terms and conditions to meet our business and operational needs, without causing any undue delay or inconvenience; and (ii) each of the Continuing Connected Transactions with our Controlling Shareholders with size considered *de minimis* under the the Listing Rules, has been and will be conducted in the ordinary and usual course of business and on normal commercial terms or better, for non-competing and non-overlapping business operations of our Group and our Controlling Shareholders and their close associates, respectively.

Based on the above, our Directors are satisfied that our Group is able to operate independently from our Controlling Shareholders and their close associates.

Financial Independence

We have the ability to operate independently of our Controlling Shareholders and their respective close associates from a financial perspective. We have an independent financial system and make financial decisions according to our Group's own business needs. We have internal control and accounting systems and an independent finance department for discharging the treasury function, and an audit committee comprising solely of non-executive Directors to oversee our accounting and financial reporting processes. We make tax registration and pay tax independently with our own funds. As such, our financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their respective close associates.

During the Track Record Period, certain of our Group's bank borrowings and notes (the "**Guaranteed Loans and Notes**") were guaranteed by the Zhang Fayu Family and their close associates (the "**Connected Guarantees**"), to which our Directors confirm that no consideration was payable or will be payable. As of the Latest Practicable Date, the aggregate outstanding principal amount of the Guaranteed Loans and Notes was approximately RMB2.3 billion. The Connected Guarantees are expected to be released upon [**REDACTED**], and we have obtained letters from all lenders of the Guaranteed Loans and Notes, pursuant to which the lenders have been in the process of releasing the Connected Guarantees.

Save for the above, as of the Latest Practicable Date, there were no outstanding loans, borrowings or guarantees provided to our Group by any of the Controlling Shareholders and/or their close associates.

Based on the above, our Directors are satisfied that from a financial perspective, we are capable of carrying on our business independently from, and do not place undue reliance on, members of the group of Controlling Shareholders and their close associates after the [**REDACTED**].

Management Independence

Upon [**REDACTED**], our Board will consist of nine Directors: four executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Zhang Fayu, the chairperson of our Board and an executive Director, Ms. Zhang Min, our executive Director and

general manager, and Mr. Zhang Jie, our executive Director and deputy general manager, are the Controlling Shareholders of our Company, and Mr. Wu Qingbao (吳慶保), our non-executive Director, is the spouse of Ms. Zhang Min. For more information, see "Director and Senior Management" in this document.

Our management and operational decisions are made by our Board of Directors and senior management collectively, most of whom have served our Group for a significant period of time and have substantial and extensive relevant industry experience and expertise. Other than Mr. Zhang Fayu, Ms. Zhang Min, Mr. Zhang Jie (張傑) (our executive Director and deputy general manager) and Mr. Wu Qingbao (our non-executive Director), none of our Directors or members of the senior management of our Company holds any directorships and/or other senior management roles in any companies owned or controlled by our Controlling Shareholders and their respective close associates except members of our Group.

Our Directors are of the view that our Board and the senior management members are able to function independently from our Controlling Shareholders and their close associates for the following reasons:

(i) each of our Directors is aware of his or her fiduciary duties, which, among other things, require them to act in the best interest of our Company and the Shareholders as a whole, and should not allow any conflict of interests between his or her duties as a Director and his or her personal interests;

(ii) our daily management and operations are carried out by the senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore 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 team, see "Directors and Senior Management" in this document;

(iii) we have appointed three independent non-executive Directors, comprising one-third of the total members of our Board, who have sufficient knowledge, experience and competence to provide a balance of the potentially interested Directors and independent Directors with a view to promote the interests of our Company and the Shareholders as a whole;

(iv) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his or her close associates, he or she shall abstain from voting and shall not be counted towards the quorum; and

(v) we have adopted a series of corporate governance measures to manage conflict of interest, if any, between our Group and the Controlling Shareholders, which would support our independent management. For details, see "— Corporate Governance Measures" in this section.

Based on the above, our Directors are satisfied that our Board as a whole and together with our senior management members are able to perform their respective managerial roles in our Group independently from members of the Controlling Shareholders and their respective close associates after the [**REDACTED**].

CORPORATE GOVERNANCE MEASURES

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), which sets out principles of good corporate governance.

In order to further safeguard the interest of our Shareholders, we will adopt the following corporate governance measures to manage any potential conflict of interest with members of our Controlling Shareholders and their respective close associates:

(i) where a Shareholders' meeting is to be held for considering proposed transactions in which any of our Controlling Shareholders or any of their respective associates has a material interest, such Controlling Shareholder(s) will not vote on the resolutions and shall not be counted towards the quorum;

(ii) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [**REDACTED**]. In particular, our Articles of Association provide that, a Director shall abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest and nor shall such Director be counted in the quorum present at the relevant Board meeting;

(iii) our Company has established internal control mechanisms to identify connected transactions. Upon [**REDACTED**], if our Company enters into connected transactions with our Controlling Shareholders or any of their respective associates, our Company will comply with the applicable requirements under the Listing Rules;

(iv) our Company is committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Our Company has appointed three independent non-executive Directors and believes that the independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and (iii) will be able to provide an impartial and external opinion to protect the interest of our Shareholders as a whole. For details of the biographies of our independent non-executive Directors, see "Directors and Senior Management" in this document;

(v) where our Directors reasonably request for the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(vi) our Company has appointed Somerley Capital Limited as our compliance advisor, which will provide advice and guidance to our Company in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors' duties and corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage existing and potential conflict of interest, and to protect minority Shareholders' interests after the [**REDACTED**].

Upon [**REDACTED**], the following transactions between us and our connected persons, which are entered into in our ordinary course of business, will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

RELEVANT CONNECTED PERSONS

The table below sets forth the parties that will constitute our connected persons upon [**REDACTED**] and have entered into transactions with us which will constitute our continuing connected transactions upon [**REDACTED**]:

Connected persons	Relationship
Nanjing Yingfa	Our Controlling Shareholder.
Anhui Yingfa Electronics Co., Ltd. (安徽英發電子有限公司) ("**Yingfa Electronics**")	Yingfa Electronics is wholly owned by Ms. Luo Baoying (羅寶英), Mr. Zhang Fayu (張發玉) and Ms. Zhang Min (張敏), our Controlling Shareholders. Yingfa Electronics is therefore an associate of our Controlling Shareholders and constitutes a connected person of our Company under the Listing Rules.
Anhui Yingfa Ruisheng Technology Co., Ltd. (安徽英發睿盛科技有限公司) ("**Yingfa Ruisheng**")	Yingfa Ruisheng is held as to 98.8% by Yingfa Holdings Group Limited (英發控股集團有限公司), a company wholly owned by the Zhang Fayu Family, our Controlling Shareholders. Yingfa Ruisheng is therefore an associate of our Controlling Shareholders and constitutes a connected person of our Company under the Listing Rules.
Wuliangye Yibin Co., Ltd. (宜賓五糧液股份有限公司) ("**Wuliangye Yibin**")	Wuliangye Yibin is a fellow subsidiary of Yibin Ruineng Investment, our Substantial Shareholder. Accordingly, Wuliangye Yibin constitutes a connected person of our Company under the Listing Rules.
Sichuan Anshiji Supply Chain Management Co., Ltd. (四川安仕吉供應鏈管理有限公司) ("**Sichuan Anshiji**")	Sichuan Anshiji is a fellow subsidiary of Yibin Ruineng Investment, our Substantial Shareholder. Accordingly, Sichuan Anshiji constitutes a connected person of our Company under the Listing Rules.
Yingfa Deyao	Yingfa Deyao is held as to approximately 73.33% by our Company and 26.67% by Yibin Ruineng Investment, our Substantial Shareholder and a connected person at our Company's level. As Yingfa Deyao is a non-wholly owned subsidiary of our Company and Yibin Ruineng Investment, a connected person at our Company's level, can exercise 10% or more of the voting power of Yingfa Deyao, Yingfa Deyao constitutes a connected subsidiary of our Company under the Listing Rules.

Connected persons	Relationship
Sichuan Sanjiang New Energy Supply Chain Technology Co., Ltd. (四川三江新能源供應鏈科技有限責任公司) ("**Sanjiang New Energy**")	Sanjiang New Energy is a fellow subsidiary of Yibin Ruineng Investment, our Substantial Shareholder. Accordingly, Sanjiang New Energy constitutes a connected person of our Company under the Listing Rules.
Yibin Huifa Production and Trade Service Co., Ltd. (宜賓匯發產貿服務有限公司) ("**Yibin Huifa**")	Yibin Huifa is a fellow subsidiary of Yibin Ruineng Investment, our Substantial Shareholder. Accordingly, Yibin Huifa constitutes a connected person of our Company under the Listing Rules.
LONGi	LONGi is a holding company of LONGi Solar Technology Co., Ltd. (隆基樂葉光伏科技有限公司), a substantial shareholder of Yingfa Derui, our subsidiary, and accordingly constitutes a connected person of our Company under the Listing Rules.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Historical amounts	Proposed annual cap
					(RMB in millions)	*(RMB in millions)*
Fully Exempt Continuing Connected Transactions						
1.	Procurement of Services from Nanjing Yingfa Group (as defined below)	Nanjing Yingfa Group	14A.76(1)	N/A	N/A	N/A
2.	Leases of Premises by Nanjing Yingfa Group and Yingfa Ruisheng from us	Nanjing Yingfa Group	14A.76(1)	N/A	N/A	N/A
3.	Procurement of Services from Yingfa Electronics	Yingfa Electronics	14A.76(1)	N/A	N/A	N/A
4.	Procurement of Goods from Wuliangye Yibin Group (as defined below)	Wuliangye Yibin Group	14A.76(1)	N/A	N/A	N/A
Partially Exempt Continuing Connected Transaction						
5.	Procurement of Logistics Services from Sichuan Anshiji Group (as defined below)	Sichuan Anshiji Group	14A.35, 14A.49, 14A.71, 14A.76(2) and 14A.105	Announcement	**For the years ended December 31,** 2023: nil 2024: nil 2025: 9.2	2026: 15 2027: 15 2028: 15

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Historical amounts	Proposed annual cap
					(RMB in millions)	*(RMB in millions)*
Non-exempt Continuing Connected Transactions						
6 .	Provision of Guarantees to Yingfa Deyao	Yingfa Deyao	14A.35, 14A.36, 14A.49, 14A.71 and 14A.105	Announcement and independent Shareholders' approval	**For the years ended December 31,** 2023: 1,060 2024: 1,860 2025: 2,000 plus the applicable interest	**Guaranteed Amount:** 2026: 3,000 2027: 3,000 2028: 3,000 **Fees to be charged:** 2026: 15 2027: 15 2028: 15
7 .	Procurement of Raw Materials from Sanjiang New Energy Group (as defined below) and Yibin Huifa Group (as defined below)					
	A. Procurement of Raw Materials from Sanjiang New Energy Group	Sanjiang New Energy Group	14A.35, 14A.36, 14A.49, 14A.71 and 14A.105	Announcement and independent Shareholders' approval	**For the years ended December 31,** 2023: nil 2024: nil 2025: 279.2	2026: 400 2027: 400 2028: 400
	B. Procurement of Raw Materials from Yibin Huifa Group	Yibin Huifa Group	14A.35, 14A.36, 14A.49, 14A.71 and 14A.105	Announcement and independent Shareholders' approval	**For the years ended December 31,** 2023: nil 2024: nil 2025: 26.5	2026: 180 2027: 180 2028: 180
8 .	Comprehensive Cooperation with LONGi Group (as defined below)					
	A. Provision of PV Cell Products to LONGi Group	LONGi Group	14A.35, 14A.36, 14A.49, 14A.71 and 14A.105	Announcement and independent Shareholders' approval	**For the years ended December 31,** 2023: 2,561.5 2024: 893.3 2025: 937.7	2026: 2,500 2027: 2,500 2028: 2,500
	B. Procurement of Raw Materials from LONGi Group				**For the years ended December 31,** 2023: 2,872.3 2024: 1,239.1 2025: 1,173.5	2026: 1,500 2027: 1,500 2028: 1,500

No.	Transaction	Counterparty	Applicable Listing Rule	Waiver sought	Historical amounts	Proposed annual cap
					(RMB in millions)	*(RMB in millions)*
	C. License of Patents from LONGi Group				**For the years ended December 31,** 2023: nil 2024: nil 2025: nil	2026: 20 2027: 35 2028: 35

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Procurement of Services from Nanjing Yingfa Group

We expect to continue to procure operation and maintenance services from Nanjing Yingfa and/or its subsidiaries ("**Nanjing Yingfa Group**") for power unit. The consideration for procurement of services from Nanjing Yingfa Group has been determined based on arm's length negotiation between our Group and Nanjing Yingfa Group with reference to, among others, the nature and scale of services required.

The procurement of services from Nanjing Yingfa Group has been conducted in the ordinary and usual course of business and on normal commercial terms or better, and all applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, the procurement of services from Nanjing Yingfa Group will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

2. Leases of Premises by Nanjing Yingfa Group and Yingfa Ruisheng from our Group

Our Group has entered into lease agreements with Nanjing Yingfa Group and Yingfa Ruisheng, respectively, pursuant to which our Group agreed to lease to Nanjing Yingfa Group certain premises in Tianchang City, Anhui Province and Yibin City, Sichuan Province, for its installation of rooftop photovoltaic electricity facility and commercial and dormitory use and lease to Yingfa Ruisheng certain premises in Tianchang City, Anhui Province for its use in electronic components production and office purposes. Under the certain agreements with Nanjing Yingfa Group, we also agreed and expect to continue to purchase electricity produced by the photovoltaic electricity facility built on the rooftop leased by Nanjing Yingfa Group. The transaction amount associated thereunder under such lease agreements (including, among others, the rent, utilities attached to the leases and consideration for electricity purchased from Nanjing Yingfa Group) has been determined based on arm's length negotiation between our Group and Nanjing Yingfa Group with reference to, among others, the prevailing market rent of comparable properties and the market price of utilities.

Such lease agreements were entered into and have been conducted in the ordinary and usual course of business and on normal commercial terms or better, and all applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, the leases of premises by Nanjing Yingfa Group and Yingfa Ruisheng from our Group will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

3. Procurement of Services from Yingfa Electronics

We expect to continue to procure utility services from Yingfa Electronics for the premises we lease from Yingfa Electronics, including but not limited to supply of water and electricity. The consideration for procurement of services from Yingfa Electronics has been determined based on arm's length negotiation between our Group and Yingfa Electronics with reference to, among others, the market price of utilities.

The procurement of services from Yingfa Electronics has been conducted in the ordinary and usual course of business and on normal commercial terms or better, and all applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, the procurement of services from Yingfa Electronics will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

4. Procurement of Goods from Wuliangye Yibin Group

We expect to continue to procure liquor products from Wuliangye Yibin and/or its subsidiaries ("**Wuliangye Yibin Group**") for our own consumption. The consideration for procurement of such goods from Wuliangye Yibin Group has been determined based on arm's length negotiation between our Group and Wuliangye Yibin Group with reference to, among others, the market price of the liquor products and our purchase volume.

The procurement of goods from Wuliangye Yibin Group has been conducted in the ordinary and usual course of business and on normal commercial terms or better, and all applicable percentage ratios calculated under Chapter 14A of the Listing Rules will be less than 0.1%. Therefore, the procurement of goods from Wuliangye Yibin Group will be fully exempt from all of the reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules pursuant to Rule 14A.76(1) of the Listing Rules.

Notwithstanding that Procurement of Services from Nanjing Yingfa Group, Leases of Premises by Nanjing Yingfa Group and Yingfa Ruisheng from our Group and Procurement of Services from Yingfa Electronics are all conducted with our Controlling Shareholder or associates of our Controlling Shareholders, (i) each transaction is in different nature and based on genuine commercial purpose; (ii) each transaction is independent from each other and does not constitute a part of the same series of transactions; and (iii) the counterparty in each transaction acts independently when negotiating and conducting such transactions. Based on the above reasons, our Directors are of the view that the connected transactions above shall not be aggregated for calculation pursuant to Rule 14A.81 and 14A.82 of the Listing Rules and each transaction will be fully exempt from the relevant requirements under Chapter 14A of the Listing Rules. Based on due diligence conducted by Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to disagree with the Directors' view mentioned above.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

5. Procurement of Logistics Services from Sichuan Anshiji Group

On [●], our Group [entered] into a framework agreement with Sichuan Anshiji (for itself and on behalf of its subsidiaries, together, "**Sichuan Anshiji Group**") (the "**Procurement of Logistics Services Framework Agreement**"), pursuant to which, Sichuan Anshiji Group will provide logistics services to our Group as required for transportation of our products from time to time. Transactions under the Procurement of Logistics Services Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Procurement of Logistics Services Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Each party, or its respective subsidiaries, will enter into separate underlying agreements setting out the specific terms and conditions for the procurement of logistics services in accordance with the principles set forth in the Procurement of Logistics Services Framework Agreement.

Reasons for the transaction

Sichuan Anshiji is a professional supply chain service provider with extensive experience and resources to meet our requirements, and it has operating locations in Sichuan Province, which are proximate to where our Group headquarters and principally operates.

Pricing terms and policies

The pricing relating to procurement of logistics services from Sichuan Anshiji Group pursuant to the Procurement of Logistics Services Framework Agreement shall be determined based on arm's length negotiation between our Group and Sichuan Anshiji Group with reference to the market price of services rendered with similar nature and terms provided by Independent Third Parties, taking into account factors including time required for delivery and service quality. The terms shall be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of logistics services from Sichuan Anshiji Group were nil, nil and RMB9.2 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Sichuan Anshiji Group under the Procurement of Logistics Services Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total fees paid by us to Sichuan Anshiji Group	15	15	15

The proposed annual caps are determined based on:

(i) with reference to the historical amounts of the transactions between our Group and Sichuan Anshiji Group and the expected amount of procurement of logistics services by our Group from Sichuan Anshiji Group to meet the needs of our future business development; and

(ii) the potential change of the prices of the logistics services due to fluctuation in costs and expenses relating to labor in the three years ending December 31, 2028.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Procurement of Logistics Services Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will exceed 0.1% but be less than 5%, on an annual basis, pursuant to Rule 14A.76(2) of the Listing Rules, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

6. Provision of Guarantees to Yingfa Deyao Group

On [●], our Company [entered] into a framework agreement with Yingfa Deyao (for itself and on behalf of its subsidiaries, together, "**Yingfa Deyao Group**") (the "**Guarantee Framework Agreement**"), pursuant to which, our Company, as required by relevant commercial banks in accordance with the market practice, will provide guarantees to Yingfa Deyao Group as Yingfa Deyao's controlling shareholder for its several bank borrowings and facilities, which will be obtained for R&D and manufacturing projects of our Group. Transactions under the Guarantee Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Guarantee Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties will enter into separate underlying agreements which will set out the specific terms and conditions for the provision of guarantees according to the principles provided in the Guarantee Framework Agreement.

Reasons for the transaction

Yingfa Deyao Group needs funding from commercial banks to support the photovoltaic cells R&D and manufacturing projects of our Group. As usual practice of commercial banks providing such loans in the region, those banks have requested our Company as the controlling shareholder of Yingfa Deyao to provide guarantees as a condition for loan approval while the minority shareholder of Yingfa Deyao was not so requested.

Pricing terms and policies

Our Company will charge Yingfa Deyao Group fees for the provision of guarantees pursuant to the Guarantee Framework Agreement considering the fairness of such transaction, and the fees shall be determined based on arm's length negotiation between our Company and Yingfa Deyao Group with reference to, among others, typical fees charged by Independent Third Parties for provision of guarantee services of similar nature and the guaranteed amount of the loans to be granted to Yingfa Deyao Group (the "**Guaranteed Amount**"), which typically includes the principal and interests of the loans and other payables incurred pursuant to the guarantee agreements.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the maximum Guaranteed Amount was RMB1,060 million, RMB1,860 million and RMB2,000 million, plus the applicable loan interests. Pursuant to the relevant loan agreements, the annual interest rate for such loans is typically based on the adjusted one-year Loan Prime Rate (LPR) published one day prior to the loan withdrawal date by China Foreign Exchange Trade System (全國銀行間同業拆借中心) authorized by the PBOC, and generally ranges from approximately 2.5% to 4.0%. During the Track Record Period, there were no fees charged to Yingfa Deyao Group for our Company's guarantees. Pursuant to the Guarantee Framework Agreement, our Company will charge Yingfa Deyao Group fees for the guarantees provided, and the fee rate will be 0.5% of the Guaranteed Amount for the year, which is determined based on the pricing terms as detailed above.

Annual caps

The following table sets forth the proposed annual caps for the maximum Guaranteed Amount for the guarantees provided by our Company and the fees to be charged to Yingfa Deyao Group under the Guarantee Framework Agreement:

	Year ending December 31,		
	2026	2027	2028
	(RMB in millions)		
Maximum Guaranteed Amount	3,000	3,000	3,000
Total fees to be charged to Yingfa Deyao Group	15	15	15

The proposed annual caps are determined based on:

(i) the historical Guaranteed Amounts and the growing trend during the Track Record Period;

(ii) the estimated Guaranteed Amounts with reference to the existing loan and guarantee agreements, taking into account the anticipated renewals or extensions, which are expected to continue contributing to the transaction amounts for the three years ending December 31, 2028;

(iii) demands for bank borrowings and facilities of Yingfa Deyao based on its business development needs in the three years ended December 31, 2028;

(iv) the financial position and risk tolerance level of our Company; and

(v) the fee rate of 0.5% to calculate the expected fees charged to Yingfa Deyao Group based on the maximum Guaranteed Amount.

Listing Rules implications

As the highest applicable percentage ratio of the transactions contemplated under the Guarantee Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5%, on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

7. Procurement of Raw Materials from Sanjiang New Energy Group and Yibin Huifa Group

A. Procurement of Raw Materials from Sanjiang New Energy Group

On [●], our Group [entered] into a framework agreement with Sanjiang New Energy (for itself and on behalf of its subsidiaries, together, "**Sanjiang New Energy Group**") (the "**Sanjiang New Energy Raw Materials Procurement Framework Agreement**"), pursuant to which, Sanjiang New Energy Group will supply to our Group metallic pastes and other raw materials as we may require for the production of PV cells from time to time. Transactions under the Sanjiang New Energy Raw Materials Procurement Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Sanjiang New Energy Raw Materials Procurement Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of raw materials according to the principles provided in the Sanjiang New Energy Raw Materials Procurement Framework Agreement.

Reasons for the transaction

We have historically sourced the raw materials from Sanjiang New Energy Group and have developed procurement partnership with them. Maintaining this procurement relationship not only ensures the continuity of supply, but also enhances the reliability and resilience of our supply chain.

Pricing terms and policies

The pricing relating to procurement of the raw materials from Sanjiang New Energy Group pursuant to the Sanjiang New Energy Raw Materials Procurement Framework Agreement shall be determined based on arm's length negotiation between our Group and Sanjiang New Energy Group with reference to the market price we obtained from Independent Third Parties for procurement of metallic pastes of similar nature, the quality and quantity of metallic pastes we required, the payment terms offered to us, and the availability of stable supply of the relevant raw materials. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of the raw materials from Sanjiang New Energy Group were nil, nil and RMB279.2 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Sanjiang New Energy Group under the Sanjiang New Energy Raw Materials Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total fees paid by us to Sanjiang New Energy Group	400	400	400

The proposed annual caps are determined based on:

(i) the great potential for the growth of cooperation between us in the future notwithstanding that we started to transact with Sanjiang New Energy Group in the first four months of 2025;

(ii) the expected amount of procurement of the raw materials by our Group from Sanjiang New Energy Group to meet the needs of our future business development; and

(iii) the potential change of the prices of the raw materials due to fluctuation in the labor and raw material costs in the three years ending December 31, 2028.

B. Procurement of Raw Materials from Yibin Huifa Group

On [●], our Group [entered] into a framework agreement with Yibin Huifa (for itself and on behalf of its subsidiaries, together, "**Yibin Huifa Group**") (the "**Yibin Huifa Raw Materials Procurement Framework Agreement**"), pursuant to which, Yibin Huifa Group will supply to our Group metallic pastes, silicon wafers and other raw materials as we may require for the production of PV cells from time to time. Transactions under the Yibin Huifa Raw Materials Procurement Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the Yibin Huifa Raw Materials Procurement Framework Agreement will commence on the [**REDACTED**] and will end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Both parties or their respective subsidiaries will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of raw materials according to the principles provided in the Yibin Huifa Raw Materials Procurement Framework Agreement.

Reasons for the transaction

The raw materials purchased from Yibin Huifa Group meet our needs for production. Our procurement of the raw materials from Yibin Huifa Group is due to its ability to provide a stable supply and the flexible payment terms it offers.

Pricing terms and policies

The pricing relating to procurement of the raw materials from Yibin Huifa Group pursuant to the Yibin Huifa Raw Materials Procurement Framework Agreement shall be determined based on arm's length negotiation between our Group and Yibin Huifa Group with reference to the market price we obtained from Independent Third Parties for procurement of the raw materials of similar nature, the quality and quantity of the raw materials we required, the payment terms offered to us, and the availability of stable supply of the raw materials. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts with respect to the procurement of the raw materials from Yibin Huifa Group were nil, nil and RMB26.5 million, respectively.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Yibin Huifa Group under the Yibin Huifa Raw Materials Procurement Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
	(RMB in millions)		
Total fees paid by us to Yibin Huifa Group . . .	180	180	180

The proposed annual caps are determined based on:

(i) according to the orders placed by us as of the Latest Practicable Date, the expected amount of procurement of the raw materials by our Group from Yibin Huifa Group to meet the needs of our future business development; and

(ii) the potential change of the prices of the raw materials due to fluctuation in the labor and raw material costs in the three years ending December 31, 2028.

Listing Rules implications

Considering (i) the similar nature of the transactions contemplated under the Sanjiang New Energy Raw Materials Procurement Framework Agreement and the Yibin Huifa Raw Materials Procurement Framework Agreement and (ii) that both Sanjiang New Energy and Yibin Huifa are subsidiaries of Yibin Development, the transactions contemplated under these two agreements shall be aggregated pursuant to Rule 14A.81 and 14A.82 of the Listing Rules and the highest applicable percentage ratio of the aggregated transactions for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5%, on an annual basis, and such transactions will, upon [**REDACTED**], constitute continuing connected transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

8. Comprehensive Cooperation with LONGi Group

On [●], our Group [entered] into a framework agreement with LONGi (for itself and on behalf of its subsidiaries, together, "**LONGi Group**") (the "**LONGi Comprehensive Cooperation Framework Agreement**"), pursuant to which, (i) our Group will supply PV cell products to LONGi Group, including, among others, N-type TOPCon cells and N-type xBC cells, (ii) LONGi Group will supply raw materials to our Group as required for the production of PV cells from time to time, including, among others, silicon wafers and silicon rods, and (iii) LONGi Group will license several patents relating to the production of N-type xBC PV cells to our Group. Transactions under the LONGi Comprehensive Cooperation Framework Agreement will be conducted on normal commercial terms in the ordinary and usual course of business of our Group.

The initial term of the LONGi Comprehensive Cooperation Framework Agreement will commence on the [**REDACTED**] and end on December 31, 2028, subject to renewal upon the mutual agreement of both parties thereto. Each party, or its respective subsidiaries, will enter into separate underlying agreements setting out the specific terms and conditions for the provision of PV cell products, procurement of raw materials and license of patents in accordance with the principles set forth in the LONGi Comprehensive Cooperation Framework Agreement.

Reasons for the transaction

LONGi was one of our five largest suppliers and concurrently one of our five largest customers during the Track Record Period, and has established and maintained a strategic partnership with us. We have mutually benefited from the transactions conducted with each other and our stable and sustained cooperation would promote the long-term development goals of both parties. For more details, see "Business – Relationship with LONGi" in this document.

Pricing terms and policies

The pricing relating to transactions contemplated under the LONGi Comprehensive Cooperation Framework Agreement shall be determined based on arm's length negotiation between our Group and LONGi Group with reference to, (i) for the provision of PV cell products to LONGi Group, the margin premium to the procurement price of raw materials and the market price of such

products, (ii) for the procurement of raw materials from LONGi Group, the market price obtained from Independent Third Parties for raw materials of similar nature, the quality and quantity of raw materials we required, and the availability of stable supply, and (iii) for the licensing of patents from LONGi Group, contribution of the licensed patents to our revenue and LONGi's demand for N-type xBC cells manufactured using such patents. The terms shall be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

For the years ended December 31, 2023, 2024 and 2025, the historical transaction amounts were as follows: (i) with respect to the provision of PV cell products to LONGi Group, RMB2,561.5 million, RMB893.3 million and RMB937.7 million, respectively, (ii) with respect to the procurement of raw materials from LONGi Group, RMB2,872.3 million, RMB1,239.1 million and RMB1,173.5 million, respectively, and (iii) with respect of the licensing of patents from LONGi Group, nil for each year.

Annual caps

The following table sets forth the proposed annual caps for the transaction amounts regarding transactions contemplated under the LONGi Comprehensive Cooperation Framework Agreement:

	Year ending December 31,		
	2026	**2027**	**2028**
		(RMB in millions)	
Total fees paid by LONGi Group to us with respect to the provision of PV cell products	2,500	2,500	2,500
Total fees paid by us to LONGi Group with respect to the procurement of raw materials	1,500	1,500	1,500
Total fees paid by us to LONGi Group with respect to the license of patents	20	35	35

The proposed annual caps are determined based on:

(i) for the provision of PV cell products to LONGi Group, the historical amounts of the transactions between our Group and LONGi Group during the Track Record Period and the expected procurement amount of PV cell products by LONGi Group with reference to the procurement agreements entered into between the parties as of the Latest Practicable Date;

(ii) for the procurement of raw materials from LONGi Group, the historical amounts of the transactions between our Group and LONGi Group during the Track Record Period, the expected procurement amount of such raw materials from LONGi Group to meet our production needs and the potential change of the prices of such raw materials; and

(iii) for the licensing of patents from LONGi Group, the future demands of LONGi Group for our N-type xBC cell products manufactured using such patents and the expected amount of such PV cell products to be sold to third parties other than LONGi Group.

Listing Rules implications

As the highest applicable percentage ratio of the aggregated transactions contemplated under the LONGi Comprehensive Cooperation Framework Agreement for the three years ending December 31, 2028 calculated for the purpose of Chapter 14A of the Listing Rules will exceed 5%, on an annual basis, such transactions will, upon [**REDACTED**], constitute continuing connected

transactions of our Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

INTERNAL CONTROL MEASURES

In order to ensure that the terms under the relevant framework agreements for the continuing connected transactions are fair and reasonable, and no less favorable to us than terms available to or from Independent Third Parties, and the connected transactions are carried out under normal commercial terms, we have adopted the following internal control procedures:

- we have adopted and implemented a management system on connected transactions. Under such system, the Audit Committee under our Board is responsible for the review on compliance with relevant laws, regulations, our Company's policies and the Listing Rules in respect of the continuing connected transactions. In addition, the Audit Committee under our Board, our Board and various internal departments of our Company are jointly responsible for evaluating the terms under the framework agreements for the continuing connected transactions, in particular, the fairness of the pricing policies and annual caps under each transaction;

- the Audit Committee under our Board, our Board and various internal departments of our Company also regularly monitor the fulfillment status and the transaction updates under the framework agreements. In addition, the management of our Company also regularly reviews the pricing policies of the framework agreements;

- our independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules; and

- our Company will continue to regularly research in prevailing market conditions and practices and make reference to the pricing and terms between our Company and Independent Third Parties for similar transactions, to ensure that the pricing and terms offered by the above connected persons, either from bidding procedures or mutual commercial negotiations (as the case may be), are fair, reasonable and are no less favorable than those offered to or from Independent Third Parties. For the specific internal control procedures for each of the continuing connected transaction under the framework agreements, please refer to the relevant disclosure for the respective continuing connected transaction in this section.

CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the partially exempt continuing connected transaction and the non-exempt continuing connected transactions set out above have been and will continue to be carried out in our ordinary and usual course of business of our Company and on normal commercial terms that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for the transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE JOINT SPONSORS

The Joint Sponsors have (i) reviewed the relevant documents and information provided by our Company in relation to the aforesaid partially exempt continuing connected transaction and non-exempt continuing connected transactions, (ii) obtained necessary representations and confirmations from our Company and our Directors, and (iii) participated in the due diligence and discussions with the management of our Group. Based on the above, the Joint Sponsors are of the

view that the aforesaid partially exempt continuing connected transaction and non-exempt continuing connected transactions, for which a waiver has been sought, have been entered into in the ordinary and usual course of our business on normal commercial terms or better terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of such transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

WAIVER GRANTED BY THE STOCK EXCHANGE

In respect of the partially exempt continuing connected transaction as described above under the Procurement of Logistics Services Framework Agreement, the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules for the three years ending December 31, 2028 will be more than 0.1% but less than 5% on an annual basis. Accordingly, the continuing connected transaction under such framework agreement is subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules. In respect of the non-exempt continuing connected transactions as described above under the Guarantee Framework Agreement and the Raw Material Procurement Framework Agreement, the highest applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules for the three years ending December 31, 2028 will be more than 5% on an annual basis. Accordingly, the continuing connected transactions under such framework agreements are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules.

As the above continuing connected transactions are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the aforesaid announcement requirement will be impractical, and such requirements will lead to unnecessary administrative costs and create an onerous burden on us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, a waiver from strict compliance with the announcement requirement under Rule 14A.35 of the Listing Rules in respect of the aforesaid partially exempt continuing connected transaction, and the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders' approval requirement under Rule 14A.36 of the Listing Rules in respect of the aforesaid non-exempt continuing connected transactions, provided that the total amount of the transactions for each of the three years ending December 31, 2028 will not exceed the relevant proposed annual caps as set out in this section. The independent non-executive Directors and auditors of our Company will conduct annual review of the continuing connected transactions under the framework agreements and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

OVERVIEW

Our Board comprises nine Directors, including four executive Directors, two non-executive Director and three independent non-executive Directors, namely:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities
Mr. Zhang Fayu (張發玉)[1]	62	Chairperson of our Board and executive Director	June 2016	June 2016	Strategic planning, overseeing our Board and key business and operational matters of our Group
Ms. Zhang Min (張敏)[1]	37	Executive Director and general manager	June 2016	June 2016	Overall management and decision-making for key business and operational matters
Mr. Zhang Jie (張傑)[1]	33	Executive Director and deputy general manager	June 2016	June 2016	Decision-making for key business and operational matters, developing sales strategy and leading the sales team
Mr. Shi Yansong (施豔松)	43	Executive Director, deputy general manager, head of finance, secretary to our Board and joint company secretary	January 2022	December 2022	Decision-making for key business and operational matters and overseeing the financial operations and legal and compliance affairs of our Group
Mr. Wu Qingbao (吳慶保)[2]	43	Non-executive Director	June 2016	June 2016	Providing advice on the operation and management of our Group
Mr. Bu Xiong (補雄)	44	Non-executive Director	December 2024	December 2024	Providing advice on the operation and management of our Group
Mr. Li Liangchen (李良琛)	51	Independent non-executive Director	December 2022	December 2022	Providing independent advice on the operations and management of our Group

1 Mr. Zhang Fayu is the father of Ms. Zhang Min and Mr. Zhang Jie.

2 Mr. Wu Qingbao is the spouse of Ms. Zhang Min.

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Roles and responsibilities
Ms. Tang Shuo (唐朔)	42	Independent non-executive Director	December 2022	December 2022	Providing independent advice on the operations and management of our Group
Dr. Xu Linwen (徐琳雯)	37	Independent non-executive Director	November 2025	November 2025	Providing independent advice on the operations and management of our Group

Our senior management team comprises the following members:

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Roles and responsibilities
Ms. Zhang Min (張敏)	37	Executive Director and general manager	June 2016	January 2021	Overall management and decision-making for key business and operational matters
Mr. Zhang Jie (張傑)	33	Executive Director and deputy general manager	June 2016	January 2021	Decision-making for key business and operational matters, developing sales strategy and leading the sales team
Mr. Shi Yansong (施豔松)	43	Executive Director, deputy general manager, head of finance, secretary to our Board and joint company secretary	January 2022	January 2022	Decision-making for key business and operational matters, overall corporate governance and overseeing the financial operations and legal and compliance affairs of our Group

DIRECTORS

Executive Directors

Mr. Zhang Fayu (張發玉), aged 62, is our Director and chairperson of our Board. Mr. Zhang joined our Group as our chairperson of our Board and general manager in June 2016. He served as our general manager from June 2016 to December 2020. Mr. Zhang was appointed as our Director

and chairperson of our Board in June 2016, and was redesignated as an executive Director on August 13, 2025, effective on the [**REDACTED**]. He is primarily responsible for strategic planning and overseeing our Board and key business and operational matters of our Group. Mr. Zhang has been the executive director and general manager of Yingfa Desheng, a major subsidiary of our Group, since June 2020.

Mr. Zhang worked at Nanjing Yingfa Tianhong Electronics Co., Ltd. (南京英發天虹電子有限責任公司), a manufacturer of radio and television ancillary equipment, radio components and audio equipment, as the executive director and general manager from December 1990 to July 2022. Mr. Zhang was the chairperson of the board and general manager of Shanghai SHENG CHANG TIAN HUA Electronics Co., Ltd. (上海盛昌天華電子有限公司), a company primarily engaged in the manufacturing of electronic components, from January 1993 to December 2022. Mr. Zhang was the executive director of Shanghai Yuntian Electronics Co., Ltd. (上海韻天電子有限公司), a company primarily engaged in the manufacturing of electronic components, from September 1995 to July 2022. Mr. Zhang served as the general manager at Shanghai Pudong Yingfa Electronics Co., Ltd. (上海浦東英發電子有限公司), a specialized manufacturer of electronic components, from May 1998 to November 2022. Mr. Zhang served as the general manager at Anhui Yingfa Electronics Co., Ltd. (安徽英發電子有限公司), a manufacturer of transformers, rectifiers and inductors, from June 2003 to May 2004. Mr. Zhang served as the executive director and general manager of Nanjing Yingfa, our controlling shareholder, from December 2013 to July 2022.

Mr. Zhang was named the "2019 Outstanding Contribution Entrepreneur of Tianchang City (2019年度天長市突出貢獻企業家)" and "2024 Outstanding Private Entrepreneur of Anhui Province (2024年度安徽省優秀民營企業家)".

Mr. Zhang graduated from the correspondence college program (函授大專班) in economic management at the Anhui Provincial Party School of the Communist Party of China (中共安徽省委党校).

Ms. Zhang Min (張敏), aged 37, is our Director and general manager. Ms. Zhang joined our Group in June 2016. She has been our Director from June 2016 and general manager from January 2021, and was redesignated as an executive Director on August 13, 2025, effective on the [**REDACTED**]. She served as a responsible person for non-silicon procurement from May 2020 to December 2020. Ms. Zhang holds various positions at Yingfa Deyao, Yingfa Dekun and other subsidiaries. She is primarily responsible for the overall management and decision-making for key business and operational matters.

Ms. Zhang served as a foreign trade sales from September 2011 to July 2013 and the general manager from January 2014 to March 2020 at Shanghai Pudong Yingfa Electronics Co., Ltd. (上海浦東英發電子有限公司), a specialized manufacturer of electronic components. Ms. Zhang served as the investment manager, chairperson of the board and general manager successively at Tianchang Sunshine Microcredit Co., Ltd. (天長市秦欄小額貸款股份有限公司) from July 2013 to March 2021.

She has earned numerous accolades in her illustrious career, including the 2022 Outstanding Entrepreneurs of Yibin in Promoting High-Quality Development Performance (2022年度宜賓市推動高品質發展表現優秀企業家) award, the 2023 Outstanding Entrepreneur of Yibin Hi-Tech Zone (2023年度宜賓高新區優秀企業家) award, the PVBL2024 Global PV Industry Person of the Year (PVBL2024全球光伏行業年度人物) award, the 11th Outstanding Sichuan Businessmen Case (第十一屆傑出川商人物案例) award, AsiaSolar 2024 Asia PV Innovators (AsiaSolar 2024亞洲光伏創新人物) award, the 2024 Leading China Renewable Energy PV Top 100 People of Excellence (2024年度領跑中國可再生能源光伏百強卓越人物) award and the Model Worker of Sichuan Province (四川省勞動模範) award.

Ms. Zhang obtained a Bachelor of Science with Honours in Banking and International Finance degree from Cass Business School (currently known as Bayes Business School), the business school of City University London (currently known as City St George's, University of London), in the United Kingdom, in July 2010.

Mr. Zhang Jie (張傑), aged 33, is our Director and deputy general manager. Mr. Zhang joined our Group in June 2016. He has been our director from June 2016 and deputy general manager from January 2021, and was redesignated as an executive Director on August 13, 2025, effective on the [**REDACTED**]. He served as a sales manager from July 2020 to December 2020. Mr. Zhang also holds various positions at the subsidiaries of our Group. He is primarily responsible for the decision-making for key business and operational matters, developing sales strategy and leading the sales team.

Mr. Zhang was a sales director at Shanghai SHENG CHANG TIAN HUA Electronics Co., Ltd. (上海盛昌天華電子有限公司), a company primarily engaged in optoelectronic device manufacturing, from September 2017 to July 2020.

Mr. Zhang obtained a bachelor's degree in economics from Michigan State University, in the United States, in May 2016.

Mr. Shi Yansong (施豔松), aged 43, is our Director, deputy general manager, head of finance, secretary to our Board and a joint company secretary of our Company. Mr. Shi joined our Group in January 2022 as our financial controller and secretary to our Board. He was appointed as our Director and deputy general manager in December 2022 and was redesignated as an executive Director and appointed as a joint company secretary of our Company on August 13, 2025, effective on the [**REDACTED**]. Mr. Shi also holds various positions at the subsidiaries of our Group. He is primarily responsible for the decision-making for key business and operational matters, overall corporate governance and overseeing the financial operations and legal and compliance affairs of our Group.

Mr. Shi worked as an auditor at Zhejiang Dongfang Zhonghui Certified Public Accountants Co., Ltd. (浙江東方中匯會計師事務所) from August 2004 to October 2006. Mr. Shi worked at Deloitte Touche Tohmatsu Certified Public Accountants LLP (德勤華永會計師事務所(特殊普通合夥)) from November 2006 to June 2013. Mr. Shi subsequently served as the financial director at Hongyu Technology Co., Ltd. (宏裕科技有限公司) from October 2015 to December 2021.

Mr. Shi obtained a bachelor's degree in management from Shandong University of Finance (currently known as Shandong University of Finance and Economics) (山東財政學院(現山東財經大學)), in Jinan, Shandong Province, the PRC, in July 2004. Mr. Shi has been a member of the Chinese Institute of Certified Public Accountants since September 2006.

Non-executive Directors

Mr. Wu Qingbao (吳慶保), aged 43, is our Director. Mr. Wu joined our Group in June 2016 as our finance manager until December 2021. He was appointed as our Director in June 2016, and was redesignated as a non-executive Director on August 13, 2025, effective on the [**REDACTED**]. He is primarily responsible for providing advice on the operation and management of our Group.

Mr. Wu worked at Inspur Group Co., Ltd. (浪潮集團有限公司), a company in the information software industry, in August 2004 to July 2005. Mr. Wu worked at Ericsson (China) Communications Co., Ltd. (愛立信(中國)通信有限公司), a company in the communications network industry, from October 2005 to May 2008. Mr. Wu worked at the Beijing Information Consulting Branch of GM Healthcare Investment (China) Co., Ltd. (通用電氣醫療投資(中國)有限公司北京信息諮詢分公司) as a senior accountant from July 2008 to January 2009 and worked at the Beijing branch of GE Medical Systems Trade & Development (Shanghai) Co., Ltd. (通用電氣醫療系統貿易發展(上海)有限公司北京分公司) from February 2009 to June 2015. Mr. Wu served as the

finance manager at Shanghai SHENG CHANG TIAN HUA Electronics Co., Ltd. (上海盛昌天華電子有限公司), a company primarily engaged in optoelectronic device manufacturing, from July 2015 to June 2016 and from January 2022 to August 2022. Mr. Wu worked at Shanghai Shangying Property Management Co., Ltd. (上海上英物業管理有限公司) from September 2022 to January 2023. Mr. Wu was a finance manager at Shanghai Yingfa Risen New Energy Technology Group Co., Ltd. (上海英發睿盛新能源科技集團有限公司), a company in the electronics manufacturing industry, from February 2023 to July 2024. He has been the director of operations of Shanghai Yingfa Risen Technology Co., Ltd. (上海英發睿盛科技有限公司), a company in the electronics manufacturing industry, since August 2024.

Mr. Wu obtained a bachelor's degree in management from Shandong University of Finance (currently known as Shandong University of Finance and Economics) (山東財政學院(現山東財經大學)), in Jinan, Shandong Province, the PRC, in July 2004.

Mr. Bu Xiong (補雄), aged 44, is our Director. Mr. Bu joined our Group in December 2024 as our Director, and was redesignated as a non-executive Director on August 13, 2025, effective on the [**REDACTED**]. He is primarily responsible for providing advice on the operation and management of our Group.

Mr. Bu worked as at Chongqing Chuanyi Automation Co., Ltd. (重慶川儀自動化股份有限公司), an automation instrumentation manufacturer listed on the Shanghai Stock Exchange (stock code: 603100.SH), from July 2000 to July 2010. Mr. Bu was the finance manager of Pengshui County Maotian Energy Development Co., Ltd. (彭水茂田能源開發有限公司), a company in the non-metallic mineral products industry, from August 2010 to May 2011. Mr. Bu was the manager of the project management department at HNA Group Southwest Headquarters Co., Ltd. (海航集團西南總部有限公司), a company primarily engaged in the investment in real estate, cultural and educational industry projects, from May 2011 to December 2011. Mr. Bu has held various positions in Yibin Tianyuan Group Co., Ltd. (宜賓天原集團股份有限公司) ("Yibin Tianyuan"), a company in the new material and new energy industry and listed in the Shenzhen Stock Exchange (stock code: 002386.SZ), including (i) the head of the office of the board of directors (董事會辦公室主任) from April 2016 to December 2023; (ii) employee supervisor (職工監事) from December 2015 to November 2019; and (iii) investment management director from March 2020 to December 2023. Mr. Bu has also served as the deputy manager of the asset and finance department and the deputy manager of the audit and supervision department at Yibin Tianyuan and the financial director at Xinjiang Tiannan Energy Chemical Co., Ltd. (新疆天南能源化工有限公司), an associated entity of Yibin Tianyuan. Mr. Bu has or had held various positions in Yibin High-Tech Investment Group Co., Ltd. (宜賓市高新投資集團有限公司) and its subsidiaries or associated entities, including (i) the financial director of Yibin High-Tech Investment Group Co., Ltd. (宜賓市高新投資集團有限公司) since January 2024, (ii) the chairperson of the board of Yibin Hi-Tech Supply Chain Co., Ltd. (宜賓高投供應鏈有限公司) from January 2024 to April 2025, (iii) the director of Sichuan Heguang Tongcheng Photovoltaic Technology Co., Ltd. (四川和光同程光伏科技有限公司) from April 2024 to December 2025 and (iv) the chairperson of the board of Yibin Gaoxin Chuangling Investment Co., Ltd. (宜賓高新創領投資有限公司) from October 2024 to April 2025.

Mr. Bu graduated from Chongqing Industry Polytechnic College (重慶工業職業技術學院) in Chongqing City, the PRC, in June 2000, majoring in equipment maintenance and management. He obtained a master's degree in financial management from University of Alberta under the program organized jointly by Xi'an Jiaotong University and University of Alberta, in Xi'an, Shaanxi Province, the PRC, in June 2025.

Mr. Bu holds various qualifications including (i) Senior Accountant (高級會計師) qualification awarded by Chongqing Social Talent Title Reform Office (重慶市社會人才職稱改革辦公室) in February 2013; (ii) China Certified Valuer (中國註冊評估師) awarded by Xinjiang Construction Corps Title Reform Leading Group (新疆建設兵團職稱改革領導小組) in March 2014; (iii) qualification certificate for lawyer worked for corporations from the Ministry of Justice of the People's Republic of China (中華人民共和國司法部) in April 2021 (iv) Senior Economist (正高級

經濟師) qualification awarded by the Office of Human Resources and Social Security of Sichuan Province (四川省人力資源和社會保障廳) in August 2021; (v) member of the Chinese Institute of Certified Public Accountants since June 2022; (vi) China Certified Tax Accountant (中國註冊稅務師) qualification awarded by China Association of Registered Tax Accountants (中國註冊稅務師協會) in November 2023.

Independent Non-Executive Directors

Mr. Li Liangchen (李良琛), aged 51, is our independent Director. Mr. Li joined our Group in December 2022 as our independent Director, and was redesignated as an independent non-executive Director on August 13, 2025, effective on the [**REDACTED**]. He is primarily responsible for providing independent advice on the operations and management of our Group.

Mr. Li worked at Chiatal Qingchunbao Pharmaceutical Co., Ltd. (正大青春寶藥業有限公司), a pharmaceutical company, from December 2000 to April 2010. Mr. Li worked at AllBright Law Offices (Hangzhou) (上海錦天城(杭州)律師事務所) from May 2010 to March 2021. Mr. Li was a lawyer at Tian Yuan Law Firm (Hangzhou) (北京天元(杭州)律師事務所) from June 2021 to October 2021. Mr. Li worked at Zhonglun Law Firm (Hangzhou) (北京中倫(杭州)律師事務所) from October 2021 to August 2025 with his last position as a partner. Mr. Li has been a lawyer at Beijing Dacheng Law Offices (Hangzhou) (北京大成(杭州)律師事務所) since August 19, 2025.

Mr. Li holds or held independent directorship in several listed companies, including:

- Zhejiang Chemsyn Pharm Co., Ltd. (浙江海昇藥業股份有限公司, 920656.BJ) from December 2020 to April 2024;
- SIJIN INTELLIGENT FORMING MACHINERY CO., LTD. (思進智能成形裝備股份有限公司, 003025.SZ) since May 2022;
- Zhuhai Zhumian Group Co., Ltd. (珠免集團股份有限公司, 600185.SH) since October 2022;
- Luzhou Laojiao Co., Ltd. (瀘州老窖股份有限公司, 000568.SZ) since June 2024.

Mr. Li obtained a bachelor's degree in commercial law from Hangzhou College of Commerce (currently known as Zhejiang Gongshang University) (杭州商學院 (現浙江工商大學)) in Hangzhou, Zhejiang Province, the PRC in July 1998 and an MBA degree from Fudan University (復旦大學) in Shanghai, the PRC, in June 2009.

Ms. Tang Shuo (唐朔), aged 42, is our independent non-executive Director. Ms. Tang joined our Group in December 2022 as our independent Director, and was redesignated as an independent non-executive Director on November 28, 2025, effective on the [**REDACTED**]. She is primarily responsible for providing independent advice on the operations and management of our Group.

From August 2007 to May 2010, Ms. Tang served as a senior auditor at PwC Zhong Tian Certified Public Accountants LLP (普華永道中天會計師事務所). From November 2010 to September 2012, she worked as a financial analyst at Siemens VAI Metals Technology Co., Ltd. (西門子奧鋼聯冶金技術有限公司), a company primarily engaged in metallurgical manufacturing. From September 2012 to March 2019, she held the position of supply chain finance manager at 3M China Co., Ltd. (3M中國有限公司), a company primarily engaged in providing technology-driven innovative products. From March 2020 to October 2021, she served as supply chain finance manager at General Mills China Co., Ltd. (通用磨坊中國有限公司), a company primarily engaged in providing food products. From October 2021 to April 2022, she acted as senior supply chain finance manager at JALA Group Co., Ltd. (伽藍集團股份有限公司), a company primarily engaged in providing cosmetics and personal care products. From April 2022 to April 2023, she held the position of finance manager at Shanghai Fanshun Mauser Packaging Co., Ltd. (上海帆順毛瑟包裝

有限公司), a company primarily engaged in providing packaging products and services. From April 2023 to June 2023, she served as senior finance manager at Bureau Veritas Shanghai Co., Ltd. (必維申美檢測有限公司), a company primarily engaged in providing testing, inspection and certification services. From June 2023 to June 2025, she rejoined Shanghai Fanshun Mauser Packaging Co., Ltd. and served as its finance manager. Since July 2025, she has been serving as Asia Pacific Financial Controller at Mauser Container Solutions (Jiangsu) Co., Ltd. (毛瑟容器(江蘇)有限公司), a company primarily engaged in developing, manufacturing and marketing industrial packaging products.

Ms. Tang obtained a bachelor's degree of accounting in June 2004 and a master's degree of accounting in January 2007, both from Shanghai University of Finance and Economics(上海財經大學) in China. Ms. Tang obtained a certificate of Certified Public Accountant (CPA) issued by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in June 2011.

Dr. Xu Linwen (徐琳雯), aged 37, is our independent non-executive Director. Dr. Xu was appointed as our independent non-executive Director on August 13, 2025, effective on the [**REDACTED**]. She is primarily responsible for providing independent advice on the operations and management of our Group.

Dr. Xu has been the general manager of Ningbo High-Tech Zone Meike Information Technology Co., Ltd. (currently known as Ningbo MIK Supply Chain Management Co., Ltd.) (寧波高新區美艾科資訊技術有限公司, 現寧波渼珂供應鏈管理有限公司), a company primarily engaged in the import and export of goods, from August 2014 to October 2017 and subsequently from April 2022 to the present. Dr. Xu served as an assistant to the president at Oulin Group (歐琳集團有限公司), a company primarily engaged in the sales of kitchenware and kitchen appliances, from March 2014 to August 2016. Dr. Xu has been the chairperson of the board of Zhejiang Tsianyu Decoration Technology Stock Co., Ltd. (浙江千玉裝飾科技股份有限公司), a company primarily engaged in the sales of decorations and glazing business, from December 2017 to October 2022. Dr. Xu has been the general manager of Ningbo Threeyes International Trading Co., Ltd. (寧波三也國際貿易有限公司), a company primarily engaged in the import and export of goods, from June 2020 to September 2020. Dr. Xu has been the general manager of Ningbo Jayco International Logistics Co., Ltd. (寧波婕可國際物流有限公司), an international cargo transportation agency, from September 2021 to December 2021. Dr. Xu has also been the chairperson of the board of Kendor Technology (Zhejiang) Co., Ltd. (肯多科技(浙江)有限公司), a manufacturer of disposable pen injector, from August 2022, and has been the general manager of Kendor Technology (Henan) Co., Ltd. (肯多科技(河南)有限公司), a manufacturer and trader of medical equipments, from May 2025.

Dr. Xu obtained a Bachelor of Science with Honours in Management degree from Cass Business School (currently known as Bayes Business School), the business school of City University London (currently known as City St George's, University of London), in July 2010, a Master of Science degree in Executive Global Master of Science in Management from London School of Economics and Political Science in the United Kingdom, in June 2018 and a Doctor of Business Administration degree from University of Macau in Macau, China, in August 2024.

SENIOR MANAGEMENT

Our senior management team is responsible for the day-to-day management and operation of our business. Ms. Zhang Min, our executive Director and general manager; Mr. Zhang Jie, our executive Director and deputy general manager; and Mr. Shi Yansong, our executive Director, deputy general manager, head of finance and secretary to our Board are also members of our senior management. For their biographies, see "— Directors — Executive Directors" in this section.

JOINT COMPANY SECRETARIES

Mr. Shi Yansong (施豔松)

Mr. Shi Yansong (施豔松) aged 43, was appointed as the joint company secretary of our Company on August 13, 2025, effective on the [**REDACTED**]. Mr. Shi is primary responsible for overall corporate governance.

Mr. Shi is also our executive Director, deputy general manager, head of finance and secretary to our Board. Mr. Shi is a member of the Chinese Institute of Certified Public Accountants. See "— Directors — Executive Directors" in this section for details of his experience and academic background.

Ms. Yu Anne (余安妮)

Ms. Yu Anne (余安妮) is a joint company secretary of our Company. Ms. Yu is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited and has over 20 years of experiences in corporate secretarial and corporate governance field. Ms. Yu is currently acting as the company secretary of several companies listed on the main board of the Stock Exchange. Ms. Yu holds a bachelor's degree from University of Huddersfield in the United Kingdom and a Master of Law degree from The University of Law in the United Kingdom. Ms. Yu is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Yu also holds a Practitioner's Endorsement from The Hong Kong Chartered Governance Institute.

OTHER INFORMATION

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on July 29, 2025, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that 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, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointments.

Except as disclosed above, each of our Directors confirms that he or she does not have any interest in a business apart from the business of our Group which competes or is likely to compete, whether directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

Except as disclosed above, none of our Directors or members of senior management held any other directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the Latest Practicable Date.

Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and no other matters are required to be brought to the attention of Shareholders as of the Latest Practicable Date.

To the best knowledge, information and belief of our Directors, save as disclosed above, our Directors and senior management do not have any other relationship among them.

BOARD COMMITTEES

Audit Committee

Our Board has established the Audit Committee with written terms of reference 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 "**Corporate Governance Code**"). The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of our Group and provide advice and comments to our Board. The Audit Committee comprises Ms. Tang Shuo, Mr. Wu Qingbao and Dr. Xu Linwen, with Ms. Tang Shuo (being our independent non-executive Director with appropriate professional qualifications) as the chairperson.

Remuneration and Appraisal Committee

Our Board has established the Remuneration and Appraisal Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration and Appraisal Committee are to review and make recommendations to our Board on the terms of remuneration packages to our Directors and other senior management. The Remuneration and Appraisal Committee comprises Dr. Xu Linwen, Mr. Zhang Jie and Ms. Tang Shuo, with Dr. Xu Linwen as the chairperson.

Nomination Committee

Our Board has established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment of Directors and other senior management. The Nomination Committee comprises of Mr. Li Liangchen, Ms. Zhang Min and Dr. Xu Linwen, with Mr. Li Liangchen as the chairperson.

Strategy Committee

Our Board has established a strategy committee with written terms of reference. The primary duties of the Strategy Committee are to research and make recommendations to our Board on our long-term development strategies and major investment decisions. The Strategy Committee comprises Mr. Zhang Fayu, Ms. Zhang Min and Mr. Li Liangchen, with Mr. Zhang Fayu as the chairperson.

ESG Committee

Our Board has established an ESG committee with written terms of reference. The primary duties of the ESG Committee are to supervise and guide the effective implementation of our Company's environmental protection, social responsibility and governance initiatives, and promote our Company's environmental, social and governance development. The ESG Committee comprises Ms. Zhang Min, Mr. Shi Yansong and Mr. Wu Qingbao, with Ms. Zhang Min as the chairperson.

CORPORATE GOVERNANCE

We aim to achieve high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. In order to accomplish this, we expect to comply with all applicable code provisions of the Corporate Governance Code upon [**REDACTED**].

BOARD DIVERSITY

Our Company has adopted a board diversity policy which sets out the approach to achieve diversity of our Board. We recognize and embrace the benefits of having a diverse Board and see increasing diversity at our Board level, including gender diversity, as an essential element in

maintaining our competitive advantage and enhancing our ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

Our Board currently consists of three female and six male Directors ranging from 33 to 62 years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to industry experience in manufacturing of electronic components. They obtained degrees in various majors including business administration, equipment maintenance and management, law and accounting. Taking into account our existing business model and specific needs, as well as the diverse backgrounds of our Directors, the composition of our Board satisfies the board diversity policy.

Our Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on our Board and recommend them to our Board for adoption.

REMUNERATION OF DIRECTORS

Our Directors receive remuneration in the form of fees, basic salaries, allowances and benefits in kind, contributions to retirement schemes and discretionary bonuses and equity-settled share-based transactions. We determine the remuneration of our Directors based on their responsibilities, qualification, position and seniority.

The aggregate amount of remuneration of our Directors for the years ended December 31, 2023, 2024 and 2025 amounted to RMB20.82 million, RMB12.29 million and RMB20.99 million, respectively. None of our Directors waived or agreed to waive any emolument during the same periods.

Under the arrangements in force as of the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026, to be approximately RMB21.02 million.

The five highest paid individuals of our Group for the years ended December 31, 2023, 2024 and 2025 included four, four and three Directors. During the same periods, the aggregate amount of remuneration of the five highest paid individuals amounted to RMB26.00 million, RMB13.84 million and RMB23.15 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, our Directors or the five highest paid individuals as an inducement to join or upon joining us. No compensation was paid to, or received by, our Directors, former supervisors or the five highest paid individuals for the loss of office as a director or supervisor of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

Save as disclosed above, no other payments have been made or are payable by our Group to our Directors in respect of the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, the compliance advisor will, amongst other things, advise our Company in the following circumstances:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document or where our business activities, development or results of our Group deviate from any forecast, estimate or other information in this document; and

(d) where the Stock Exchange makes an inquiry of the Company under Rule 13.10.

The term of appointment of our compliance advisor shall commence on the [**REDACTED**] and is expected to end on 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 commencing after the [**REDACTED**].

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

(a) Interest in the shares of our Company

Name of Shareholder	Nature of interest	Number and class of Shares held upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(1)]	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the Unlisted Shares/ H Shares immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(2)] assuming the [REDACTED] is not exercised
Mr. Zhang Fayu[(3)]	Beneficial owner Interest in controlled corporation	[**REDACTED**] Shares	49.10%	[**REDACTED**]
Nanjing Yingfa[(3)]	Beneficial owner	[**REDACTED**] Shares	45.63%	[**REDACTED**]
Yibin High-tech Investment[(4)]	Beneficial owner Interest in controlled corporation	[**REDACTED**] Shares	20.11%	[**REDACTED**]
National Green Fund[(5)]	Beneficial owner	[**REDACTED**] Shares	7.86%	[**REDACTED**]
Yibin Ruineng Investment[(4)]	Beneficial owner	[**REDACTED**] Shares	5.24%	[**REDACTED**]
Yibin Emerging Industry Fund[(4)]	Interest in controlled corporation	[**REDACTED**] Shares	5.24%	[**REDACTED**]
Yibin Emerging Industry Group[(4)]	Interest in controlled corporation	[**REDACTED**] Shares	5.24%	[**REDACTED**]
Yibin Sanjiang[(4)]	Interest in controlled corporation	[**REDACTED**] Shares	5.24%	[**REDACTED**]
Yibin Development[(4)]	Interest in controlled corporation	[**REDACTED**] Shares	5.24%	[**REDACTED**]
Yibin Gaotou Industrial[(4)]	Beneficial owner	[**REDACTED**] Shares	4.68%	[**REDACTED**]
Suzhou Donghe Management[(6)]	Interest in controlled corporation	[**REDACTED**] Shares	3.93%	[**REDACTED**]
Donghe Venture Capital[(6)]	Interest in controlled corporation	[**REDACTED**] Shares	3.93%	[**REDACTED**]
Ji Liwei[(6)]	Interest in controlled corporation	[**REDACTED**] Shares	3.93%	[**REDACTED**]
Donghe Fengying[(6)]	Beneficial owner	[**REDACTED**] Shares	2.62%	[**REDACTED**]
Ni Zugen[(6)]	Interest in controlled corporation	[**REDACTED**] Shares	2.62%	[**REDACTED**]
Xiamen Jianxin[(7)]	Interest in controlled corporation	[**REDACTED**] Shares	2.33%	[**REDACTED**]

Name of Shareholder	Nature of interest	Number and class of Shares held upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(1)]	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the Unlisted Shares/ H Shares immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(2)] assuming the [REDACTED] is not exercised
Jianfa Emerging[(7)].	Beneficial owner	[**REDACTED**] Shares	1.89%	[**REDACTED**]
Xiamen Jianfa Investment[(7)].	Interest in controlled corporation	[**REDACTED**] Shares	1.89%	[**REDACTED**]
Xiamen Jianfa Group[(7)]. . .	Interest in controlled corporation	[**REDACTED**] Shares	1.89%	[**REDACTED**]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of (i) [**REDACTED**] Shares in issue, (ii) [**REDACTED**] H Shares converted from [**REDACTED**] Shares and (iii) [**REDACTED**] Shares to be [**REDACTED**] under the [**REDACTED**] immediately following completion of the [**REDACTED**] and the Conversion of [**REDACTED**] Shares into H Shares, assuming the [**REDACTED**] is not exercised.

(3) As of the Latest Practicable Date:

(i) Mr. Zhang Fayu directly held 3,307,505 Shares of our Company;

(ii) Nanjing Yingfa directly held 176,788,586 Shares of our Company;

(iii) Nanjing Yingfa was held as to 36% by Mr. Zhang Fayu. By virtue of the SFO, Mr. Zhang Fayu is deemed to be interested in the 176,788,586 Shares held by Nanjing Yingfa; and

(iv) Mr. Zhang Fayu was the general partner of Yingfa Qinhe. By virtue of the SFO, Mr. Zhang Fayu is deemed to be interested in the 10,145,721 Shares held by Yingfa Qinhe.

(4) Yibin High-tech Investment directly held 59,796,945 Shares in our Company as of the Latest Practicable Date. Yibin High-tech Investment is a limited liability company established in the PRC, mainly engaged in investment in high-tech companies. Yibin High-tech Investment is held approximately (i) 67.13% by Yibin SASAC, (ii) 21.55% by Yibin Development, and (iii) 11.32% by Yibin Chuangyi.

Yibin Ruineng Investment directly held 20,291,441 Shares in our Company as of the Latest Practicable Date. Yibin Ruineng Investment is a limited partnership established in the PRC, mainly engaged in equity investment. The general partner of Yibin Ruineng Investment is Yibin Emerging Industry Fund, which is held 68% by Yibin Emerging Industry Group and 32% by other two shareholders, both of which hold 16%. Yibin Emerging Industry Group is wholly owned by Yibin Sanjiang, a wholly-owned subsidiary of Yibin Development, which is held 90% by Yibin SASAC and 10% by Sichuan Provincial Finance Department. The limited partners of Yibin Ruineng Investment comprise (i) Yibin Emerging Industry Group which holds 59.04% of the partnership interests, (ii) Yibin High-tech Investment, which holds 31.79% of the partnership interests, and (iii) Yibin Development VC, which holds 9.08% of the partnership interests.

Yibin Gaotou Industrial directly held 18,122,182 Shares in our Company as of the Latest Practicable Date. Yibin Gaotou Industrial is a limited liability company established in the PRC, mainly engaged in investment and corporate management. Yibin Gaotou Industrial is held approximately (i) 72.61% by Yibin High-tech Investment and (ii) 27.39% by National Green Fund.

As such, (i) Yibin Emerging Industry Fund, Yibin Emerging Industry Group and Yibin Sanjiang are deemed to be interested in the Shares held by Yibin Ruineng Investment, (ii) Yibin High-tech Investment is deemed to be interested in the Shares held by Yibin Gaotou Industrial, and (iii) Yibin Development is deemed to be interested in the Shares held by Yibin Ruineng Investment.

(5) National Green Fund is a joint stock limited company established in the PRC, mainly engaged in investment in companies in the green energy industry. National Green Fund is held by the Ministry of Finance of the PRC as to 11.30%, with other shareholders holding less than 10%.

(6) Donghe Fengying is a limited partnership established in the PRC, mainly engaged in investment in emerging companies. The general partner of Donghe Fengying is Suzhou Donghe Management, of which 70% is controlled by Donghe Venture Capital, a company wholly owned by Ji Liwei. The limited partners of Donghe Fengying comprise of (i) Ni Zugen, who holds 90% of the partnership interests and (ii) two limited partners, each holding no more than 8% of the partnership interests.

Dongshi Lihe directly held 5,072,860 Shares in our Company as of the Latest Practicable Date. Dongshi Lihe is a limited partnership established in the PRC, mainly focused on venture capital investment and managed by its general partner, Suzhou Donghe Management. Dongshi Lihe has 12 limited partners, among which (i) Wang Fugen holds the largest partnership interests at approximately 28.67%, (ii) Suzhou Huangjinjia holds approximately 16.06% partnership interests, (iii) Li Jianhua holds approximately 11.47% partnership interests, and (iv) each of the other limited partners holds no more than 6% partnership interests.

As such, (i) Ni Zugen is deemed to be interested in the Shares held by Donghe Fengying and (ii) Suzhou Donghe Management, Donghe Venture Capital and Ji Liwei are deemed to be interested in the Shares held by Donghe Fengying and Dongshi Lihe under the SFO.

(7) Jianfa Emerging directly held 7,304,919 Shares in our Company as of the Latest Practicable Date. Jianfa Emerging is a limited partnership established in the PRC, mainly engaged in equity investment in emerging industries. Jianfa Emerging is held approximately (i) 0.02% by its general partner, Xiamen Jianxin, and (ii) 99.98% by its sole limited partner, Xiamen Jianfa Investment. Xiamen Jianxin and Xiamen Jianfa Investment are controlled by Xiamen Jianfa Group, which is wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Xiamen.

Jianfa Changrong directly held 1,704,481 Shares in our Company as of the Latest Practicable Date. Jianfa Changrong is a limited partnership established in the PRC, mainly engaged in equity investment. The general partner of Jianfa Changrong is Xiamen Jianxin. Jianfa Changrong has 19 limited partners, each of which holds no more than 8% partnership interests therein.

As such, (i) Xiamen Jianfa Investment and Xiamen Jianfa Group are deemed to be interested in the Shares held by Jianfa Emerging and (ii) Xiamen Jianxin is deemed to be interested in the Shares held by Jianfa Emerging and Jianfa Changrong under the SFO.

(b) Substantial shareholders of other members of our Group

Name of substantial shareholder	Name of member of our Group	Nature of interest	Approximate percentage interest held by the substantial shareholders as of the Latest Practicable Date
Yibin Ruineng Investment	Yingfa Deyao	Beneficial owner	26.67%
Sichuan Wuliangye New Energy Investment Co., Ltd. (四川五糧液新能源投資有限責任公司).	Yingfa Derui	Beneficial owner	20.01%
Longi Solar Technology Co., Ltd. (隆基樂葉光伏科技有限公司).	Yingfa Derui	Beneficial owner	19.90%
Mianyang Anjian Investment Co., Ltd. (綿陽市安建投資有限公司)	Yingfa Ruiyang	Beneficial owner	35.00%

Save as disclosed herein, our Directors are not aware of any other person who will, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised) and the Conversion of Unlisted Shares into H Shares, have any interest and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to 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 nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company or any other member of our Group.

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

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB387,475,202, comprising of 387,475,202 Unlisted Shares of nominal value RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

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

Description of Shares	Number of Shares	Approximate percentage to total share capital
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**100.00%**

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

Description of Shares	Number of Shares	Approximate percentage to total share capital
Unlisted Shares in issue	[**REDACTED**]	[**REDACTED**]
H Shares to be converted from Unlisted Shares	[**REDACTED**]	[**REDACTED**]
H Shares to be issued under the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Total	[**REDACTED**]	**100.00%**

OUR SHARES

The H Shares in issue upon completion of the [**REDACTED**] and the Unlisted Shares are ordinary Shares in the share capital of our Company and are considered as one class of Shares.

Our H Shares may only be [**REDACTED**] for and [**REDACTED**] in Hong Kong dollars. Our Unlisted Shares, on the other hand, may only be [**REDACTED**] for and [**REDACTED**] in Renminbi. Apart from certain qualified domestic institutional [**REDACTED**] in the PRC, the qualified PRC [**REDACTED**] under the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities (such as our certain existing Shareholders the Unlisted Shares held by whom will be converted into H Shares according to the approval of the CSRC), H Shares generally cannot be [**REDACTED**] for by or [**REDACTED**] between legal or natural persons of the PRC. Our Unlisted Shares, on the other hand, can be purchased or transferred between legal or natural persons of the PRC, qualified foreign institutional [**REDACTED**] and qualified foreign strategic [**REDACTED**].

Unlisted Shares and H Shares are regarded as one class of Shares under our Articles of Association and shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the CSRC, the holders of our Unlisted Shares may, at their own option, authorize our Company to apply to the CSRC for conversion of their respective Unlisted Shares to H Shares, and such converted Shares may be [**REDACTED**] and [**REDACTED**] on an overseas stock exchange provided that the required filings with the securities regulatory authorities of the State Council for the conversion, [**REDACTED**] and [**REDACTED**] of such converted Shares have been completed. Additionally, such conversion, [**REDACTED**] and [**REDACTED**] shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange. Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of such existing Shareholders to convert their Unlisted Shares.

If any of the Unlisted Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Stock Exchange, the filings with the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange are necessary for such conversion. Based on the procedures for the conversion of Unlisted Shares into H Shares, we will apply for the [**REDACTED**] of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion after the [**REDACTED**] to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As the [**REDACTED**] of additional Shares after the [**REDACTED**] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for [**REDACTED**] at the time of our [**REDACTED**] in Hong Kong. No class Shareholder voting is required for the conversion of such Shares or the [**REDACTED**] and [**REDACTED**] of such converted Shares on an overseas 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 our Shareholders and the public of any proposed conversion.

After all the requisite filings have been completed and approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the [**REDACTED**] to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the [**REDACTED**] lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be [**REDACTED**] on the Stock Exchange complies with the Listing Rules and [**REDACTED**] in force from time to time.

Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be [**REDACTED**] as H Shares. For details of our existing Shareholders' proposed conversion of Unlisted Shares into H Shares, see "History, Development and Corporate Structure — Capitalization" in this document.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any listing of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the H Shares to be [**REDACTED**] by our Company (including the H Shares to be converted from our existing Unlisted Shares) prior to the [**REDACTED**] will be subject to such statutory restriction on transfer within a period of one year from the [**REDACTED**].

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

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. See "Summary of the Articles of Association" in Appendix V to this document for further details.

FUTURE PLANS

See "Business — Our Strategies" for a detailed description of our future plans.

USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] Range stated in this document), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] (equivalent to approximately RMB[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be allocated for our two technological advancement projects, which is in line with one of our strategies detailed in "Business — Our Strategies — Focus on PV cells, continuously improving efficiency and reducing costs."

(i) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for our half-cell passivation cell project ("半片鈍化項目").

Half-cell passivation refers to the selective passivation of the PV cell's emitter or base region to improve surface recombination performance. It is applied after slicing finished cells into two halves, where an alumina passivation layer is deposited on the cut surfaces to mitigate slicing-induced damage, recombination, and leakage. This technology lowers recombination losses, improves surface passivation quality, and strengthens interface stability, thereby supporting higher conversion efficiency and long-term reliability.

Through investment in half-cell passivation, we can improve the uniformity of carrier lifetimes across the cell surface and reduce degradation risks associated with high-temperature operating environments, thereby enhancing module durability. In addition, such investment enables us to refine interface engineering between the passivation layer and the silicon substrate, which contributes to more stable electrical characteristics in mass production. In particular —

(a) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the purchase and installation of production equipment and machineries to be used for the half-cell passivation cell project.

This will include key machinery essential for edge passivation processes, such as laser scribing machines ("激光劃片機"), half-cell testing and sorting equipment ("半片測試分選機"), automated loading and unloading systems for half-cell passivation ("半片鈍化配套上下料自動化"), edge passivation packaging lines ("邊緣鈍化包裝線"), and AGV mobile robots ("AGV移動機器人"), which will be primarily utilized in critical production steps including passivation and testing/sorting, with a typical useful life of approximately five to ten years.

The following table sets forth some details of the main equipment that we plan to procure:

Equipment	Production step	Net proceed allocated	% of net [REDACTED]
		(RMB in millions)	*(%)*
Half-cell testing and sorting equipment	Testing and sorting	[**REDACTED**]	[**REDACTED**]
Edge passivation machine	Front and back passivation	[**REDACTED**]	[**REDACTED**]
Edge passivation packaging lines	Testing and sorting	[**REDACTED**]	[**REDACTED**]
Automated loading and unloading systems for half-cell passivation	Front and back passivation	[**REDACTED**]	[**REDACTED**]
Laser scribing machines	Front and back passivation	[**REDACTED**]	[**REDACTED**]
AGV mobile robots	Transporting	[**REDACTED**]	[**REDACTED**]
Other production equipment	Testing and sorting	[**REDACTED**]	[**REDACTED**]

(b) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the purchase and installation of auxiliary equipment. Such equipment generally bear an expected useful life ranging from five to 10 years.

Such equipment includes supporting machinery and systems such as electromechanical equipment, pure water systems, specialty gas systems, wastewater treatment systems and exhaust gas treatment systems, all of which are essential for maintaining chemical purity, thermal uniformity and process stability during passivation and edge treatment steps, where surface contamination and temperature fluctuations can significantly impact carrier lifetime, cell efficiency and production yield.

(c) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the payment of operating expenses for the establishment of our half-cell passivation cell project. This primarily involves management expenses, survey expenses, preparation costs and relevant initial working capitals.

(ii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for our Poly-finger project.

Poly-finger metallization involves creating precise finger-like patterned structures on the polysilicon layer of the cell to optimize current collection and reduce shading loss. It is performed after annealing, which invovled patterned oxide removal and selective cleaning to reduce parasitic absorption on the rear surface, thereby enhancing current efficiency. This technology improves carrier transport, reduces resistive losses, and enhances overall current extraction efficiency, resulting in higher power output and improved conversion efficiency of advanced photovoltaic modules.

Through investment in poly-finger metallization, we can achieve finer grid designs that simultaneously optimize the electrical contact performance and optical performance while maintaining conductivity, thereby supporting higher output power and improved efficiency in advanced photovoltaic modules. In particular —

(a) approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**], is expected to be used for production process upgrades for the poly-finger project. Such upgrades mainly include laser equipment retrofitting, new laser scribing systems, and AGV mobile robots, which are primarily used in key manufacturing steps such as laser grooving and full-channel transport.

(b) approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**], is expected to be used for the purchase and installation of auxiliary equipment. Such equipment generally bear an expected useful life ranging from five to 10 years.

Such equipment includes supporting machinery and systems such as electromechanical equipment, pure water systems, specialty gas systems, wastewater treatment systems and exhaust gas treatment systems, which are particularly important for maintaining environmental stability and process cleanliness during high-precision metallization steps, where ambient control and particulate management are critical to ensuring uniform metal deposition, minimizing shading loss and sustaining throughput.

(c) approximately [**REDACTED**]% of the net proceeds, or HK$[**REDACTED**], is expected to be used for the payment of operating expenses for the establishment of our half-cell passivation cell project. This primarily involves management expenses, survey expenses, preparation costs and relevant initial working capitals.

Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be allocated for the research and development of advanced technologies applicable to the development of PV cell products. Specifically:

(i) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be allocated to (a) the expansion of our R&D team and (b) the improvement of salary and compensation for our R&D professionals. Specifically, we plan to recruit R&D professionals with relevant experience in PV industry, and specifically experience in the R&D of N-type TOPCon and N-type xBC cells to further enhance our technological accumulations and improve our annual salary and compensation package to attract and retain R&D talents.

The following table sets forth some details of our recruitment plans:

Position	Recruitment amount	Average annual salary range
		(RMB'000)
Chief Technology officer	1	2,300 to 2,700
R&D Director	1	1,000 to 1,400
R&D Manager	3	550 to 600
Senior R&D Officer	5	400 to 450

(ii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the enhancement of our R&D infrastructure, including the purchase and installation of (a) R&D equipment, primarily including new processing and testing equipment for the R&D of advanced PV cell technologies, such as xBC and perovskite tandem cell technologies; and (b) R&D software, primarily including MES system, to monitor each stage of the production process to maintain high efficiency and minimize defects, while supporting improvements in operational consistency and reliability;

(iii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be allocated to the procurement of raw materials required for the testing, research and development of new PV cell products and PV technologies. This include the procurement of (a) key raw materials such as silicon wafers, (b) conductive materials such as metallic pastes and dopants which are necessary for the production and testing, as well as (c) other raw materials like screen meshes and photoresist.

Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the enhancement and optimization of our domestic and overseas sales channel. In particular,

(i) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used to expand and optimize our international sales presence, including (a) participation in key global industry exhibitions, (b) strengthening market research and competitive analysis capabilities, (c) establishing localized sales teams and sales points in Indonesia, India, Africa and Europe by establishing approximately one to six sales points for each region, with each sales point operated by three to 22 sales professionals, and (d) refining our product development strategy to address the differentiated needs of customers across various regions. These initiatives are expected to accelerate our global expansion and improve penetration in high-growth international markets.

(ii) approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used to enhance our domestic sales network, including (a) recruiting sales and marketing professionals and (ii) expanding the coverage of domestic sales points by establishing approximately two sales points across the nation, with each sales point operated by 30 to 32 sales professionals. These efforts aim to improve sales conversion, customer retention, and responsiveness to market dynamics within China.

Approximately [**REDACTED**]% of the net [**REDACTED**], or HK$[**REDACTED**], is expected to be used for the working capital and general corporate uses.

To the extent that the net [**REDACTED**] from the [**REDACTED**] are either more or less than expected (including as a result of the [**REDACTED**] being set at a price higher or lower than the mid-point of the [**REDACTED**]), we will adjust our allocation of the net [**REDACTED**] for the above purposes on a pro rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of force majeure events, we will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**].

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes or if we are unable to put into effect any part of our plan as intended, and to the extent permitted by the relevant laws and regulations, we will only deposit such 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 the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

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[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

[To insert the firm's letterhead]

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SICHUAN YINGFA RUINENG TECHNOLOGY CO., LTD., CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED AND HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED

Introduction

We report on the historical financial information of Sichuan Yingfa Ruineng Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[●] to I-[●], which comprises the consolidated statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[●] 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 the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' 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 *Accountants' Reports on Historical Financial Information in Investment Circulars* as 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 Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 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 Historical 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 Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[●] have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

[●]
Certified Public Accountants
Hong Kong
[Date]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "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.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
REVENUE	*5*	10,493,898	4,358,752	8,712,681
Cost of sales		(9,574,214)	(4,681,246)	(7,190,956)
Gross profit/(loss)		919,684	(322,494)	1,521,725
Other income and gains	*5*	148,667	106,540	272,850
Selling and distribution expenses		(11,049)	(15,218)	(21,777)
Administrative expenses		(152,425)	(211,487)	(282,735)
Research and development costs		(219,327)	(281,018)	(367,001)
Other expenses	*6*	(177,064)	(213,695)	(66,149)
Finance costs	*7*	(11,328)	(34,365)	(66,977)
Impairment losses on financial assets, net		(2,419)	(676)	(12,156)
PROFIT/(LOSS) BEFORE TAX	*8*	494,739	(972,413)	977,780
Income tax (expense)/credit	*11*	(84,953)	108,189	(121,247)
PROFIT/(LOSS) FOR THE YEAR		409,786	(864,224)	856,533
Attributable to:				
Owners of the parent		286,638	(729,081)	790,556
Non-controlling interests		123,148	(135,143)	65,977
		409,786	(864,224)	856,533
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*13*			
Basic (RMB)		0.84	(2.14)	2.21
Diluted (RMB)		0.84	(2.14)	2.21

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
PROFIT/(LOSS) FOR THE YEAR	409,786	(864,224)	856,533
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	–	14,365	(11,582)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	–	14,365	(11,582)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	409,786	(849,859)	844,951
Attributable to:			
Owners of the parent	286,638	(714,860)	779,099
Non-controlling interests	123,148	(134,999)	65,852
	409,786	(849,859)	844,951

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	5,648,118	6,682,069	7,097,644
Right-of-use assets	*15*	94,607	251,696	399,866
Investment properties	*17*	92,922	90,620	261,329
Other intangible assets	*16*	1,449	2,208	7,013
Prepayments, other receivables and other assets	*20*	92,641	9,408	9,138
Deferred tax assets	*28*	4,774	65,186	144,707
Total non-current assets		5,934,511	7,101,187	7,919,697
CURRENT ASSETS				
Inventories	*18*	276,843	1,152,868	1,893,570
Trade and bills receivables	*19*	1,470,331	1,264,183	2,087,465
Prepayments, other receivables and other assets	*20*	423,268	467,520	757,150
Income tax recoverable		48,918	5,288	7,206
Financial assets at fair value through profit or loss ("FVTPL")	*21*	394,507	220,823	24,515
Pledged deposits	*22*	787,047	792,939	1,115,050
Cash and cash equivalents	*22*	840,294	666,451	655,152
		4,241,208	4,570,072	6,540,108
Assets classified as held for sale		–	85,323	–
Total current assets		4,241,208	4,655,395	6,540,108
CURRENT LIABILITIES				
Trade and bills payables	*23*	1,233,625	2,545,287	3,569,146
Other payables and accruals	*24*	3,959,587	3,846,711	3,339,898
Interest-bearing bank borrowings	*26*	215,165	683,199	564,789
Lease liabilities	*15*	–	–	41,786
Contract liabilities	*25*	162,379	293,046	154,900
Income tax payable		647	811	155,343
Total current liabilities		5,571,403	7,369,054	7,825,862
NET CURRENT LIABILITIES		(1,330,195)	(2,713,659)	(1,285,754)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,604,316	4,387,528	6,633,943

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	*26*	50,025	310,351	550,412
Other payables	*24*	–	358,280	146,229
Deferred income	*27*	50,000	–	–
Lease liabilities	*15*	–	–	155,271
Deferred tax liabilities	*28*	48,646	–	11,640
Total non-current liabilities		148,671	668,631	863,552
Net assets		4,455,645	3,718,897	5,770,391
EQUITY				
Equity attributable to owners of the parent				
Share capital	*29*	340,000	340,000	387,475
Reserves	*30*	2,850,488	2,174,152	3,932,217
		3,190,488	2,514,152	4,319,692
Non-controlling interests		1,265,157	1,204,745	1,450,699
Total equity		4,455,645	3,718,897	5,770,391

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Share capital	Share premium*	Share awards reserve*	Surplus reserve*	Other reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	340,000	2,132,775	2,032	4,798	(9,870)	417,024	2,886,759	790,483	3,677,242

	Attributable to owners of the parent								
	Share capital	Share premium*	Share awards reserve*	Surplus reserve*	Other reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Profit and other comprehensive income for the year	–	–	–	–	–	286,638	286,638	123,148	409,786
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	350,000	350,000
Equity-settled share award arrangements	–	–	17,091	–	–	–	17,091	1,526	18,617
As at 31 December 2023	340,000	2,132,775	19,123	4,798	(9,870)	703,662	3,190,488	1,265,157	4,455,645

Year ended 31 December 2024

	Attributable to owners of the parent									
	Share capital	Share premium*	Share awards reserve*	Surplus reserve*	Other reserve*	Exchange fluctuation reserve*	Retained profits/ (accumulated losses)*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2024	340,000	2,132,775	19,123	4,798	(9,870)	–	703,662	3,190,488	1,265,157	4,455,645
Loss for the year	–	–	–	–	–	–	(729,081)	(729,081)	(135,143)	(864,224)
Other comprehensive income for the year:										
Exchange differences related to foreign operations	–	–	–	–	–	14,221	–	14,221	144	14,365
Total comprehensive loss for the year	–	–	–	–	–	14,221	(729,081)	(714,860)	(134,999)	(849,859)
Capital contribution from non-controlling interests	–	–	–	–	26,173	–	–	26,173	73,827	100,000
Equity-settled share award arrangements	–	–	12,351	–	–	–	–	12,351	760	13,111
As at 31 December 2024	340,000	2,132,775	31,474	4,798	16,303	14,221	(25,419)	2,514,152	1,204,745	3,718,897

Year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital	Share premium*	Share awards reserve*	Surplus reserve*	Other reserve*	Exchange fluctuation reserve*	(Accumulated losses)/retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2025	340,000	2,132,775	31,474	4,798	16,303	14,221	(25,419)	2,514,152	1,204,745	3,718,897
Profit for the year	–	–	–	–	–	–	790,556	790,556	65,977	856,533
Other comprehensive income for the year:										
Exchange differences related to foreign operations	–	–	–	–	–	(11,457)	–	(11,457)	(125)	(11,582)
Total comprehensive income for the year	–	–	–	–	–	(11,457)	790,556	779,099	65,852	844,951
Issuance of ordinary shares *(note 29)*	29,352	621,696	–	–	–	–	–	651,048	–	651,048
Acquisition of non-controlling interests *(note 29)*	18,123	383,828	–	–	(45,651)	–	–	356,300	(356,300)	–
Capital contribution from non-controlling interests	–	–	–	–	–	–	–	–	534,000	534,000
Equity-settled share award arrangements	–	–	19,093	–	–	–	–	19,093	2,402	21,495
As at 31 December 2025	387,475	3,138,299	50,567	4,798	(29,348)	2,764	765,137	4,319,692	1,450,699	5,770,391

* The reserve accounts comprised of RMB2,850,488,000, RMB2,174,152,000 and RMB3,932,217,000 in the consolidated statements of financial position as at the end of each of the Relevant Periods.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December 2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax		494,739	(972,413)	977,780
Adjustments for:				
Interest income	*5*	(39,962)	(20,025)	(18,505)
Finance costs	*7*	11,328	34,365	66,977
Impairment losses on financial assets, net	*8*	2,419	676	12,156
Impairment loss on property, plant and equipment	*6*	161,897	207,983	–
Depreciation of property, plant and equipment	*8*	354,030	585,506	630,113
Depreciation of investment properties	*8*	–	2,302	10,786
Amortisation of other intangible assets	*8*	209	233	972
Depreciation of right-of-use assets	*8*	3,841	4,572	51,732
Losses/(gains) on disposal of property, plant and equipment	*8*	914	(11,060)	(4,245)
Gains on lease modification	*8*	–	–	(21,781)
Provision for inventories	*8*	72,761	79,802	14,604
Fair value gains on financial assets at FVTPL	*8*	(8,902)	(4,869)	(3,007)
Losses/(gains) on commodity futures	*8*	11,563	(12,318)	(21,167)
Net foreign exchange (gains)/losses		(424)	5,178	8,392
Share-based payment expenses	*8*	18,617	13,111	21,495
		1,083,030	(86,957)	1,726,302
Increase in inventories		(84,324)	(955,827)	(755,306)
Increase in trade and bills receivables		(1,528,184)	(272,468)	(1,258,106)
(Increase)/decrease in prepayment, other receivables and other assets		(163,795)	2,550	(277,286)
Decrease/(increase) in pledged deposits		678,264	(5,696)	(331,307)

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Increase in trade and bills payables		193,369	1,311,662	1,023,859
Increase/(decrease) in other payables and accruals		29,940	(4,787)	99,176
(Decrease)/increase in contract liabilities		(63,071)	130,667	(138,146)
Cash generated from operations		145,229	119,144	89,186
Income tax paid		(72,970)	(5,993)	(36,514)
Net cash flows from operating activities		72,259	113,151	52,672
CASH FLOWS FROM INVESTING ACTIVITIES				
Interests received		40,599	20,606	18,956
Purchases of items of property, plant and equipment and other intangible assets		(1,781,159)	(2,008,065)	(1,411,483)
Purchase of land use right		(36,390)	(245,961)	–
Proceeds from disposal of items of property, plant and equipment		25,686	26,477	40,804
Receipt of government grants related to assets		615,648	498,836	142,125
(Increase)/decrease in pledged deposits		(2,397)	1,397	6,627
Purchase of financial instruments at FVTPL		(321,930)	(1,224,672)	(1,302,843)
Proceeds from disposal/maturity of financial instruments at FVTPL		310,369	1,415,543	1,523,325
Net cash flows used in investing activities		(1,149,574)	(1,515,839)	(982,489)
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank loans		215,026	970,190	939,651
Loans from an independent third party		–	350,000	–

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Repayment of bank loans		(75,010)	(180,318)	(786,055)
Repayment of other payables		(60,808)	–	–
Interest paid		(6,796)	(12,238)	(54,668)
Repayment of loans from related parties	*35*	(11,131)	–	–
Repayment of lease liabilities		–	–	(1,221)
Payment of [**REDACTED**]		–	–	[REDACTED]
Proceeds from issue of shares		–	–	299,999
Contribution from non-controlling shareholders		350,000	100,000	534,000
Net cash flows from financing activities		411,281	1,227,634	923,047
NET DECREASE IN CASH AND CASH EQUIVALENTS		(666,034)	(175,054)	(6,770)
Cash and cash equivalents at beginning of the year		1,505,904	840,294	666,451
Effect of foreign exchange rate changes		424	1,211	(4,529)
CASH AND CASH EQUIVALENTS AT END OF YEAR	*22*	840,294	666,451	655,152
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents as stated in the statement of financial position		840,294	666,451	655,152
Cash and cash equivalents as stated in the statement of cash flows		840,294	666,451	655,152

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	As at 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	44,432	39,381	32,615
Investment properties	*17*	92,922	90,620	88,239
Other intangible assets	*16*	576	669	627
Prepayments, other receivables and other assets	*20*	–	–	810
Investments in subsidiaries	*1*	2,669,139	3,148,226	3,581,303
Total non-current assets		2,807,069	3,278,896	3,703,594
CURRENT ASSETS				
Inventories	*18*	19,458	10,975	–
Trade and bills receivables	*19*	101,144	6,644	371
Prepayments, other receivables and other assets	*20*	10,341	7,953	11,784
Income tax recoverable		215	–	–
Amounts due from subsidiaries and other related parties	*35*	301	226	78,262
Pledged deposits	*22*	52,878	31,343	30
Cash and cash equivalents	*22*	14,444	31,992	4,701
Total current assets		198,781	89,133	95,148
CURRENT LIABILITIES				
Trade and bills payables	*23*	225,087	23,368	3,543
Other payables and accruals	*24*	97,681	41,622	8,848
Contract liabilities	*25*	2,819	148	–
Amounts due to subsidiaries	*35*	74,651	242,964	215,348
Interest-bearing bank borrowings	*26*	18,669	180,121	–
Income tax payable		647	–	–
Total current liabilities		419,554	488,223	227,739
NET CURRENT LIABILITIES		(220,773)	(399,090)	(132,591)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,586,296	2,879,806	3,571,003
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	*26*	50,025	–	–
Other payables	*24*	–	358,280	–
Total non-current liabilities		50,025	358,280	–
Net assets		2,536,271	2,521,526	3,571,003
EQUITY				
Share capital	*29*	340,000	340,000	387,475
Reserves	*30*	2,196,271	2,181,526	3,183,528
Total equity		2,536,271	2,521,526	3,571,003

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Sichuan Yingfa Ruineng Technology Co., Ltd. (formerly known as Anhui Yingfa Ruineng Technology Co., Ltd. and renamed on 16 May 2025) (the "Company") was established in People's Republic of China (the "PRC") as a joint stock company with limited liability on 23 June 2016 under the Company Laws of the PRC. The registered office address of the Company is Building 72, Jinrun Industrial Park Gaoxin Community, Gaochang Town, Xuzhou Distinct, Yibin City, Sichuan Province, Chinese mainland.

The Company and its subsidiaries (the "Group") is principally engaged in the research and development, manufacture and sale of photovoltaic cells.

As at the date of this report, the Company had direct and indirect interests in its principal subsidiaries as below:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Anhui Yingfa Desheng Technology Co., Ltd.* ("Yingfa Desheng") (安徽英發德盛科技有限公司) *(Note a)*	Chinese mainland 1 June 2020	RMB100,000,000	100.00%	–	Research and development, manufacturing and sale of photovoltaic cells
Yibin Yingfa Deyao Technology Co., Ltd.* ("Yingfa Deyao") (宜賓英發德耀科技有限公司) *(Note a)*	Chinese mainland 16 June 2022	RMB1,687,500,000	73.33%	–	Research and development, manufacturing and sale of photovoltaic cells
Yibin Yingfa Dekun Technology Co., Ltd.* ("Yingfa Dekun") ("宜賓英發德坤科技有限公司") *(Note b)*	Chinese mainland 16 June 2023	RMB2,083,291,139	96.96%	–	Research and development, manufacturing and sale of silicon rods and wafers
PT BINTAN CELLULAR INDONESIA ("PT BINTAN") *(Note c)*	Indonesia 14 June 2024	IDR100,000,000,000	–	100.00%	Manufacturing and sale of photovoltaic cells
Yibin Yingfa Derui Technology Co., Ltd.* ("宜賓英發德睿科技有限公司") ("Yingfa Derui") *(Note d) (Note e)*	Chinese mainland 14 February 2025	RMB1,000,000,000	–	36.74%	Research and development, manufacturing and sale of photovoltaic cells
Mianyang Yingfa Ruiyang New Energy Technology Co., Ltd.* ("綿陽英發睿陽新能源科技有限公司") ("Yingfa Ruiyang") *(Note e) (Note f)*	Chinese mainland 4 June 2025	RMB100,000,000	–	47.67%	Research and development, manufacturing and sale of photovoltaic cells

Notes:

(a) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 prepared in accordance with the Generally Accepted Accounting Principles in PRC ("PRC GAAP") were audited by Zhonghui Certified Public Accountants LLP (中匯會計師事務所(特殊普通合夥)), certified public accountants registered in the Chinese mainland. The statutory financial statements of these entities for year ended 31 December 2025 have not yet been issued.

(b) The statutory financial statements of the entity for the years ended 31 December 2023 and 2024 prepared in accordance with the Generally Accepted Accounting Principles in PRC ("PRC GAAP") were audited by Zhonghui Certified Public Accountants LLP (中匯會計師事務所(特殊普通合夥)), certified public accountants registered in the Chinese mainland. The statutory financial statements of the entity for year ended 31 December 2025 have not yet been issued.

(c) The statutory financial statements of the entity for the year ended 31 December 2024 prepared in accordance with the Indonesian Financial Accounting Standard were audited by Kantor Akuntan Publik, certified public accountants registered in the Indonesia. The statutory financial statements of the entity for year ended 31 December 2025 have not yet been issued.

(d) The Company holds 73.33% equity interests in Yingfa Deyao and Yingfa Deyao holds 50.1% equity interests in Yingfa Derui, thus the Company controls Yingfa Derui.

(e) No audited financial statements have been prepared for these entities since their registration.

(f) The Company holds 73.33% equity interests in Yingfa Deyao and Yingfa Deyao holds 65.0% equity interests in Yingfa Ruiyang, thus the Company controls Yingfa Ruiyang.

* The English names of these entities registered in the PRC represent the best efforts made by the directors of the Company to directly translate their Chinese names as they did not register any official English names.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results during the Relevant Periods or formed a substantial portion of the net assets of the Group.

The Company

The carrying amounts of the Company's investments in subsidiaries:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Investment, at cost	2,660,000	3,133,182	3,552,984
Deemed investments arising from share-based payments	9,139	15,044	28,319
Total	2,669,139	3,148,226	3,581,303

2.1 BASIS OF PREPARATION

As at 31 December 2025, the Group has net current liabilities of RMB1,285,754,000. Taking into account of the operating cashflow and available bank facilities, the directors of the Company have, at the time of approving the Historical Financial Information, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board ("IASB"). All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been early adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value at the end of each of the Relevant Periods.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Group for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[2]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[2]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[1]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[1]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflation Presentation Currency*[2]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026

2 Effective for annual periods beginning on or after 1 January 2027

3 No mandatory effective date yet determined but available for adoption

The new standard of IFRS 18 is not expected to have any impact on the Group's results of operations and financial position but has impact on the presentation and disclosure of the Group's financial statements. Except for IFRS 18, the directors of the Company anticipate that the application of these new and revised IFRS Accounting Standards will have no material impact on the Group's financial performance and financial position in the foreseeable future.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its wealth management products and listed equity investment at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets and non-current assets classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(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 or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) 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); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	3.17% to 4.75%
Machinery	9.50% to 19.00%
Motor vehicles	23.75%
Electronic and other equipment	19.00%
Photovoltaic power stations	4.75%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at historical cost less accumulated depreciation and provision for any impairment in value. Depreciation is calculated on the straight-line basis over the expected useful life of 30 to 50 years.

Subsequent expenditure is charged to the asset's carrying amount 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. All other repairs and maintenance costs are expensed in profit or loss during the financial period in which they are incurred.

Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of the retirement or disposal.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 50 years
Plant, equipment and warehouse	37 months to 60 months

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

Receivables classified as at FVTOCI

Subsequent changes in the carrying amounts for receivables classified as at FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these receivables are recognised in other comprehensive income and accumulated under the heading of FVTOCI reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to other comprehensive income without reducing the carrying amounts of these receivables. When these receivables are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes wealth management products and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in profit or loss when the right of payment has been established.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, amounts due to related parties, interest-bearing bank borrowings and financial liabilities at FVTPL.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and bills payables, other payables and accruals, amounts due to related parties, and borrowings)

After initial recognition, trade and bills payables, other payables and accruals and interest-bearing bank borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Deferred tax and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of photovoltaic cells products and related services

For sales of photovoltaic cell products, revenue is recognised when control of the goods has been transferred, being when the goods have been accepted by the customers or shipped to the customer's specific location. Revenue arising from services is recognised upon completion of the services contracts. Transportation and handling activities that occur before customers obtain control are considered as fulfilment activities.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods to the customer).

Share-based payments

The Company operates share award schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments ("equity-settled transactions"). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted less the consideration received by the Group. The fair value is determined by an external valuer using the market approach.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Company and the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and the subsidiaries operating in Chinese mainland are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group participates in an employee social security program (the "Indonesian Social Security Program") in Indonesia, providing compensation in the event of working accidents, death, old age, and in case of sickness and hospitalisation. Under the Indonesian Social Security Program, the employer is required to contribute a fixed percentage of the employee's salaries every month.

Borrowing costs

All borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the note 12 to the Historical Financial Information.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of each of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the reporting period and their statements of profit or loss and other comprehensive income are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Recognition of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group had tax losses and deductible temporary differences of RMB460,021,000, RMB1,050,754,000 and RMB886,270,000 at the end of each of the Relevant Periods. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward. Further details on deferred taxes are disclosed in note 28 to the financial statements.

Principal vs agent consideration

During the Relevant Periods, the Group was involved in certain customer supply transactions, wherein the Group procured silicon wafers from certain integrated photovoltaic manufacturers at market prices and sold photovoltaic cells to the same manufacturers with premium over the purchase prices of the silicon wafers.

The directors of the Company considered that the Group were responsible for manufacturing the photovoltaic cells with the silicon wafers provided by the customers, and the Group didn't have the discretion in determining the prices for photovoltaic cells independently after entering into these customer supply transactions and, as such, failed to meet the criteria for being considered as principal in these transactions. Consequently, the revenue derived from selling photovoltaic cell products to these integrated photovoltaic manufacturers was recognised based on the net amount of consideration to which the Group expected to be entitled as specified in the contracts and the purchase amount of silicon wafers from the integrated photovoltaic manufacturers.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At the end of each of the Relevant Periods, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details, including a sensitivity analysis of key assumptions, are given in note 14 to the financial statements.

Impairment of inventories

Net realisable value of an inventory item is the estimated selling price in the ordinary course of business, less estimated costs to be incurred to completion and disposal. These estimates are based on the current market condition and the historical experience of selling products of a similar nature which could change significantly as a result of changes in customer taste or competitor actions in response to severe consumer product industry cycles. Management reassesses these estimates at each reporting date.

4. OPERATING SEGMENT INFORMATION

Operating segment information

For management purposes, the Group has only one reportable operating segment, which is the research and development, manufacture and sale of photovoltaic cells. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	10,152,391	3,890,669	5,186,848
Overseas	341,507	468,083	3,525,833
Total revenue	10,493,898	4,358,752	8,712,681

The revenue information of operations above is based on the locations of the customers.

(b) Non-current assets

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Chinese mainland	5,929,737	6,578,721	6,761,604
Overseas	–	457,280	1,013,386
Total non-current assets	5,929,737	7,036,001	7,774,990

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

Revenue from each major customer, including revenue from a group of entities which are known to be under common control with that customer, which accounted for 10% or more of the Group's revenue during the Relevant Periods is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Customer A	2,561,474	893,251	937,728
Customer B	1,978,104	504,053	*
Customer C	–	453,731	*

* The percentage of the corresponding revenue contributed to the total revenue of the Group is less than 10%.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers	10,493,898	4,358,752	8,712,681

Revenue from contracts with customers

(a) Disaggregated revenue information

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Types of goods or services			
Sale of photovoltaic cells and related services			
– Tunnel Oxide Passivating Contacts ("TOPCon")	744,093	3,539,923	7,676,016
– Passivated Emitter and Rear Cell ("PERC")	9,645,549	601,723	310,425
– Back Contact Cell ("BC")	–	–	277,686
– Others*	104,256	217,106	448,554
Total	10,493,898	4,358,752	8,712,681
Geographical markets			
Chinese mainland	10,152,391	3,890,669	5,186,848
Overseas	341,507	468,083	3,525,833
Total	10,493,898	4,358,752	8,712,681
Timing of revenue recognition			
At a point in time	10,492,790	4,347,061	8,697,397
Over time	1,108	11,691	15,284
Total	10,493,898	4,358,752	8,712,681

* The amounts primarily include PV cell manufacturing services and sales of silicon wafers.

The following table shows the amounts of revenue recognised during the Relevant Periods that were included in the contract liabilities at the beginning of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the year:			
Sale of photovoltaic cells and related services	225,450	162,379	293,046

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of photovoltaic cells and related services

The performance obligation is satisfied upon when control of the goods has been transferred, being when the goods have been accepted by the customers or shipped to the customer's specific location. The Group generally requests the payment in advance except for certain customers which the Group offers a credit period of 7 to 90 days upon delivery.

All the sales contracts with customers are for periods of one year or less. Under the practical expedient allowed by IFRS 15, the Group does not disclose the value of unsatisfied performance obligation.

An analysis of other income and gains is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Other income			
Government grants*	77,206	41,083	153,385
Bank interest income	39,962	20,025	18,505
Extra deduction of input value added tax** ("VAT")	17,531	2,181	40,832
Others	2,935	4,913	5,716
Total other income	137,634	68,202	218,438
Gains			
Foreign exchange gains, net	1,820	–	–
Fair value gains on financial assets at FVTPL, net	8,902	4,869	3,007
Gains on commodity futures	–	12,318	21,167
Compensation income for breach of contract	231	9,769	4,025
Gain on disposal of items of property, plant and equipment	–	11,060	4,245
Gain on modification of a lease contract	–	–	21,781
Others	80	322	187
Total gains	11,033	38,338	54,412
Total other income and gains	148,667	106,540	272,850

* The government grants have been received from the PRC local government authorities to support certain subsidiaries' operating activities. There are no unfulfilled conditions relating to these government grants.

** Effective from 1 January 2023 to 31 December 2027, the net VAT payable amount has been reduced by 5% of input VAT on purchases for "advanced manufacturing enterprises", pursuant to the announcements jointly issued by the Ministry of Finance and the State Taxation Administration of the PRC on 3 September 2023.

6. OTHER EXPENSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Loss on disposal of property, plant and equipment	914	–	–
Impairment loss on property, plant and equipment	161,897	207,983	–
Foreign exchange losses, net	–	764	62,726
Losses on commodity futures	11,563	–	–
Others	2,690	4,948	3,423
Total	177,064	213,695	66,149

7. FINANCE COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on bank borrowings	6,822	11,702	35,159
Interest on lease liabilities	–	–	5,157
Others	2,544	9,480	11,608
Expense on discounting bills receivables	1,962	13,183	15,053
Total	11,328	34,365	66,977

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Cost of inventories sold*		9,574,214	4,681,246	7,190,956
Research and development costs		219,327	281,018	367,001
Depreciation of property, plant and equipment	*14*	354,030	585,506	630,113
Depreciation of investment properties	*17*	–	2,302	10,786
Depreciation of right-of-use assets	*15*	3,841	4,572	51,732
Amortisation of other intangible assets	*16*	209	233	972
Impairment losses on property, plant and equipment	*6*	161,897	207,983	–
Provision for inventories*		72,761	79,802	14,604
Government grants related to expense items	*5*	(77,206)	(41,083)	(153,385)
Fair value gains on financial assets at FVTPL	*5*	(8,902)	(4,869)	(3,007)
Losses/(gains) on commodity futures	*5/6*	11,563	(12,318)	(21,167)
Losses/(gains) on disposal of property, plant and equipment	*5/6*	914	(11,060)	(4,245)
Gains on modification of a lease contract	*5*	–	–	(21,781)
Foreign exchange differences, net	*5/6*	(1,820)	764	62,726
[**REDACTED**]		–	–	[REDACTED]

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	*RMB'000*	*RMB'000*
Staff costs (including directors' remuneration):				
– Salaries, bonuses, allowances and benefits in kind		414,730	432,313	577,171
– Pension scheme contributions		46,998	85,681	87,395
– Equity-settled share-based payment expenses		18,617	13,111	21,495
Auditor's remuneration		600	600	–

* The "Cost of inventories sold" includes the following expenses which are also included in the respective total amounts of the items disclosed above:

Amortisation of intangible assets
Depreciation of property, plant and equipment
Depreciation of right-of-use assets
Staff costs (including directors' remuneration)
Provision for inventories

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration during the Relevant Periods, disclosed pursuant to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Fees	372	360	360
Other emoluments:			
Salaries, allowances and benefits in kind	3,382	4,189	4,794
Discretionary bonus	10,593	1,305	7,040
Pension scheme contributions	444	411	409
Equity-settled share-based payment expenses	6,026	6,026	8,384
Subtotal	20,445	11,931	20,627
Total	20,817	12,291	20,987

During the Relevant Periods, certain directors were granted share awards, in respect of their services to the Group, under the share award scheme of the Company, further details of which are set out in note 31 to the Historical Financial Information. The fair value of such share awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above directors' and chief executive's remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Mr. Li Liangchen *(note (i))*	124	120	120
Dr. Yuan Shuai *(note (ii))*	124	120	100
Ms. Tang Shuo *(note (iii))*	124	120	120
Dr. Xu Linwen *(note (iv))*	–	–	20
Total	372	360	360

Notes:

(i) Mr. Li Liangchen was appointed as the independent director of the Company since December 2022 and was redesignated as the independent non-executive director of the Company in August 2025 with effective upon [**REDACTED**].

(ii) Dr. Yuan Shuai was appointed as the independent non-executive director of the Company since December 2022 and resigned in November 2025.

(iii) Ms. Tang Shuo was appointed as the independent director of the Company since December 2022 and was redesignated as the independent non-executive director of the Company in November 2025 with effective upon [**REDACTED**].

(iv) Dr. Xu Linwen was appointed as the independent non-executive director of the Company in August 2025 with effective upon [**REDACTED**].

(b) Executive directors, non-executive directors and the chief executive

	Fees	Salaries allowances and benefits in kind	Discretionary bonus	Pension scheme contributions	Equity-settled share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2023						
Executive directors and chief executive:						
Ms. Zhang Min *(note (i))*	–	1,207	6,075	131	–	7,413
Executive directors:						
Mr. Zhang Fayu *(note (ii))*	–	725	660	61	–	1,446
Mr. Zhang Jie *(note (iii))*	–	725	1,215	116	–	2,056
Mr. Shi Yansong *(note (iv))*	–	725	2,643	136	6,026	9,530
Subtotal	–	2,175	4,518	313	6,026	13,032
Non-executive directors:						
Mr. Wu Qingbao *(note (v))*	–	–	–	–	–	–
Total	–	3,382	10,593	444	6,026	20,445

	Fees	Salaries allowances and benefits in kind	Discretionary bonus	Pension scheme contributions	Equity-settled share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2024						
Executive directors and chief executive:						
Ms. Zhang Min *(note (i))*	–	1,513	415	135	–	2,063
Executive directors:						
Mr. Zhang Fayu *(note (ii))*	–	728	300	–	–	1,028
Mr. Zhang Jie *(note (iii))*	–	973	295	138	–	1,406
Mr. Shi Yansong *(note (iv))*	–	975	295	138	6,026	7,434
Subtotal	–	2,676	890	276	6,026	9,868
Non-executive directors:						
Mr. Wu Qingbao *(note (v))*	–	–	–	–	–	–
Mr. Bu Xiong *(note (vi))*	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	–	4,189	1,305	411	6,026	11,931

	Fees	Salaries allowances and benefits in kind	Discretionary bonus	Pension scheme contributions	Equity-settled share-based payment expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Year ended 31 December 2025						
Executive directors and chief executive:						
Ms. Zhang Min *(note (i))*	–	1,522	2,060	131	–	3,713
Executive directors:						
Mr. Zhang Fayu *(note (ii))*	–	790	1,760	–	–	2,550
Mr. Zhang Jie *(note (iii))*	–	1,099	1,760	139	–	2,998
Mr. Shi Yansong *(note (iv))*	–	1,383	1,460	139	8,384	11,366
Subtotal	–	3,272	4,980	278	8,384	16,914
Non-executive directors:						
Mr. Wu Qingbao *(note (v))*	–	–	–	–	–	–
Mr. Bu Xiong *(note (vi))*	–	–	–	–	–	–
Subtotal	–	–	–	–	–	–
Total	–	4,794	7,040	409	8,384	20,627

There was no arrangement under which directors or the chief executive waived or agreed to waive any remuneration during the Relevant Periods.

Notes:

(i) Ms. Zhang Min was appointed as a director of the Company and the general manager since January 2021 and was redesignated as an executive director of the Company in August 2025 with effect upon [**REDACTED**].

(ii) Mr. Zhang Fayu was appointed as a director of the Company and the chairperson of the board with effect from June 2016 and was redesignated as an executive director of the Company in August 2025 with effect upon [**REDACTED**].

(iii) Mr. Zhang Jie was appointed as a director of the Company with effect from January 2021 and was redesignated as an executive director of the Company in August 2025 with effect upon [**REDACTED**].

(iv) Mr. Shi Yansong was appointed as a director of the Company with effect from January 2022 and was redesignated as an executive director and appointed as a joint company secretary of the Company in August 2025 with effect upon [**REDACTED**].

(v) Mr. Wu Qingbao was appointed as a director of the Company with effect from June 2016 and was redesignated as a non-executive director of the Company in August 2025 with effect upon [**REDACTED**].

(vi) Mr. Bu Xiong was appointed as a director of the Company with effect from December 2024 and was redesignated as a non-executive director of the Company in August 2025 with effect upon [**REDACTED**].

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods included four directors, four directors and three directors, respectively, the details of whose remuneration are set out in note 9 above. Details of the remuneration during the Relevant Periods of remaining one, one, and two highest paid employees, respectively, who are neither a director nor chief executive of the Company are as follows:

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	1,187	1,456	2,627
Discretionary bonus	2,735	420	1,330
Pension scheme contributions	57	35	78
Equity-settled share-based payment expenses	1,575	–	1,042
Total	5,554	1,911	5,077

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following band are as follows:

	Number of employees		
	Year ended 31 December		
	2023	*2024*	*2025*
HKD1,000,000 to HKD1,500,000	–	–	–
HKD2,000,001 to HKD2,500,000	–	1	–
HKD2,500,001 to HKD3,000,000	–	–	2
HKD6,000,001 to HKD6,500,000	1	–	–
Total	1	1	2

During the Relevant Period, share awards were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 31 to the Historical Financial Information. The fair value of such awards, which has been recognised in profit or loss over the vesting period, was determined as at the date of grant and the amount included in the Historical Financial Information for the Relevant Periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the Relevant Periods, no highest paid employees waived or agreed to waive any remuneration and no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Chinese mainland

Pursuant to the Corporate Income Tax Law of the People's Republic of China and the respective regulations (the "CIT Law"), the subsidiaries which operate in Chinese mainland were subject to CIT at a rate of 25% on the taxable income during the Relevant Periods.

Yingfa Desheng was qualified as a High and New Technology Enterprise ("HNTE") and enjoyed a preferential income tax rate in 2023.

Yingfa Deyao was qualified as a HNTE and enjoyed a preferential income tax rate in 2025 and was entitled to the preferential tax rate from 2025 to 2027.

Yingfa Dekun was qualified as a HNTE and enjoyed a preferential income tax rate in 2025 and was entitled to the preferential tax rate from 2025 to 2027.

Pursuant to Ministry of Finance [2020] No. 23 "Announcement on the Continuation of the Enterprise Income Tax Policy for the Development of the Western Region" (《關於延續西部大開發企業所得稅政策的公告》), certain subsidiaries that are engaged in the encouraged industries and established in the western regions, corporate income tax shall be levied at a reduced rate of 15% from 1 January 2021 to 31 December 2030.

Pursuant to Caishui [2012] No. 10 "Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment", certain power projects of the Group, which were set up after 1 January 2008, are entitled to a tax holiday of a three-year full exemption, followed by a three-year 50% exemption of enterprise income tax, commencing from their first turnover-making year. In 2024, certain subsidiaries engaging in the power projects obtained the first income and exempt from corporate income tax for years ended 31 December 2024 to 2026.

Pursuant to Caishui [2023] No. 12 "Circular of the Ministry of Finance, the State Administration of Taxation Issued on the Tax Policies for Further Support the Development of Small Low-profit Enterprises and Self-employed Businesses" (財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告), certain subsidiary whose annual taxable income is less than RMB1,000,000 will be included in the actual taxable income at 25%, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20%. This policy has taken effect on January 1, 2023 and will expire on December 31, 2027.

In addition, pursuant to Caishui [2022] No. 13 "Circular of the Ministry of Finance, the State Administration of Taxation Issued on the Further Implementation of Preferential Tax Policies for Small Low-profit Enterprises" (財政部、國家稅務總局關於進一步實施小微企業普惠性稅收減免政策的通知), as for certain subsidiary which meet the criteria of small low-profit enterprise, the portion of taxable income more than RMB1,000,000 but less than RMB3,000,000, will be included in the actual taxable income at 25%, based on which the enterprise income tax payable will be calculated at the reduced tax rate of 20% from 2022 to 2024.

Pursuant to the relevant CIT Law, the Company and certain subsidiaries of the Company enjoyed a super deduction of 200% on qualified research and development costs during the Relevant Periods.

Indonesia

Pursuant to the Corporate Income Tax Law of Indonesia and the respective regulations (the "Indonesia CIT Law"), the companies which operate in Indonesia were subject to CIT at a rate of 22% on the taxable income.

USA

The subsidiary, incorporated in Texas, the United States, is subject to statutory United States federal corporate income tax at a rate of 21%. It is also subject to the statutory state income tax in Texas and Florida at a rate of 0.375% and 5.5%, respectively.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Current			
Charge for the year	38,720	869	174,475
Adjustments for previous periods	–	–	14,653
Deferred tax *(note 28)*	46,233	(109,058)	(67,881)
Total	84,953	(108,189)	121,247

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory rates for the jurisdictions in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before tax	494,739	(972,413)	977,780
Tax at the statutory tax rate of 25%	123,685	(243,103)	244,445
Effect of different tax rate of subsidiaries operating in other jurisdictions	–	(14,847)	(11,978)
Tax effect of preferential income tax rates	(61,880)	83,256	(8,551)
Tax effect of expenses not deductible for tax purposes	5,458	4,283	5,398
Additional deductible allowance for research and development costs	(51,411)	(67,598)	(91,320)
Adjustments in respect of current tax of previous periods	–	–	14,653
Effect on opening deferred tax of decrease in rates	944	–	–
Tax effect of tax losses and deductible temporary differences not recognised	74,933	137,579	22,017
Tax losses and deductible temporary differences utilised from previous periods	(6,776)	(7,759)	(53,417)
Tax charge/(credit) at the Group's effective rate	84,953	(108,189)	121,247

12. DIVIDENDS

No dividend was paid or declared by the Company during the Relevant Periods.

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) attributable to ordinary equity holders of the parent and the weighted average numbers of ordinary shares in issue for the Relevant Periods.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the Relevant Periods, since the Group had no potentially dilutive ordinary shares in issue during the Relevant Periods.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December		
	2023	2024	2025
Earnings/(loss)			
Earnings/(loss) attributable to ordinary equity holders of the parent for the purpose of calculating basic and diluted earnings/(loss) per share (RMB'000)	286,638	(729,081)	790,556
Shares			
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earning/(loss) per share calculation	340,000,000	340,000,000	357,803,000

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023							
At 1 January 2023:							
Cost	943,257	2,226,816	2,136	10,557	42,768	272,213	3,497,747
Accumulated depreciation and impairment	(23,282)	(216,431)	(372)	(3,347)	(6,628)	–	(250,060)
Net carrying amount	919,975	2,010,385	1,764	7,210	36,140	272,213	3,247,687
As at 1 January 2023, net of accumulated depreciation and impairment	919,975	2,010,385	1,764	7,210	36,140	272,213	3,247,687
Additions	8,078	702,132	3,096	9,675	–	3,089,258	3,812,239
Transfers	547,701	2,037,765	–	734	1,079	(2,587,279)	–
Transfer to other intangible assets	–	–	–	–	–	(582)	(582)
Transfer to investment properties	(78,484)	–	–	–	–	–	(78,484)
Deduction arising from government grants received	–	(790,215)	–	–	–	–	(790,215)
Disposals	–	(26,499)	–	(101)	–	–	(26,600)
Depreciation provided during the year	(37,363)	(310,121)	(1,021)	(3,256)	(2,269)	–	(354,030)
Impairment	–	(161,897)	–	–	–	–	(161,897)
As at 31 December 2023, net of accumulated depreciation and impairment	1,359,907	3,461,550	3,839	14,262	34,950	773,610	5,648,118
As at 31 December 2023:							
Cost	1,407,418	3,909,086	5,232	18,955	43,847	773,610	6,158,148
Accumulated depreciation and impairment	(47,511)	(447,536)	(1,393)	(4,693)	(8,897)	–	(510,030)
Net carrying amount	1,359,907	3,461,550	3,839	14,262	34,950	773,610	5,648,118

	Buildings	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024							
At 1 January 2024:							
Cost	1,407,418	3,909,086	5,232	18,955	43,847	773,610	6,158,148
Accumulated depreciation and impairment	(47,511)	(447,536)	(1,393)	(4,693)	(8,897)	–	(510,030)
Net carrying amount	1,359,907	3,461,550	3,839	14,262	34,950	773,610	5,648,118
As at 1 January 2024, net of accumulated depreciation and impairment	1,359,907	3,461,550	3,839	14,262	34,950	773,610	5,648,118
Additions	11,073	351,204	265	4,416	707	1,948,310	2,315,975
Transfers	424,554	1,666,736	–	–	78,273	(2,169,563)	–
Transfer to other intangible assets	–	–	–	–	–	(168)	(168)
Deduction arising from government grants received	(74,308)	(405,595)	–	–	–	–	(479,903)
Disposals	–	(14,881)	(460)	(76)	–	–	(15,417)
Depreciation provided during the year	(56,704)	(518,190)	(1,320)	(4,982)	(4,310)	–	(585,506)
Impairment	(4,602)	(202,942)	–	(439)	–	–	(207,983)
Exchange realignment	1,007	2,947	–	26	–	2,973	6,953
As at 31 December 2024, net of accumulated depreciation and impairment	1,660,927	4,340,829	2,324	13,207	109,620	555,162	6,682,069
As at 31 December 2024:							
Cost	1,765,093	5,418,146	4,682	23,274	122,827	555,162	7,889,184
Accumulated depreciation and impairment	(104,166)	(1,077,317)	(2,358)	(10,067)	(13,207)	–	(1,207,115)
Net carrying amount	1,660,927	4,340,829	2,324	13,207	109,620	555,162	6,682,069

	Buildings	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025							
At 1 January 2025:							
Cost	1,765,093	5,418,146	4,682	23,274	122,827	555,162	7,889,184
Accumulated depreciation and impairment	(104,166)	(1,077,317)	(2,358)	(10,067)	(13,207)	–	(1,207,115)
Net carrying amount	1,660,927	4,340,829	2,324	13,207	109,620	555,162	6,682,069
As at 1 January 2025, net of accumulated depreciation and impairment	1,660,927	4,340,829	2,324	13,207	109,620	555,162	6,682,069
Additions	1,732	270,455	2,371	6,249	886	1,245,115	1,526,808
Transfers	168,751	1,242,689	559	4,478	–	(1,416,477)	–
Transfer to other intangible assets	–	–	–	–	–	(3,299)	(3,299)

	Buildings	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Transfer to investment properties	(174,729)	–	–	–	–	–	(174,729)
Deduction arising from government grants received	(100,000)	(111,058)	–	–	–	–	(211,058)
Disposals	–	(82,469)	(175)	(2,178)	–	–	(84,822)
Depreciation provided during the year	(49,358)	(568,406)	(1,336)	(5,154)	(5,859)	–	(630,113)
Exchange realignment	(1,157)	(3,064)	2	(7)	–	(2,986)	(7,212)
As at 31 December 2025, net of accumulated depreciation and impairment	1,506,166	5,088,976	3,745	16,595	104,647	377,515	7,097,644
As at 31 December 2025:							
Cost	1,623,553	5,915,399	7,095	29,226	123,713	377,515	8,076,501
Accumulated depreciation and impairment	(117,387)	(826,423)	(3,350)	(12,631)	(19,066)	–	(978,857)
Net carrying amount	1,506,166	5,088,976	3,745	16,595	104,647	377,515	7,097,644

The Company

	Buildings	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023							
At 1 January 2023:							
Cost	89,492	333,633	747	3,097	42,768	802	470,539
Accumulated depreciation and impairment	(9,174)	(118,502)	(228)	(1,676)	(6,628)	–	(136,208)
Net carrying amount	80,318	215,131	519	1,421	36,140	802	334,331
As at 1 January 2023, net of accumulated depreciation and impairment	80,318	215,131	519	1,421	36,140	802	334,331
Additions	–	1,973	–	348	–	4,754	7,075
Transfers	–	3,696	–	–	1,079	(4,775)	–
Transfer to other intangible assets	–	–	–	–	–	(582)	(582)
Transfer to investment properties	(78,484)	–	–	–	–	–	(78,484)
Disposals	–	(10,109)	–	(101)	–	–	(10,210)
Depreciation provided during the year	(1,834)	(40,550)	(174)	(974)	(2,269)	–	(45,801)
Impairment	–	(161,897)	–	–	–	–	(161,897)
As at 31 December 2023, net of accumulated depreciation and impairment	–	8,244	345	694	34,950	199	44,432

	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023:						
Cost	80,587	747	1,433	43,847	199	126,813
Accumulated depreciation and impairment	(72,343)	(402)	(739)	(8,897)	–	(82,381)
Net carrying amount	8,244	345	694	34,950	199	44,432

	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2024						
At 1 January 2024:						
Cost	80,587	747	1,433	43,847	199	126,813
Accumulated depreciation and impairment	(72,343)	(402)	(739)	(8,897)	–	(82,381)
Net carrying amount	8,244	345	694	34,950	199	44,432
As at 1 January 2024, net of accumulated depreciation and impairment	8,244	345	694	34,950	199	44,432
Additions	384	–	–	–	86	470
Transfers	117	–	–	–	(117)	–
Transfer to other intangible assets	–	–	–	–	(168)	(168)
Disposals	(840)	(242)	–	–	–	(1,082)
Depreciation provided during the year	–	(81)	(233)	(2,083)	–	(2,397)
Impairment	(1,874)	–	–	–	–	(1,874)
As at 31 December 2024, net of accumulated depreciation and impairment	6,031	22	461	32,867	–	39,381
As at 31 December 2024:						
Cost	76,246	319	1,433	43,847	–	121,845
Accumulated depreciation and impairment	(70,215)	(297)	(972)	(10,980)	–	(82,464)
Net carrying amount	6,031	22	461	32,867	–	39,381

	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2025						
At 1 January 2025:						
Cost	76,246	319	1,433	43,847	–	121,845
Accumulated depreciation and impairment	(70,215)	(297)	(972)	(10,980)	–	(82,464)
Net carrying amount	6,031	22	461	32,867	–	39,381
As at 1 January 2025, net of accumulated depreciation and impairment	6,031	22	461	32,867	–	39,381

	Machinery	Motor vehicles	Electronic and other equipment	Photovoltaic power stations	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Additions	55	265	–	–	–	320
Disposals	(3,852)	(124)	(218)	–	–	(4,194)
Depreciation provided during the year	(603)	(83)	(121)	(2,085)	–	(2,892)
As at 31 December 2025, net of accumulated depreciation and impairment	1,631	80	122	30,782	–	32,615
As at 31 December 2025:						
Cost	38,940	350	1,313	43,847	–	84,450
Accumulated depreciation and impairment	(37,309)	(270)	(1,191)	(13,065)	–	(51,835)
Net carrying amount	1,631	80	122	30,782	–	32,615

As at the end of each of the Relevant Periods, property, plant and equipment with carrying amounts of approximately RMB140,991,000, RMB2,926,082,000 and RMB2,491,259,000, respectively, were pledged to secure certain bank borrowings of the Group (note 26).

As at 31 December 2024 and 31 December 2025, the Group has not obtained the certificates for certain of the buildings with an aggregate net carrying amount of approximately RMB48,520,000 and RMB42,448,000, respectively. The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 31 December 2024 and 31 December 2025.

Impairment assessment

For the year ended 3l December 2023

In 2023, with the decreasing needs for polycrystalline photovoltaic cells products in the market, the management concluded that there was indicator for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment in respect of polycrystalline photovoltaic cells products with carrying amounts of RMB176,299,000. The recoverable amounts of these property, plant and equipment have been determined based on their fair value less costs of disposal. The Group uses direct comparison approach to estimate the fair value less costs of disposal which is based on the recent transaction prices for similar property, plant and equipment adjusted for nature, location and conditions. The relevant assets were impaired to their recoverable amount of RMB14,402,000, and the impairment of RMB161,897,000 has been recognised in profit or loss in the "Other expenses" during the year ended 31 December 2023.

For the year ended 3l December 2024

In 2024, due to the over-supply of photovoltaic cell products and decrease in the unit sale price of photovoltaic cell products in the market, the management concluded that there was indication for impairment and conducted impairment assessment on recoverable amounts of certain property, plant and equipment in respect of polycrystalline photovoltaic cells products with carrying amounts of RMB621,288,000. In such circumstances, the management tests such assets for impairment first. The recoverable amounts of these property, plant and equipment have been determined based on their fair value less costs of disposal or a value in use calculation.

For property, plant and equipment amounting to RMB411,054,000, the Group uses direct comparison approach to estimate the fair value less costs of disposal which is based on the recent transaction prices for similar property, plant and equipment adjusted for nature, location and conditions. The relevant assets were impaired to their recoverable amount of RMB203,071,000 and the impairment of RMB207,983,000 has been recognised in profit or loss in the "Other expenses" during the year ended 31 December 2024.

For property, plant and equipment amounting to RMB210,234,000 which belongs to the cash-generating unit representing the Group's manufacturing plant, the recoverable amount has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by the management of the Group covering the following 5 years with a pre-tax discount rate of 15.82% as at 3l December 2024. The

management of the Group did not assume any growth to the cash flows subsequent to the 5-year period. Another key assumption for the value in use calculated is the budgeted gross margin, which is determined based on the cash-generating unit's past performance and management expectations for the market development. Apart from pre-tax discount rate and gross margin, the management consider there is no other key assumptions to the value in use calculation. Based on the result of the assessment, management of the Group determined that the recoverable amount of the cash-generating unit is higher than the carrying amount.

15. LEASES

The Group as a lessee

The Group has leasehold land. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 50 years, and no ongoing payments will be made under the terms of these land leases. Lease of the plant, equipment and warehouse has lease term of 37 months to 60 months. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

The Group

	Plant, equipment and warehouse	Leasehold land	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2023			
As at 1 January 2023	–	84,481	84,481
Additions	–	46,390	46,390
Transfer to investment properties	–	(14,438)	(14,438)
Deduction arising from government grants received	–	(17,985)	(17,985)
Depreciation charge	–	(3,841)	(3,841)
As at 31 December 2023	–	94,607	94,607
As at 31 December 2024			
As at 1 January 2024	–	94,607	94,607
Additions	–	245,961	245,961
Transfers to assets classified as held for sale	–	(85,323)	(85,323)
Exchange realignment	–	1,023	1,023
Depreciation charge	–	(4,572)	(4,572)
As at 31 December 2024	–	251,696	251,696
As at 31 December 2025			
As at 1 January 2025	–	251,696	251,696
Additions	352,940	–	352,940
Transfer to investment properties	–	(6,766)	(6,766)
Exchange realignment	(137)	(8,236)	(8,373)
Lease modification	(137,899)	–	(137,899)
Depreciation charge	(42,961)	(8,771)	(51,732)
As at 31 December 2025	171,943	227,923	399,866

The Company

	Leasehold land
	RMB'000
As at 31 December 2023	
As at 1 January 2023	14,771
Transfer to investment properties	(14,438)
Depreciation charge	(333)
As at 31 December 2023, 1 January 2024, 31 December 2024 and 31 December 2025	–

As at 31 December 2024 and 31 December 2025, the Group has not obtained the certificates for certain of the leasehold land with an aggregate net carrying amount of approximately RMB107,828,000 and RMB96,135,000, respectively. The directors were of the opinion that the aforesaid matter did not have any significant impact on the Group's financial position as at 31 December 2024 and 31 December 2025.

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the Relevant Periods are as follows:

The Group

	As at 31 December 2025
	RMB'000
Carrying amount at 1 January	–
Additions	352,940
Accretion of interest recognised during the year	5,157
Lease modification	(159,680)
Exchange realignment	(139)
Payments	(1,221)
Carrying amount at the end of the year	197,057
Analysed into:	
Current	41,786
Non-current	155,271

(c) The amounts recognised in profit or loss of the Group in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Interest on lease liabilities	–	–	5,157
Depreciation charge of right-of-use assets	3,841	4,572	51,732
Expenses relating to short-term leases	521	729	7,349
Total amount recognised in profit or loss	4,362	5,301	64,238

(d) The total cash outflow for leases is disclosed in note 33 to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

The Group

	Software
	RMB'000
31 December 2023	
As at 1 January 2023:	
Cost	1,297
Accumulated amortisation	(221)
Net carrying amount	1,076
Cost as at 1 January 2023, net of accumulated amortisation	1,076
Transfer from construction in process	582
Amortisation provided during the year	(209)
As at 31 December 2023, net of accumulated amortisation	1,449
As at 31 December 2023:	
Cost	1,879
Accumulated amortisation	(430)
Net carrying amount	1,449

	Software
	RMB'000
31 December 2024	
As at 1 January 2024:	
Cost	1,879
Accumulated amortisation	(430)
Net carrying amount	1,449
Cost as at 1 January 2024, net of accumulated amortisation	1,449
Additions	824
Transfer from construction in process	168
Amortisation provided during the year	(233)
As at 31 December 2024, net of accumulated amortisation	2,208
As at 31 December 2024:	
Cost	2,871
Accumulated amortisation	(663)
Net carrying amount	2,208
31 December 2025	
As at 1 January 2025:	
Cost	2,871
Accumulated amortisation	(663)
Net carrying amount	2,208
Cost as at 1 January 2025, net of accumulated amortisation	2,208
Additions	2,478
Transfer from construction in process	3,299
Amortisation provided during the year	(972)
As at 31 December 2025, net of accumulated amortisation	7,013
As at 31 December 2025:	
Cost	8,648
Accumulated amortisation	(1,635)
Net carrying amount	7,013

The Company

	Software
	RMB'000
31 December 2023	
As at 1 January 2023:	
Cost	–
Accumulated amortisation	–
Net carrying amount	–
Cost as at 1 January 2023, net of accumulated amortisation	–
Transfer from construction in process	582
Amortisation provided during the year	(6)
As at 31 December 2023, net of accumulated amortisation	576
As at 31 December 2023:	
Cost	582
Accumulated amortisation	(6)
Net carrying amount	576
31 December 2024	
As at 1 January 2024:	
Cost	582
Accumulated amortisation	(6)
Net carrying amount	576
Cost as at 1 January 2024, net of accumulated amortisation	576
Transfer from construction in process	168
Amortisation provided during the year	(75)
As at 31 December 2024, net of accumulated amortisation	669
As at 31 December 2024:	
Cost	750
Accumulated amortisation	(81)
Net carrying amount	669
31 December 2025	
As at 1 January 2025:	
Cost	750
Accumulated amortisation	(81)
Net carrying amount	669
Cost as at 1 January 2025, net of accumulated amortisation	669
Additions	40
Amortisation provided during the year	(82)
As at 31 December 2025, net of accumulated amortisation	627
As at 31 December 2025:	
Cost	790
Accumulated amortisation	(163)
Net carrying amount	627

17. INVESTMENT PROPERTIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At 1 January:			
Cost	–	107,436	107,436
Accumulated depreciation	–	(14,514)	(16,816)
Net carrying amount	–	92,922	90,620
At 1 January net of accumulated depreciation	–	92,922	90,620
Transfer from property, plant and equipment	78,484	–	174,729
Transfer from right-of-use assets	14,438	–	6,766
Depreciation provided during the year	–	(2,302)	(10,786)
At 31 December, net of accumulated depreciation	92,922	90,620	261,329
At 31 December:			
Cost	107,436	107,436	288,931
Accumulated depreciation	(14,514)	(16,816)	(27,602)
Net carrying amount	92,922	90,620	261,329

The Group's investment properties consist of one, one and two industrial properties in Chinese mainland at the end of each of the Relevant Periods which are held to earn rentals income and for capital appreciation. The properties are measured initially and subsequently at cost. Depreciation commences on the day the transaction of purchase is completed and is calculated on the straight-line basis over 30 to 50 years.

The Group's investment properties located in Chinese mainland at the end of each of the Relevant Periods were valued as at that date by independent professionally qualified external appraisal firms with fair value of approximately RMB118,082,000, RMB116,331,000 and RMB292,390,000, respectively.

The investment properties are to be leased to related and third parties under operating leases.

At the end of each of the Relevant Periods, the Group's investment properties with a carrying value of RMB84,462,000, RMB84,395,000 and RMB81,942,000, respectively, were pledged to secure general banking facilities granted to the Group (note 26).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

At 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment properties	–	–	118,082	118,082

At 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment properties	–	–	116,331	116,331

At 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment properties	–	–	292,390	292,390

The fair value of the investment property was estimated by using the market comparison method model as at 31 December 2023 and 2024. The fair value of the investment properties was estimated by using the income approach, particularly term & reversion method as at 31 December 2025.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At 1 January:			
Cost	–	107,436	107,436
Accumulated depreciation	–	(14,514)	(16,816)
Net carrying amount	–	92,922	90,620
At 1 January net of accumulated depreciation	–	92,922	90,620
Transfer from property, plant and equipment	78,484	–	–
Transfer from right-of-use assets	14,438	–	–
Depreciation provided during the year	–	(2,302)	(2,381)
At 31 December, net of accumulated depreciation	92,922	90,620	88,239

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At 31 December:			
Cost	107,436	107,436	107,436
Accumulated depreciation	(14,514)	(16,816)	(19,197)
Net carrying amount	92,922	90,620	88,239

The Company's investment properties consist of one, one and one industrial properties in Chinese mainland at the end of each of the Relevant Periods which are held to earn rentals income and for capital appreciation. The properties are measured initially and subsequently at cost. Depreciation commences on the day the transaction of purchase is completed and is calculated on the straight-line basis over 30 years.

The Company's investment properties located in Chinese mainland at the end of each of the Relevant Periods were valued as at that date by independent professionally qualified external appraisal firms with fair value of approximately RMB118,082,000, RMB116,331,000 and RMB107,530,000, respectively.

The investment properties are to be leased to third parties under operating leases.

At the end of each of the Relevant Periods, the Company's investment properties with a carrying value of RMB86,462,000, RMB84,395,000 and RMB81,942,000, respectively, were pledged to secure general banking facilities granted to the Group (note 26).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Company's investment properties:

At 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment properties	–	–	118,082	118,082

At 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment properties	–	–	116,331	116,331

At 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Investment properties	–	–	107,530	107,530

The fair value of the investment property was estimated by using the market comparison method model as at 31 December 2023 and 2024. The fair value of the investment property was estimated by using the income approach, particularly term & reversion method as at 31 December 2025.

18. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	123,113	687,474	992,689
Work in progress	19,285	105,746	99,349
Finished goods	134,445	359,648	801,532
Total	276,843	1,152,868	1,893,570

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Raw materials	6,191	2,597	–
Work in progress	3,711	–	–
Finished goods	9,556	8,378	–
Total	19,458	10,975	–

19. TRADE AND BILLS RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	39,124	52,975	348,979
Bills receivables at amortised cost	1,292,893	869,583	1,689,580
Bills receivables at fair value through other comprehensive income ("FVTOCI")	139,947	343,992	63,225
Impairment	(1,633)	(2,367)	(14,319)
Total	1,470,331	1,264,183	2,087,465

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	2,008	106	–
Bills receivables at amortised cost	79,131	6,507	371
Bills receivables at FVTOCI	20,105	36	–
Impairment	(100)	(5)	–
Total	101,144	6,644	371

The Group's trading terms with its customers are normally payment in advance, except for certain customers, where is on credit. The credit period is generally due within 7 to 45 days for certain customers located in Chinese mainland or 90 days for the remaining on credit customers outside Chinese mainland. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

Included in the Group's trade and bills receivables are amounts due from the Group's related parties of nil, RMB10,000 and nil, respectively, at the end of each Relevant Periods which are repayable on credit terms similar to those offered to other customers of the Group.

The Group's bills receivables were bank acceptance bills aged within six months. Bills receivable is subject to impairment under the simplified approach, and its impact is considered to be minimal.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the transaction dates and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 90 days	37,491	50,608	334,660

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within 90 days	1,908	101	–

The movements in the loss allowance for impairment of trade receivables are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	434	1,633	2,367
Impairment losses, net	1,199	734	11,952
At end of year	1,633	2,367	14,319

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
At beginning of year	11	100	5
Impairment losses, net	89	(95)	(5)
At end of year	100	5	–

An impairment analysis is performed at the end of each of the Relevant Periods using a provision matrix to measure expected credit losses. The provision rates are based on the ageing of receivables of the customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the end of each of the Relevant Periods about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the trade receivables as at the end of each of the Relevant Periods using a provision matrix:

The Group

As at 31 December 2023

	Within 90 days
Trade receivables (RMB'000)	39,124
Expected credit loss rate	4.17%
Expected credit losses (RMB'000)	1,633

As at 31 December 2024

	Within 90 days
Trade receivables (RMB'000)	52,975
Expected credit loss rate	4.47%
Expected credit losses (RMB'000)	2,367

As at 31 December 2025

	Within 90 days
Trade receivables (RMB'000)	348,979
Expected credit loss rate	4.10%
Expected credit losses (RMB'000)	14,319

Transfer of financial assets

The Group

(i) Transferred financial assets that are not derecognised in their entirety

As at the end of each of the Relevant Periods, the Group's bills receivable amounted to RMB1,180,144,000, RMB778,322,000 and RMB1,320,584,000, respectively, were endorsed to certain suppliers for settlement of trade payables and other payables or discounted to certain banks to obtain bank loans on a full recourse basis. If the bills are not paid on maturity, the suppliers and banks have the right to request the Group to pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to the bills receivable to its suppliers upon endorsement or to banks upon discounting, it continues to recognise the full carrying amount of bills receivable and has recognised the payables from the endorsement of the bills with full recourse or the bank and other borrowings for the discounted amounts received.

(ii) Transferred financial assets that are derecognised in their entirety

As at the end of each of the Relevant Periods, the Group had derecognised bills receivable discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to RMB2,609,127,000, RMB1,386,136,000 and RMB1,732,756,000, respectively. These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the Group had transferred substantially all the risks of these bills to relevant banks or suppliers. As a result, the relevant assets and liabilities were derecognised on the consolidated statements of financial position.

During the Relevant Periods, the Group has recognized loss of RMB1,962,000, RMB13,183,000 and RMB15,053,000, respectively, on the date of transfer of the bills receivable. No gains or losses were recognized from the continuing involvement, both during the year or cumulatively.

The Company

(i) Transferred financial assets that are not derecognised in their entirety

As at the end of each of the Relevant Periods, the Company's bills receivable amounted to RMB68,756,000, RMB6,507,000 and RMB246,000, respectively, were endorsed to certain suppliers for settlement of trade payables or being discounted to certain banks to obtain bank loans on a full recourse basis. If the bills are not paid on maturity, the suppliers and banks have the right to request the Company to pay the unsettled balance. As the Company has not transferred the significant risks and rewards relating to the bills receivable to its suppliers upon endorsement or to banks upon discounting, it continues to recognise the full carrying amount of bills receivable and has recognised the payables from the endorsement of the bills with full recourse or the bank and other borrowings for the discounted amounts received.

(ii) Transferred financial assets that are derecognised in their entirety

As at the end of each of the Relevant Periods, the Company had derecognised bills discounted to banks or endorsed to certain suppliers on a full recourse basis amounting to RMB104,411,000, RMB1,783,000 and nil, respectively. These bills were issued or guaranteed by reputable PRC banks with high credit ratings, therefore the directors of the Company considered the Company had transferred substantially all the risks of these bills to relevant banks or suppliers. As a result, the relevant assets and liabilities were derecognised on the consolidated statements of financial position.

During the Relevant Periods, the Company has recognized loss of RMB218,000, RMB4,020,000 and nil, respectively, on the date of transfer of the bills receivable. No gains or losses were recognized from the continuing involvement, both during the year or cumulatively.

20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayment for property, plant and equipment	92,641	9,408	9,138
Current:			
Prepayments	94,772	123,251	376,625
Value-added tax recoverable	319,298	321,937	230,748
Deposits and other receivables	10,981	8,998	34,360
Tax refund for export	–	13,744	87,682
Deferred listing expense	–	–	10,430
Others	1,335	2,650	20,569
Impairment allowance	(3,118)	(3,060)	(3,264)
Total	423,268	467,520	757,150

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Non-current:			
Prepayment for property, plant and equipment	–	–	810
Current:			
Prepayments	588	269	171
Value-added tax recoverable	2,116	3,206	706
Deposits and other receivables	7,687	4,882	434
Deferred listing expense	–	–	10,430
Others	53	103	47
Impairment allowance	(103)	(507)	(4)
Total	10,341	7,953	11,784

The balances are interest-free and are not secured with collateral.

21. FINANCIAL ASSETS AT FVTPL

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Wealth management products *(note (i))*	394,507	220,823	–
Listed equity investment, at fair value *(note (ii))*	–	–	24,515
Total	394,507	220,823	24,515

Notes:

(i) The above wealth management products are issued by banks in Chinese mainland. They were mandatorily classified as financial assets at FVTPL as their contractual cash flows are not solely payments of principal and interest.

(ii) Listed equity investment represented the Group's investment in a public listed company, which is quoted in an active market. The fair value of the listed equity investment is based on its quoted prices as of 31 December 2025 in an active market.

22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	840,294	666,451	655,152
Pledged deposits	787,047	792,939	1,115,050
Total	1,627,341	1,459,390	1,770,202

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Less:			
Pledged deposits for bills payable	779,079	784,194	1,115,050
Pledged deposits for letters of credit	7,968	8,745	–
Cash and bank balances	840,294	666,451	655,152
Denominated in:			
RMB	1,582,601	1,302,936	1,602,338
United States Dollar ("USD")	44,740	139,673	154,166
Indonesian Rupiah	–	16,683	13,627
Singapore Dollar	–	98	71
Total	1,627,341	1,459,390	1,770,202

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	14,444	31,992	4,701
Pledged deposits	52,878	31,343	30
Total	67,322	63,335	4,731
Less:			
Pledged time deposits for bills payable	52,878	31,343	30
Cash and bank balances	14,444	31,992	4,701
Denominated in:			
RMB	67,322	63,335	4,731

The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of between one day and twelve months depending on the immediate cash requirements of the Group and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

23. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	1,229,155	2,536,109	3,560,959
Over one year and within two years	3,980	7,921	7,158
Over two years	490	1,257	1,029
Total	1,233,625	2,545,287	3,569,146

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Within one year	222,304	17,987	3,477
Over one year and within two years	2,416	4,629	66
Over two years	367	752	–
Total	225,087	23,368	3,543

Trade payables are non-interest-bearing and are normally settled on the terms within 180 days.

24. OTHER PAYABLES AND ACCRUALS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Payables for purchase of property, plant and equipment	3,813,829	3,636,807	3,329,532
Amounts due to independent third parties *(note (a))*	35,665	393,945	35,665
Other payables *(note (b))*	30,833	22,306	22,727
Payroll payables	44,646	55,173	73,190
Other tax payable	34,614	27,827	21,844
Government grants	–	68,933	–
Listing expenses	–	–	3,169
Total	3,959,587	4,204,991	3,486,127
Analysed as:			
Current	3,959,587	3,846,711	3,339,898
Non-current	–	358,280	146,229
Total	3,959,587	4,204,991	3,486,127

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to an independent third party *(note (a))*	–	358,280	–
Payables for purchase of property, plant and equipment	90,625	39,531	4,456
Payroll payables	4,770	1,097	354
Other tax payable	1,531	513	852
Other payables *(note (b))*	755	481	17
Listing expenses	–	–	3,169
Total	97,681	399,902	8,848
Analysed as:			
Current	97,681	41,622	8,848
Non-current	–	358,280	–
Total	97,681	399,902	8,848

Notes:

(a) Amounts included loan from Yibin High-tech Investment Group Co., Ltd. of nil, RMB358,280,000 and nil which carried interest at 6% per annum at the end of each of the Relevant Periods, respectively. Pursuant to the agreement, the loans are repayable within three years from 2026 to 2028. Such liability was settled as share subscribe consideration in 2025. The details was set out in note 29.

(b) Other payables are non-interest-bearing and repayable on demand.

25. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances received from customers			
Sale of photovoltaic cells and related services	162,379	293,046	154,900

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Advances received from customers			
Sale of photovoltaic cells and related services	2,819	148	–

26. INTEREST-BEARING BANK BORROWINGS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Secured and guaranteed *(note ((a)&(b)&(c))*	50,025	431,871	536,828
Guaranteed *(note (b))*	215,165	561,679	578,373
Total	265,190	993,550	1,115,201
Analysed into:			
Fixed interest rate	215,165	611,679	428,373
Variable interest rate	50,025	381,871	686,828
Total	265,190	993,550	1,115,201
Analysed into:			
Within one year	215,165	683,199	564,789
In the second years	50,025	71,088	232,416
In the third to fifth years	–	213,263	295,996
Beyond five years	–	26,000	22,000
Total	265,190	993,550	1,115,201

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Less:			
Amounts due within one year presented as current liabilities	215,165	683,199	564,789
Amounts presented as non-current liabilities	50,025	310,351	550,412

Ranges of effective interest rates on the Group's fixed and variable-rate borrowings are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Effective interest rate:			
Fixed rate borrowings	3.00% to 3.65%	2.84% to 4.32%	2.08% to 3.90%
Floating rate borrowings	One-year LPR+80bps	Five-year LPR-35bps to five-year LPR+85bps	One-year LPR-20bps to five-year LPR+85bps

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Analysed into:			
Secured and guaranteed *((a)&(b)&(c))*	50,025	50,000	–
Guaranteed *(note (b))*	18,669	130,121	–
Total	68,694	180,121	–
Analysed into:			
Fixed interest rate	18,669	130,121	–
Variable interest rate	50,025	50,000	–
Total	68,694	180,121	–
Analysed into:			
Within one year	18,669	180,121	–
In the second years	50,025	–	–
In the third to fifth years	–	–	–
Total	68,694	180,121	–
Less:			
Amounts due within one year presented as current liabilities	18,669	180,121	–
Amounts presented as non-current liabilities	50,025	–	–

Ranges of effective interest rates on the Company's fixed and variable-rate borrowings are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Effective interest rate:			
Fixed rate borrowings	3.00%	2.84% to 3.20%	–
Floating rate borrowings	One-year LPR+80bps	One-year LPR+80bps	–

Notes:

(a) As at the end of each of the Relevant Periods, the Group's bank borrowings amounting to RMB134,320,000, RMB736,105,000 and RMB889,053,000, respectively, were guaranteed by the Company.

(b) Certain loans were guaranteed by the directors of the Company. Refer to note 35 for details.

(c) Details of the assets of the Group as at the end of each of the Relevant Periods that have been pledged as collateral to secure the bank borrowings are set out in notes 14 and 17.

(d) Certain bank borrowings are subjected to loan covenants. The Group and the Company are in compliant with these covenants as at the end of each of the Relevant Periods.

27. DEFERRED INCOME

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Government grants	50,000	–	–

The Group's deferred income mainly represented government grants related to long-term assets in production and research and development bases. The grants related to assets will deduct from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge upon the straight-line basis over the expected lives of the related assets.

28. DEFERRED TAX

The movements in deferred tax assets during the Relevant Periods are as follows:

The Group

	Tax loss	Assets impairment provision	Asset-related government grants	Lease liabilities	Elimination of profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	90,737	3,989	24,257	–	–	118,983
Deferred tax (charged)/credited to profit or loss during the year	(89,355)	6,519	98,254	–	–	15,418

	Tax loss	Assets impairment provision	Asset-related government grants	Lease liabilities	Elimination of profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023 and 1 January 2024	1,382	10,508	122,511	–	–	134,401
Deferred tax credited/(charged) to profit or loss during the year	214,531	(1,389)	33,957	–	–	247,099
As at 31 December 2024 and 1 January 2025	215,913	9,119	156,468	–	–	381,500
Deferred tax credited/(charged) to profit or loss during the year	79,259	(4,426)	19,685	29,862	60,456	184,836
As at 31 December 2025	295,172	4,693	176,153	29,862	60,456	566,336

The movements in deferred tax liabilities during the Relevant Periods are as follows:

The Group

	Fair value gain on financial assets	Accelerated tax depreciation	Right-of-use assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	841	115,781	–	116,622
Deferred tax charged to profit or loss during the year	1,335	60,316	–	61,651
As at 31 December 2023 and 1 January 2024	2,176	176,097	–	178,273
Deferred tax (credited)/charged to profit or loss during the year	(2,053)	140,094	–	138,041
As at 31 December 2024 and 1 January 2025	123	316,191	–	316,314
Deferred tax charged to profit or loss during the year	2,182	88,692	26,081	116,955
As at 31 December 2025	2,305	404,883	26,081	433,269

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances for financial reporting purposes:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax assets recognized in the consolidated statement of financial position	4,774	65,186	144,707
Net deferred tax liabilities recognized in the consolidated statement of financial position	(48,646)	–	(11,640)

The Group has accumulated tax losses that were not recognised as deferred tax assets in Chinese mainland of RMB330,369,000, RMB568,570,000 and RMB638,513,000 in aggregate as at the end of each of the Relevant Periods, respectively, that would expire in one to ten years for offsetting against future taxable profits of the company in which the losses arose.

The Group has unrecognised deductible temporary differences of RMB129,652,000, RMB482,184,000 and RMB247,757,000 as at the end of each of the Relevant Periods, respectively. The unrecognised deductible temporary differences are mainly related to the impairment of the trade and bills receivables, property, plant and equipment of the loss-making subsidiaries in the Group.

Deferred tax assets have not been recognised in respect of these losses and temporary differences as they have arisen in the subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits in foreseeable future will be available against which the tax losses can be utilised.

Under the Indonesia CIT Law, withholding tax of 20% is imposed on dividends declared in respect of profits earned by the Indonesia subsidiaries. At the end of each of the Relevant Periods, deferred taxation has not been provided for in the Historical Financial Information in respect of temporary differences attributable to accumulated profits of the Indonesia subsidiaries amounting to nil, RMB60,073,000 and RMB522,503,000 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

29. SHARE CAPITAL

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Issued and fully paid:			
Ordinary shares of RMB1.00 each	340,000	340,000	387,475

A summary of movements in the share capital is as follows:

	Number of shares	Nominal value of shares
		RMB'000
At 1 January 2023, 31 December 2023, 1 January 2024, 31 December 2024	340,000,000	340,000
Issuance of ordinary shares*	47,475,202	47,475
At 31 December 2025	387,475,202	387,475

* On 29 July 2025, the Company entered into a capital contribution agreement with Yibin High-tech Investment Group Co., Ltd ("Yibin High-tech Investment") and Yibin Gaotou Industrial Development Co., Ltd. ("Yibin Gaotou Industrial").

Pursuant to the agreement, Yibin High-tech Investment subscribed for 29,353,020 shares at a total consideration of RMB651,048,000, of which, RMB299,999,000 was settled by cash and RMB351,049,000 was settled with the loan to the Company (for details refer to note 24).

Pursuant to the agreement, Yibin Gaotou Industrial subscribed for 18,122,182 shares at a total of consideration of RMB401,951,000, which was settled by 16.80% equity interests held by Yibin Gaotou Industrial in Yingfa Dekun, and the consideration was determined according to the fair value of these equity interest. After this transaction, the Company increases its shareholding from 80.16% to 96.96% in the subsidiary of Yingfa Dekun.

30. RESERVES

The Group

The amounts of the Group's reserves and the movement therein are presented in the consolidated statements of change in equity on pages I-7 to I-9 of the Historical Financial Information.

Share premium

The share premium represents the difference between the par value of the shares issued and the consideration received.

Share awards reserve

Share-based payments reserve represents the share-based compensation reserve due to equity-settled share award, details of which are set out in note 31 to the Historical Financial Information.

Surplus reserve

In accordance with the Company Law of the People's Republic of China, the companies registered in the PRC are required to allocate 10% of the statutory after-tax profits to the statutory surplus reserve until the cumulative total of the reserve reaches 50% of the companies' registered capital. Subject to approval from the relevant PRC authorities, the statutory surplus reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory surplus reserve is not available for dividend distribution to shareholders of the PRC subsidiaries.

Other reserve

Reserve resulted from capital injection into a subsidiary by the non-controlling shareholders and from acquisition of additional interest of subsidiaries from non-controlling interests.

Exchange fluctuation reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations with a functional currency other than RMB. The reserve is dealt with in accordance with the accounting policies set out in note 2.3 to the Historical Financial Information.

The Company

	Share premium	Share awards reserve	Surplus reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	2,132,775	2,122	4,798	18,803	2,158,498
Profit and total comprehensive income for the year	–	–	–	19,156	19,156
Equity-settled share awards arrangements	–	18,617	–	–	18,617
As at 31 December 2023 and as at 1 January 2024	2,132,775	20,739	4,798	37,959	2,196,271
Loss and total comprehensive loss for the year	–	–	–	(27,856)	(27,856)
Equity-settled share awards arrangements	–	13,111	–	–	13,111
As at 31 December 2024 and as at 1 January 2025	2,132,775	33,850	4,798	10,103	2,181,526
Profit and total comprehensive income for the year	–	–	–	(25,017)	(25,017)
Issuance of ordinary shares	621,696	–	–	–	621,696
Acquisition of non-controlling interests	383,828	–	–	–	383,828
Equity-settled share awards arrangements	–	21,495	–	–	21,495
As at 31 December 2025	3,138,299	55,345	4,798	(14,914)	3,183,528

31. EQUITY SETTLED SHARE-BASED PAYMENTS

The Company adopted [**REDACTED**] equity incentive scheme (the "Scheme") in order to recognise and reward the contribution of certain directors and employees to the growth and development of the Group, and to retain eligible employees for the continuous operation and development of the Group.

In December 2020, 2,790,000 shares of the Company under the Scheme were granted to certain employees through the equity incentive platform, Anhui Yingfa Qinhe Enterprise Operation Management Center (Limited Partnership) ("Yingfa Qinhe") at a price of RMB2.52 per share, 20% of which will be vested on the completion of [**REDACTED**] of the Company and the rest will be vested on the third anniversary of the date of the completion of [**REDACTED**] of the Company ("Batch 2020").

In December 2022, 2,650,000 shares of the Company under the Scheme were granted to certain director and employees through Yingfa Qinhe at a price of RMB2.52 per share, 20% of which will be vested on the completion of [**REDACTED**] of the Company and the rest will be vested on the third anniversary of the date of the completion of [**REDACTED**] of the Company ("Batch 2022").

Pursuant to the board resolution dated 29 July 2025, the rest 80% of the shares of both Batch 2020 and Batch 2022 was amended to be vested on the first anniversary of the date of the completion of initial public offering of the Company.

As at the end of each of the Relevant Periods, 8,401,000, 7,832,000 and 6,351,000 granted shares were unvested, respectively.

The fair values of the equity incentive granted under the Scheme at the grant date were as follows:

	Number of shares	Fair value at grant date
		RMB per share
Batch 2020	2,790,000	1.21
Batch 2022	2,650,000	42.28

The fair value of services received in return for the equity incentive granted is measured by reference to the fair value of the share granted less the consideration of RMB2.52 per share paid to Yingfa Qinhe. The fair value of the share granted in December 2020 is measured at the grant date based on the valuation report applying the discounted cash flow approach conducted by an independent third-party valuer. And the fair value of the share granted in December 2022 is measured at the grant date at the market value of the share and is determined using the market approach (recent transaction method, in particular).

The granted participants are entitled to receive the same dividends as the other shareholders.

During the Relevant Periods, the Group recognized share-based compensation expenses of RMB18,617,000, RMB13,111,000 and RMB21,495,000, respectively.

32. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Percentage of equity interests held by non-controlling interests:			
Yingfa Deyao	26.67%	26.67%	26.67%
Yingfa Dekun	17.33%	19.84%	*
Yingfa Derui	N/A	N/A	63.26%
Yingfa Ruiyang	N/A	N/A	52.33%

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) for the year allocated to non-controlling interests:			
Yingfa Deyao	122,987	(112,215)	36,573
Yingfa Dekun	380	(22,837)	*
Yingfa Derui	N/A	N/A	8,996
Yingfa Ruiyang	N/A	N/A	(5,008)
Accumulated balances of non-controlling interests at the reporting date:			
Yingfa Deyao	914,778	803,191	685,899
Yingfa Dekun	350,380	401,370	*
Yingfa Derui	N/A	N/A	641,613
Yingfa Ruiyang	N/A	N/A	47,322

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

2023	Yingfa Dekun	Yingfa Deyao
	RMB'000	*RMB'000*
Revenue	11	7,170,746
Total expenses	2,567	(6,656,747)
Profit for the year	2,191	460,378
Total comprehensive income for the year	2,191	460,378
Current assets	825,592	2,955,465
Non-current assets	814,000	4,373,187
Current liabilities	(868,131)	(3,729,232)
Non-current liabilities	(59,270)	(169,004)
Net cash flows from operating activities	52,762	34,564
Net cash flow used in investing activities	(515,651)	(764,013)
Net cash flow from financing activities	710,000	–
Net increase/(decrease) in cash and cash equivalents	247,110	(727,587)

2024	Yingfa Dekun	Yingfa Deyao
	RMB'000	*RMB'000*
Revenue	820,442	4,311,029
Total expenses	(927,917)	(4,818,823)
Loss for the year	(115,114)	(421,290)
Total comprehensive loss for the year	(115,114)	(421,290)
Current assets	1,231,041	3,502,316
Non-current assets	1,448,994	4,896,194
Current liabilities	(1,555,557)	(4,871,225)
Non-current liabilities	(69,345)	(515,320)
Net cash flows from/(used in) operating activities	40,482	(820,668)
Net cash flow used in investing activities	(625,869)	(61,091)
Net cash flow from financing activities	450,787	621,300
Net decrease in cash and cash equivalents	(134,344)	(257,480)

2025	Yingfa Ruiyang	Yingfa Derui	Yingfa Deyao
	RMB'000	*RMB'000*	*RMB'000*
Revenue	645,603	279,569	7,590,169
Total expenses	(655,178)	(267,013)	(7,463,348)
(Loss)/profit for the year	(9,570)	14,220	137,148
Total comprehensive (loss)/income for the year	(9,570)	14,220	137,148
Current assets	490,955	839,128	4,002,596
Non-current assets	37,304	1,313,743	5,004,075
Current liabilities	(410,712)	(868,813)	(5,118,954)
Non-current liabilities	(27,117)	(269,838)	(729,597)
Net cash flows (used in)/from operating activities	(47,133)	(44,841)	873,619
Net cash flow used in investing activities	–	(654,627)	(904,373)
Net cash flow from financing activities	100,000	1,000,000	217,732
Net increase in cash and cash equivalents	52,867	300,530	186,875

* The non-controlling interest in the partly-owned subsidiary is not material.

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

(1) During the Relevant Periods, the Group endorsed certain bills receivable accepted by banks in Chinese mainland to certain of its suppliers in order to settle the other payables in relation to the purchase of property, plant and equipment with carrying amounts in aggregate of approximately RMB930,433,000, RMB402,523,000 and RMB376,545,000, respectively.

(2) During the Relevant Periods, amounts due to the government included in the other payables with carrying amount in aggregate of approximately RMB42,552,000, nil and nil, respectively, were settled with the receivables on government grants.

(3) During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of nil, nil and RMB352,940,000, respectively, in respect of a lease arrangement.

(4) On 29 July 2025, the Company entered into a capital contribution agreement with Yibin High-tech Investment and Yibin Gaotou Industrial. Pursuant to the agreement, Yibin High-tech Investment subscribed for 15,827,000 shares, which was settled with loan to the Company of RMB351,050,000 and Yibin Gaotou Industrial subscribed for 18,123,000 shares, which was settled by the equity interests held by Yibin Gao in Yingfa Dekun.

(5) During the Relevant Periods, amounts due to the third party included in the other payables with carrying amount in aggregate of approximately nil, nil and RMB42,875,000, respectively, were settled with the receivables on disposal of items of property, plant and equipment.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statements of cash flows as cash flows from financing activities.

	Interest-bearing bank borrowings	Other payables	Amounts due to independent third parties	Lease liabilities	[REDACTED]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 1 January 2023	125,148	11,131	136,481	–	–	272,760

	Interest-bearing bank borrowings	Other payables	Amounts due to independent third parties	Lease liabilities	[REDACTED]	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Changes from financing cash flows	133,220	(11,131)	(60,808)	–	–	61,281
Accretion of interest	6,822	–	2,544	–	–	9,366
Other non-cash transaction	–	–	(42,552)	–	–	(42,552)
As at 31 December 2023 and 1 January 2024	265,190	–	35,665	–	–	300,855
Changes from financing cash flows	778,834	–	348,800	–	–	1,127,634
Accretion of interest	11,702	–	9,480	–	–	21,182
Settlement with bills receivable	(62,176)	–	–	–	–	(62,176)
As at 31 December 2024 and 1 January 2025	993,550	–	393,945	–	–	1,387,495
Changes from operating cash flows	–	–	–	–	(8,276)	(8,276)
Changes from financing cash flows	117,766	–	(18,838)	(1,221)	(8,659)	89,048
Increase in deferred [**REDACTED**]	–	–	–	–	[REDACTED]	[REDACTED]
[**REDACTED**] charged to profit or losses	–	–	–	–	[REDACTED]	[REDACTED]
Modification of a lease contract	–	–	–	(159,680)	–	(159,680)
New leases	–	–	–	352,940	–	352,940
Accretion of interest	35,159	–	11,608	5,157	–	51,924
Shares issued for debt settlement	–	–	(351,050)	–	–	(351,050)
Settlement with bills receivable	(31,274)	–	–	–	–	(31,274)
Foreign exchange movement	–	–	–	(139)	–	(139)
As at 31 December 2025	1,115,201	–	35,665	197,057	[REDACTED]	1,351,092

(c) Total cash outflow for leases

The total cash outflow for leases included in the statements of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Withing operating activities	521	729	7,349
Withing investing activities	36,390	245,961	–
Withing financing activities	–	–	1,221
Total	36,911	246,690	8,570

34. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods:

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Acquisition of property, plant and equipment	960,042	118,564	246,741

35. RELATED PARTY TRANSACTIONS

(a) Related party transactions

The Group had the following material transactions with related parties during the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Sales of products:			
Parent company *(note (i))*	–	–	1,211
Fellow subsidiary *(note (i))*	–	41	100
Controlled by a close family member of a director *(note (i))*	–	–	121
	–	41	1,432
Purchases of products:			
Fellow subsidiary *(note (ii))*	5,042	5,439	543
Controlled by a close family member of a director *(note (ii))*	–	–	1,120
	5,042	5,439	1,663
Purchase of services:			
Fellow subsidiaries *(note (ii))*	294	385	540
Company controlled by a close family member of a director *(note (ii))*	222	220	107
	516	605	647
Repayment of loans from the related parties:			
Company controlled by a director	11,131	–	–

Notes:

(i) The sales to these entities were made according to the published prices and conditions offered to the major customers of the Group.

(ii) The purchases from these entities were made according to the published prices and conditions offered by these entities to their major customers.

Guarantees

As at the end of each of the Relevant Periods, the Group's bank borrowings amounting to RMB203,014,000, RMB842,160,000 and RMB931,053,000, respectively, were guaranteed by Ms. Zhang Min, Mr. Zhang Fayu and Mr. Zhang Jie, who are the directors of the Company, together or individually.

Pursuant to the capital contribution agreements entered into in 2022, the pre-[**REDACTED**] investors were granted redemption rights by the controlling shareholder of the Company, under which, the Company merely bore the joint and several liability on the unsettled redemption consideration. Pursuant to the shareholders' agreement entered into among all the then shareholders in February 2023 and undertakings signed by each of the then shareholders in March and June 2023, such redemption rights were irrevocably terminated. As such, the directors of the Company believe that such guarantee on pre-[**REDACTED**] investor's redemption rights had no material impact on the Group's financial performance and financial position.

(b) Outstanding balance with related parties:

The Group

As disclosed in the statements of financial position, the Group had outstanding balances with related parties at the end of each of the Relevant Periods.

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Due to related parties			
Trade nature:			
Fellow subsidiary	135	17	165
Non-trade nature:			
Company controlled by a director	–	–	15
Total amounts due to related parties	135	17	180

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Due from a related party			
Trade nature:			
Fellow subsidiary	–	10	–

The Company

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Due to			
Trade nature:			
Subsidiaries	–	–	73,836
Non-trade nature:			
Subsidiaries	74,651	242,964	141,512
Total	74,651	242,964	215,348
Due from			
Trade nature:			
Related parties	–	10	–
Subsidiaries	301	216	78,262
Total	301	226	78,262
Non-trade nature:			
Subsidiaries	–	–	–
Total	301	226	78,262

All the non-trade balances due from related parties were unsecured, interest-free and repayable on demand.

(c) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	4,941	4,664	6,618
Discretionary bonus	13,327	1,305	7,040
Pension scheme contributions	501	416	448
Equity-settled share award expense	7,601	4,239	8,384
Total	26,370	10,624	22,490

Further details of directors' and the chief executive's remuneration are included in note 9 to the Historical Financial Information.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	394,507	–	–	394,507
Financial assets included in prepayments, other receivables and other assets	–	10,981	–	10,981
Trade and bill receivables	–	1,330,384	139,947	1,470,331
Cash and cash equivalents	–	840,294	–	840,294
Pledged deposits	–	787,047	–	787,047
	394,507	2,968,706	139,947	3,503,160

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bill payables	1,233,625
Financial liabilities included in other payables and accruals	3,880,327
Interest-bearing bank borrowings	265,190
Total	5,379,142

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	220,823	–	–	220,823
Financial assets included in prepayments, other receivables and other assets	–	8,998	–	8,998
Trade and bill receivables	–	920,191	343,992	1,264,183
Cash and cash equivalents	–	666,451	–	666,451
Pledged deposits	–	792,939	–	792,939
Total	220,823	2,388,579	343,992	2,953,394

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bill payables	2,545,287
Financial liabilities included in other payables and accruals	4,121,991
Interest-bearing bank borrowings	993,550
Total	7,660,828

As at 31 December 2025

Financial assets

	Financial assets at FVTPL	Financial assets at amortized cost	Financial assets at FVTOCI	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss	24,515	–	–	24,515
Financial assets included in prepayments, other receivables and other assets	–	34,360	–	34,360
Trade and bill receivables	–	2,024,240	63,225	2,087,465
Cash and cash equivalents	–	655,152	–	655,152
Pledged deposits	–	1,115,050	–	1,115,050
Total	24,515	3,828,802	63,225	3,916,542

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade and bill payables	3,569,146
Financial liabilities included in other payables and accruals	3,391,093
Interest-bearing bank borrowings	1,115,201
Total	8,075,440

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed the fair values of cash and cash equivalents, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, interest-bearing bank borrowings and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of listed equity investments and future contracts are based on quoted market prices. The Group invests in wealth management products issued by banks in Chinese mainland. The Group has estimated the fair value of these wealth management products by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks. The Group has estimated the fair value of receivables at FVTOCI by using a discounted cash flow valuation model, using the discount rate that reflected the credit risk of the corresponding banks which are observable.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

The Group

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:				
Financial products	–	394,507	–	394,507
Financial assets at fair value through other comprehensive income:				
Bill receivables	–	139,947	–	139,947

As at 31 December 2024

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:				
Financial products	–	220,823	–	220,823
Financial assets at fair value through other comprehensive income:				
Bill receivables	–	343,992	–	343,992

As at 31 December 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial assets at fair value through profit or loss:				
Listed equity investments, at fair value	24,515	–	–	24,515
Financial assets at fair value through other comprehensive income:				
Bill receivables	–	63,225	–	63,225

Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all inputs that are significant to fair value measurement are observable, the instrument is included in Level 2.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, pledged deposits, financial assets at FVTPL and interest-bearing bank borrowings. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, foreign currency risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarized below.

Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates related primarily to the Group's bank borrowings with floating interest rates. The Group does not use derivative financial instruments to hedge its interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (through the impact on floating rate borrowings).

	Increase/(decrease) in base points	(Decrease)/increase in profit before tax
		RMB'000
31 December 2023		
RMB-dominated borrowings	50	(250)
RMB-dominated borrowings	(50)	250
31 December 2024		
RMB-dominated borrowings	50	(2,156)
RMB-dominated borrowings	(50)	2,156
31 December 2025		
RMB-dominated borrowings	50	(3,434)
RMB-dominated borrowings	(50)	3,434

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the USD exchange rate, with all other variables held constant, of the Group's profit before tax (arising from USD denominated financial instruments).

	(Decrease)/increase in rate of foreign currency	Increase/(decrease) in profit before tax
	%	*RMB'000*
31 December 2023		
If RMB weakens against USD	(5)	2,663
If RMB strengthens against USD	5	(2,663)
31 December 2024		
If RMB weakens against USD	(5)	7,180
If RMB strengthens against USD	5	(7,180)
31 December 2025		
If RMB weakens against USD	(5)	31,681
If RMB strengthens against USD	5	(31,681)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	–	–	–	1,471,964	1,471,964
Financial assets included in prepayments, other receivables and other assets	10,981	–	–	–	10,981
Pledged deposits	787,047	–	–	–	787,047
Cash and cash equivalents	840,294	–	–	–	840,294
Total	1,638,322	–	–	1,471,964	3,110,286

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bill receivables	–	–	–	1,266,550	1,266,550
Financial assets included in prepayments, other receivables and other assets	8,998	–	–	–	8,998
Pledged deposits	792,939	–	–	–	792,939
Cash and cash equivalents	666,451	–	–	–	666,451
Total	1,468,388	–	–	1,266,550	2,734,938

As at 31 December 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills receivables	–	–	–	2,101,784	2,101,784
Financial assets included in prepayments, other receivables and other assets	34,360	–	–	–	34,360
Pledged deposits	1,115,050	–	–	–	1,115,050
Cash and cash equivalents	655,152	–	–	–	655,152
Total	1,804,562	–	–	2,101,784	3,906,346

As at the end of the each of the Relevant Periods, cash and cash equivalents and pledged deposits were deposited in financial institutions of high quality without significant credit risk.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the Group's financial liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

	As at 31 December 2023			
	Within 1 year	1 to 5 years	over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	1,233,625	–	–	1,233,625
Interest-bearing bank borrowings	219,611	50,793	–	270,404
Financial liabilities included in other payables and accruals	3,880,327	–	–	3,880,327
Total	5,333,563	50,793	–	5,384,356

	As at 31 December 2024			
	Within 1 year	1 to 5 years	over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade and bills payables	2,545,287	–	–	2,545,287
Interest-bearing bank borrowings	706,213	308,647	28,993	1,043,853
Financial liabilities included in other payables and accruals	3,763,711	358,280	–	4,121,991
Total	7,015,211	666,927	28,993	7,711,131

	As at 31 December 2025			
	Within 1 year	1 to 5 years	over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Lease liabilities	48,354	164,958	–	213,312
Trade and bills payables	3,569,146	–	–	3,569,146
Interest-bearing bank borrowings	571,773	691,144	23,864	1,286,781
Financial liabilities included in other payables and accruals	3,244,864	146,229	–	3,391,093
Total	7,434,137	1,002,331	23,864	8,460,332

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's abilities to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital as at the end of each of the Relevant Periods.

	As at 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
Amounts due to third independent parties	35,665	393,945	35,665
Interest-bearing bank borrowings	265,190	993,550	1,115,201
Lease liabilities	–	–	197,057
Total interest-bearing debts	300,855	1,387,495	1,347,923
Total equity	4,455,645	3,718,897	5,770,391
Gearing ratio*	6.8%	37.3%	23.4%

* The gearing ratio is calculated by dividing total interest-bearing debts, including interest-bearing bank and other borrowings, and lease liabilities, by total equity.

39. EVENT AFTER THE RELEVANT PERIODS

No significant events of the Group occurred after 31 December 2025.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

The following is the text of a letter and valuation particular prepared for the purpose of incorporation in this document received from Colliers Appraisal & Advisory Services (Shanghai) Co., Ltd., an independent valuer, in connection with its valuation as at 31 December 2025 of the Property held by the Company.

Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd.
Suite 507, Block A, Gemdale Plaza
No. 91 Jianguo Road, Chaoyang District, Beijing
China

The Board of Directors
Sichuan Yingfa Ruineng Technology Co.,Ltd.
Gaochang Town,
Xuzhou District,
Yibin City,
Sichuan Province,
the PRC

[●] 2026

Dear Sirs,

Re: An Industrial Complex located at South of Weier Road, West of Jingwu Road, Economic Development Zone, Tianchang, Anhui Province, the People's Republic of China (the "Property")

INSTRUCTIONS

In accordance with your instructions for us to value the Property held by Sichuan Yingfa Ruineng Technology Co.,Ltd. (四川英發德盛科技股份有限公司) (the "Company") and its subsidiaries (together referred to as the "Group") in the People's Republic of China ("the PRC") for investment purposes, we confirm that we have carried out an inspection, made relevant enquires and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 31 December 2025 (the "Valuation Date"), for the purpose of incorporating in the public document.

The selected Property form part of the Group's property activities that has a carrying amount of over 1% of the Group's total assets and therefore the valuation report of this Property is required to be included in this [**REDACTED**] document.

BASIS OF VALUATION

Our valuation is provided on the basis of Market Value, which we would define as "the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION STANDARDS

In valuing the Property, we have fully complied with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC), the requirements set out in Chapter 5 of and Practice Note 12 to the Rule Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

QUALIFICATIONS OF THE VALUER

This valuation has been prepared by Kin Ming Woo James (James Woo) (RICS Registration No.: 0837243). James is a Fellow member of the Royal Institution of Chartered Surveyors. He is an Executive Director of Valuation and Advisory Services, China at Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd. ("Colliers"). He is suitably qualified to carry out the valuation and has over 25 years' experience in the valuation of properties of this magnitude and nature in the PRC.

We are acting as an independent valuer as defined in the latest "RICS Global Valuation Standards" published by the RICS, which incorporates with the International Valuation Standards.

Neither the valuer nor Colliers are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

VALUATION APPROACHES

In valuing the Property, which is held by the Group for investment, we have adopted income approach by taking into account the current rent passing of the Property and the reversionary potential of the tenancy(ies). In determining the reversionary potential of the tenancy(ies), we have adopted the market approach with reference to the recent proposed leasing and sale transactions for similar premises in the proximity.

Our valuation has made on the assumption that the owner sells the Property on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the Property. In addition, no forced sale situation in any manner is assumed in our valuation.

SOURCES OF INFORMATION

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Group and its legal advisor in respect of the titles of the Property. We also have accepted such information given to us as being true and correct for the purpose of this valuation. This has included such matters as ownership title, site and floor areas, planning approvals or statutory notices, easements, tenure, occupancy, lettings, the identification of the Property and all other relevant matters.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation.

TITLE DOCUMENTS

We have been provided with copies or extracts of title documents relating to the Property and have made relevant enquires where possible. Due to the nature of the land registration system in the PRC, however, we have not examined the original documents to verify the existing titles to the Property or any material encumbrances that might be attached to the Property or any lease amendments. We have made assumptions that the full and proper ownership title of the Property has been obtained and all payable land premium or land-use rights fees have been fully settled.

We have relied on the advice given by the Company's legal adviser, Grandall (國浩律師(南京)事務所), based on their legal opinion regarding the titles of the Property. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation particular are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the Property set out in this letter and the valuation particular.

ASSUMPTIONS AND CAVEATS

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature that could affect its value.

We have conducted the valuation assuming:

- the information as set out in the section headed "Sources of Information" above about the titles of the Property provided by the Company and its legal advisor, Grandall (國浩律師(南京)事務所) is true and correct;

- the Property is free from contamination and environmental problems or hazards;

- we have assumed the Property is in a good state of repair, management and maintenance and fit for the use to which it is put, and will continue to be managed and maintained to this standard in the future; and

- in valuing the Property held by the Company for investment purposes, we have assumed the tenanted portion will continue to be occupied and maintained in good order.

ESG CONSIDERATION

Where our advice is based on International Valuation Standards (IVS), we have had regard to i) those significant environmental, social and governance (ESG) factors which were readily apparent to us from our inspection of the Property, if undertaken and ii) which we consider significantly impact our advice. This is a requirement of the IVS. In our advice we have endeavoured to analyse whether any significant ESG factors affect the value assessed. For your acknowledge, we are property valuers and that we do not have any expertise in conducting environmental audits or any audits regarding the compliance of any entity associated with the Property in relation to its social responsibility or corporate governance. Such an assessment is beyond the scope and purpose of our advice. You should seek specific advice in relation to these matters, given that our observations are of a very general nature.

SITE MEASUREMENT

We have not carried out on-site measurements to verify the correctness of the site areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are true and correct in all respects. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION

The Property was inspected by James Woo, in November 2025.

We have inspected the exterior, and where possible, the interiors of the property, in the course of our inspection, we did not note any serious defects. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the Property is free from defect though in the course of our inspection we did not note any serious defects. No tests were carried out on any of the services.

Please be advised we have not carried out investigations to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation has been prepared on the assumption that these aspects are satisfactory.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

We hereby certify that we have neither present nor a prospective interest in the Property or the value reported.

Our valuation particular is attached hereto.

Yours faithfully,
For and on behalf of
Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd.

Kin Ming Woo James
FRICS AICFC
Executive Director
Valuation and Advisory Services | China
RICS Registration Number: 0837243

Note: Mr. James Woo is a Registered and independent Valuer with over 25 years' experience in real estate industry and assets valuation sector. His experience on valuation covers the PRC. Mr. Woo is a fellow member of the Royal Institution of Chartered Surveyors.

VALUATION PARTICULAR

Property	Description and Tenure	Particular of Occupancy	Market Value in Existing State as at 31 December 2025
An Industrial Complex located at South of Weier Road, West of Jingwu Road, Economic Development Zone, Tianchang, Anhui Province, the PRC 中國安徽省天長市經濟開發區緯二路南側、經五路西側之工業綜合體	The Property is a large-scale industrial complex erected on a parcel of land with a site area of approximately 239,139.00 sq m. The Property is situated within the Tianchang Economic Development Zone ("EDZ"), a highly accessible location at the intersection of the G345 Qidong-Naqu Expressway, the Xinyi-Yangzhou Expressway, and Tiankang Avenue. It is about 90 kilometers from Chuzhou North Railway Station (滁州北站). The locality is characterized by its industrial nature and supported by robust public infrastructure and an efficient road network. The Property comprises 9 buildings and structures with a total certified gross floor area (GFA) of 81,791.53 sq m. Details of the buildings and structures are listed in Note v below, As advised, the buildings and structures were completed 2020. Pursuant to Real Estate Ownership Certificates provided, the land-use rights of the Property have been granted for a term expiring on 25 May 2064 for industrial use.	At the Valuation Date, portion of the Property with a GFA of approximately 15,095.00 sq m was subject to a 4-years tenancy expiring on 31 August 2029. The monthly rent was approximately RMB151,000 exclusive of management fee and Value-added Tax (VAT). The remaining portion of the Property was vacant.	RMB184,860,000 (RENMINBI ONE HUNDRED EIGHTY FOUR MILLION EIGHTY HUNDRED AND SIXTY THOUSAND)

Notes:

(i) Pursuant to the Business License issued by the Market Supervision Administration of Tianchang, the basic information of Anhui Yingfa Desheng Technology Co., Ltd. (安徽英發德盛科技有限公司) ("**Anhui Yingfa Desheng**"), an direct wholly-owned subsidiary of the Company, hereinafter referred to as "Anhui Yingfa Desheng" is as follows:

Enterprise Name:	Anhui Yingfa Desheng Technology Co., Ltd. (安徽英發德盛科技有限公司)
Social Credit Code:	91341181MA2UUGAT64 (1-1)
Type:	Limited Liability Company (sole proprietorship of a legal entity that is not invested or controlled by a natural person)
Legal Representative:	Zhang Fa Yu (張發玉)
Registered Capital:	RMB100,000,000
Date of Establishment: . . .	1 June 2020
Operating Period:	Long term
Address:	Weier Road, Jingwu Road, Economic Development Zone, Tianchang City

Scope of Business: . . . . . Research, development, production, and sale of crystalline silicon solar cells; research, development, production, and sale of solar cell manufacturing equipment; self-operated or agency import and export of various goods and technologies (excluding goods and technologies restricted or prohibited for import/export by the state). (Projects subject to approval under the law may only be conducted after obtaining approval from relevant authorities.)

(ii) Pursuant to the State-owned Land Use Rights Grant Contract No. 20230244, the land use rights of a parcel of land with a site area of approximately 27,392.00 sq m has been granted to Anhui Yingfa Desheng for a term of 50 years commencing from the land delivery date for industrial use at a land grant fee of RMB2,670,000.

(iii) Pursuant to the State-owned Land Use Rights Transfer Contract entered between 天長市綜合投資發長有限公司 and Anhui Yingfa Desheng, the land use rights of a parcel of land with a site area of approximately 211,717.00 sq m for industrial use together with the corresponding buildings and structures has been transferred to Anhui Yingfa Desheng at a consideration of RMB26,076,400.

(iv) Pursuant to the Real Estate Ownership Certificate No. Wan (2023) Tian Chang Shi Bu Dong Chan Quan Di 0008853 Hao dated 17 August 2023, the land use right of the Property with a site area of approximately 239,139.00 sq m is vested into Anhui Yingfa Desheng for industrial use.

(v) Pursuant to the Real Estate Ownership Certificate No. Wan (2023)Tian Chang Shi Bu Dong Chan Quan Di 009840 dated 9 September 2023, the land use rights of the Property with a site area of approximately 239,139.00 sq m and the building ownership of the Property with a total gross floor area of approximately 81,791.53 sq m is vested in Anhui Yingfa Desheng. Details of the buildings and structures are listed below:

No.	Building	Usage	No. of Storey	Gross Floor Area
				(sq m)
1	Main building 1	Industrial	3	73,621.20
2	Chemical Supply Station	Industrial	1	1,464.00
3	Special Gas Station No. 4	Industrial	1	345.10
4	a single-storey TMA Supply Station	Industrial	1	200.70
5	Ammonia Supply Station e	Industrial	1	250.56
6	Fire-Fighting Water Tank	Industrial	1	1,380.00
7	Sewage Treatment Station	Industrial	1	3,129.51
8	110 kVA Substation	Industrial	1	586.86
9	Solid Waste Warehouse	Industrial	1	813.60
Total . .				**81,791.53**

(vi) The general description and market information of the Property are summarized below:

Location	The Property is located within Tianchang EDZ.
Transportation	Yangzhou Taizhou International Airport is located approximately 70 kilometres away from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is primarily industrial, featuring a mix of business parks and production plant.

(vii) In assessing the market value of the Property, we have made reference to rental and sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include monthly rental rates ranges from RMB11 to RMB12 psm for the Property; In the course of our valuation, we have considered the relevant adjustment factors such as the building quality; location; size; etc. to determine the unit price of the Property.

(viii) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
Real Estate Ownership Certificate	Yes
Rent Roll	Yes
Business License	Yes

(ix) We have been provided with a legal opinion on the Property prepared by the Company's PRC legal advisor, Grandall (國浩律師(南京)事務所) which contains, inter alia, the following information:

a. Anhui Yingfa has legally obtained the State-owned Land Use Rights and Buildings Ownerships of the Property and is entitled to occupy, use, benefit from, transfer, lease, mortgage or by other means to dispose of the State-owned Land Use Rights and Buildings Ownerships of the Property; and

b. The State-owned Land Use Rights and the Building Ownerships of the Property are subject to mortgage.

TAXATION OF SECURITY HOLDERS

The taxation of income and capital gains of holders of H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current effective laws and practices, and no predictions are made about anticipated changes or revisions to relevant laws or policies, and no comments or suggestions will be made accordingly. The discussion does not address all possible tax consequences resulting from the investment in H Shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulations. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in H Shares. The discussion is based upon laws and relevant interpretations in effect as of the most recent date of execution, which is subject to change and may have retrospective effect.

No issues on PRC or Hong Kong taxation other than income tax, capital tax, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of H Shares.

A. The PRC Taxation

Taxation on Dividends

Individual [**REDACTED**]

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》), which was promulgated on September 10, 1980 and last amended on August 31, 2018 by the Standing Committee of the National People's Congress (the "NPC"), and came into effect on January 1, 2019, and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), which was promulgated on January 28, 1994, last amended on December 18, 2018 by the State Council and came into effect on January 1, 2019, dividends distributed by PRC enterprises are generally subject to a withholding individual income tax levied at a flat rate of 20%. Foreign individuals who are not Chinese residents are generally subject to a 20% personal income tax on dividends received from PRC enterprises, unless they are specifically exempted by the State Council tax authorities or reduced by relevant tax treaties. Moreover, pursuant to the Notice on Issues Concerning Differentiated Individual Income Tax Policies for Dividends and Bonuses of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) issued by the Ministry of Finance, the State Taxation Administration and the China Securities Regulatory Commission (the "CSRC") on September 7, 2015 and came into effect on September 8, 2015, where an individual acquires stocks of a listed enterprise from public offering of the enterprise or from the stock transfer market and holds the stocks for more than one year, the income from dividends distributed by the enterprise shall be exempt from individual income tax for the time being; if the individual holds the stocks for one month or less, the income from dividends distributed by the enterprise shall be fully taxable; if the individual holds the stocks for one month to one year (one year inclusive), 50% of the income from dividends distributed by the enterprise shall be taxable; the aforesaid income is subject to an individual income tax at a flat rate of 20%.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income") signed on August 21, 2006, the PRC government may impose tax on dividends paid by a company in Chinese Mainland to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a company in Chinese Mainland and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the company in Chinese Mainland. Pursuant to The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家税務總局關於<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》) (the "Fifth Protocol") issued by the STA and effective on December 6, 2019, such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《國家税務總局關於國税發[1993]045號文件廢止後有關個人所得税徵管問題的通知》) promulgated by the STA on June 28, 2011, domestic non-foreign invested enterprises issuing shares in Hong Kong may, when distributing dividends, withhold individual income tax at a rate of 10%. For a foreign resident who is H Share individual holder to receive dividend, if his country has signed income tax treaty at the rate of less than 10% with the China, non-foreign invested enterprises listing in Hong Kong may, on behalf of such holder, apply for lower tax rate preference; upon approval by the competent tax authorities, the excessive part of withholding tax paid will be refunded. For a foreign resident who is H Shares individual holder to receive dividend, if his country has signed income tax treaty at the rate of higher than 10% but less than 20% with China, non-foreign invested enterprises shall pay withholding tax in accordance with the treaty and no need to make an application. For a foreign resident who is H Share individual holder to receive dividend, if his country has not signed any tax treaty or otherwise, non-foreign invested enterprises shall withhold individual income tax at the rate of 20%.

Enterprise [**REDACTED**]

Pursuant to the Enterprise Income Tax Law of the PRC considered and approved by the National People's Congress on March 18, 2007, lastly amended by the SCNPC and effective on December 29, 2018, and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得税法實施條例》) promulgated by the State Council on December 6, 2007, lastly amended on December 6, 2024 and effective on January 20, 2025, a non-resident enterprise is subject to a 10% EIT on mainland China-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the mainland China or has an establishment or place of business in the mainland China but the mainland

China-sourced income is not actually connected with such establishment or place of business in the mainland China. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (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税有關問題的通知》), promulgated by the STA and came into effect on November 6, 2008, where a Chinese resident enterprise distributes dividends for the year 2008 and thereafter, it is required to withhold 10% enterprise income tax on dividends paid to H Shareholders which are overseas non-resident enterprises. In addition, in accordance with the Response to Questions on Levying Enterprise Income Tax on Dividends Derived by Non-resident Enterprise from Holding Stock such as B-shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》), promulgated by the STA and came into effect on July 24, 2009, provides that any Chinese resident enterprise whose stocks are publicly issued and listed both inside and outside China must withhold enterprise income tax at a rate of 10% on dividends of 2008 and onwards that it distributes to overseas non-resident enterprises. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with the relevant jurisdiction, where applicable.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵税和防止偷漏税的安排》), the Chinese government may impose tax on dividends paid by a company in mainland China to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a company in mainland China and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the company in mainland China. According to the Fifth Protocol (《第五議定書》), such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

In addition, the implementation of the dividend clauses in tax agreements shall comply with the provisions of the Circular of the State Administration of Taxation on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家税務總局關於執行税收協定股息條款有關問題的通知》) and other Chinese tax laws and regulations.

TAXATION ON SHARE TRANSFER

Value-added Tax and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from BusinessTax to Value-added Tax (《關於全面推開營業税改徵增值税試點的通知》) (the "Circular 36"), which was promulgated by the MOF and the STA on March 23, 2016 and implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals transferring financial products are exempt from VAT.

Pursuant to such provisions, non-resident individual holders are exempt from paying Chinese VAT when selling or disposing of H Shares. Where non-resident enterprise holders and the buyers of H Shares are individuals or entities outside China, the holders are not required to pay Chinese VAT; however, if the buyers of H Shares are individuals or entities within China, the holders shall pay Chinese VAT. However, given that there are no clear regulations specifying whether non-Chinese resident enterprises are required to pay Chinese VAT when selling H Shares, the interpretation and application of the aforesaid provisions remain uncertain.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which are usually 12% of the VAT payable (if any).

Income Tax

Individual [**REDACTED**]

According to the IIT Law and its implementation provisions, gains realized on the sale of equity interests in PRC resident enterprises are subject to individual income tax at a rate of 20%. Pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the MOF and the STA on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax. The latest amendments to the IIT Law and its implementation provisions contain no explicit provisions regarding the continuation of the exemption from individual income tax on gains derived from the transfer of listed company shares by individuals.

According to the Circular of Issues concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) which was promulgated and implemented on December 31, 2009 by the MOF, the STA and the CSRC, provided that income from the transfer of shares of listed companies on relevant domestic stock exchanges by individuals shall continue to be exempt from income tax, except for the relevant restricted shares as defined in Supplemental Circular of Issues concerning the Individual Income Tax on Individuals' Income from the Transfer of Restricted Shares of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) promulgated and implemented by the aforementioned department on November 10, 2010. As of the Latest Practicable Date, the foresaid provisions don't specify whether income tax on transfer of shares of a PRC resident enterprise listed on an overseas stock exchange by non-PRC resident would be levied.

Corporate **[REDACTED]**

According to the EIT Law and its implementation regulations, where a non-PRC resident enterprise has not set up any institutions or establishments in China, or it has done so but its income generated in China is irrelevant to the said institutions or establishments, it shall pay tax on the portion of its income generated in China (including gains from the disposal of shares of PRC resident enterprises) and the enterprise income tax rate is generally 10%. For the aforementioned income tax payable by non-resident enterprises, tax shall be withheld at source, with the payer obligated to withhold tax. The tax liability shall be deducted by the withholding agent from the payment due. Such tax may be reduced or exempted under applicable tax treaties or double taxation avoidance agreements.

Taxation Policy of Shanghai-Hong Kong Stock Connect

Pursuant to the Notice on Tax Policies Relating to the Pilot Programme for Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) jointly promulgated by the MOF, the STA and the CSRC on October 31, 2014, which became effective on November 17, 2014, income from share dividend derived by Mainland China corporate investors from investment in shares listed on the HKSE through the Shanghai-Hong Kong Stock Connect shall be included in their total income and be subject to enterprise income tax pursuant to the law. For dividends and bonus obtained by mainland individual investors investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to the CSDC for provision by CSDC to the H-share companies register of individual investors in Mainland China, and the H-share companies shall withhold individual income tax at the rate of 20%.

Pursuant to the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Inter-connected Mechanisms for Trading on the Shanghai and Hong Kong Stock Markets and for Trading on the Shenzhen and Hong Kong Stock Markets and on the Mutual Recognition of Funds between the Mainland and Hong Kong《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公

告》promulgated by the MOF, the STA and the CSRC on December 4, 2019 and implemented on December 5, 2019, and the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the STA and the CSRC on August 21, 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. Pursuant to which, dividend income obtained by resident enterprises in mainland China from holding H shares for 12 months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in mainland China. The tax payable shall be declared and paid by the enterprise itself.

Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the STA and the CSRC on November 5, 2016 and effective on December 5, 2016, transfer spread income derived by enterprise investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in mainland China from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for providing the register of individual investors in mainland China to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors.

Pursuant to the Announcement on the Continued Implementation of the Individual Income Tax Policies on the Inter-connected Mechanisms for Trading on the Shanghai and Hong Kong Stock Markets and for Trading on the Shenzhen and Hong Kong Stock Markets and on the Mutual Recognition of Funds between the Mainland and Hong Kong (《關於繼續執行滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) promulgated by the MOF, the STA and the CSRC on December 4, 2019 and implemented on December 5, 2019, and the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關

於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得税政策的公告》) promulgated by the MOF, the STA and the CSRC on August 21, 2023 and implemented on the same day, the transfer spread income derived by individual investors in mainland China from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program on the Interconnection Mechanism of the Shenzhen-Hong Kong Stock Market Transactions (《關於深港股票市場交易互聯互通機制試點有關税收政策的通知》), for dividends received by domestic corporate investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, such income will be included in their total revenue and subject to corporate income taxes according to the relevant laws and regulations. Specifically, dividend income derived by domestic resident enterprises which have held H Shares continuously for no less than 12 months shall be exempt from enterprise income tax in accordance with the law. The H Share company will not withhold any tax on dividend income for domestic corporate investors and the enterprise investors shall file and pay the taxes by themselves.

Stamp Duty

Pursuant to the Stamp Duty Law of the People's Republic of China (《中華人民共和國印花税法》) promulgated by the SCNPC on June 10, 2021, which became effective on July 1, 2022, PRC stamp duty only applies to specific proof executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the Latest Practicable Date, the PRC has not imposed any estate duty under the PRC laws.

B. Taxation in Hong Kong

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by the Company.

Capital Gains and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, [**REDACTED**] gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong

from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. The gains of certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving [**REDACTED**] gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

[**REDACTED**] gains from sales of H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of [**REDACTED**] gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of [**REDACTED**] in securities in Hong Kong.

Stamp Duty

Hong Kong stamp duty, currently charged at the ad valorem rate of 0.1% 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 Hong Kong securities, including H Shares (in other words, a total of 0.2% 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 of the transfer 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 ten times the duty payable may be imposed.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

The Company's Major Taxation in China

Enterprise Income Tax ("EIT")

According to Enterprise Income Tax Law of the People's Republic of China, enterprises and other organizations that derive income within the territory of the People's Republic of China are taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of this Law. The enterprise income tax rate is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise income tax should be levied at a reduced rate on income originating from within China if such non-resident enterprise does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but the PRC-sourced income is not

connected to such establishment or premise in the PRC; and deducted at source, and the payer shall be the withholding agent. The tax shall be withheld by the withholding agent from the amount paid or due for each payment. Additionally, any gains derived by investors from the transfer of equity interests shall be subject to enterprise income tax. If such gains are deemed as income derived from the transfer of property within the territory of China, the tax shall be withheld at source.

Value-added Tax ("VAT")

According to the Provisional Regulations on Value-added Tax of the People's Republic of China (《中華人民共和國增值税暫行條例》), promulgated by the State Council on December 13, 1993 and last amended and implemented on November 19, 2017, and the Detailed Rules for the Implementation of the Provisional Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值税暫行條例實施細則》), promulgated by the MOF on December 25, 1993 and last amended on October 28, 2011 and implemented on November 1, 2011, entities and individuals engaging in the sale of goods or processing, repair and assembly services, the sale of services, intangible assets, immovables and importation of goods in the PRC shall be taxpayers of VAT, and shall pay VAT. Except as otherwise provided in the abovementioned regulation and rules, the VAT rate for taxpayers engaged in sales services shall be 6% and for those selling goods or importing goods shall be 17%.

According to the Notice on Adjusting Value-added Tax Rates (《關於調整增值税税率的通知》), jointly issued by the MOF and the STA on April 4, 2018 and implemented on May 1,2018, for VAT-taxable sales activities or imports carried out by taxpayers, the original VAT rates of 17% and 11% were adjusted to 16% and 10%, respectively.

According to the Announcement on Policies Related to Deepening Value-added Tax Reform (《關於深化增值税改革有關政策的公告》), jointly issued by the MOF, the STA, and the General Administration of Customs on March 20, 2019 and became effective on April 1, 2019, for VAT general taxpayers conducting VAT-taxable sales or importing goods that were previously subject to the 16% and 10% VAT rate, the rate was adjusted to 13% and 9%, respectively.

Foreign Exchange

The lawful currency of the PRC is Renminbi. The SAFE, with the authorization of the People's Bank of China, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

According to the Regulations for the Administration of Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on January 29, 1996, and was latest amended on August 5, 2008, all international payments and transfers are classified into current items and capital items. The State does not impose any restrictions on international payments and transfers under the current items. Foreign exchange income from the current account of enterprises in mainland China may be retained or sold to financial

institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on June 20, 1996, and implemented on July 1, 1996, the remaining restrictions on foreign exchange in respect of current items are abolished, while the existing restrictions on foreign exchange transactions in respect of capital items are retained.

According to the Announcement on Improving the Reform of the Renminbi(《關於完善人民幣匯率形成機制改革的公告》), issued by the PBOC and implemented on July 21, 2005 and starting from the same date, the PRC began to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies. The Renminbi exchange rate was no longer pegged to the U.S. dollar. The PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the SAFE, effect payment through foreign exchange accounts opened at designated foreign exchange banks, on the strength of valid receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange may, on the strength of resolutions of the board of directors or resolutions of shareholders on the distribution of profits, effect payment from foreign exchange accounts opened at designated foreign exchange banks, or effect exchange and payment at designated foreign exchange banks.

According to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and implemented on October 23, 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

Pursuant to the Notice of the SAFE on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days of the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of SAFE located at its registered address; the

proceeds from an overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the proceeds shall be consistent with the content of the document document or other public disclosure documents.

According to the Notice of the SAFE on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《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》) issued on February 13, 2015 and implemented on June 1, 2015, the SAFE has cancelled the confirmation of foreign exchange registration of domestic direct investment and overseas direct investment. Instead, banks shall directly examine and handle foreign exchange registration of domestic direct investment and overseas direct investment, and the SAFE and its branch offices shall indirectly supervise the foreign exchange registration of direct investment through banks.

According to the Notice of the SAFE on Reforming and Regulating Management Policies of Settlement under Capital Account Items (《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》) issued and implemented by the SAFE on June 9, 2016, foreign currency earnings under capital account for which voluntary exchange settlement have been implemented (including the funds transferred back from overseas listings) may be settled in banks according to actual business needs of domestic entities. The voluntary settlement ratio of foreign currency earnings of domestic institutions under capital account is tentatively set at 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This Appendix sets out summaries of certain aspects of PRC laws and regulations, which are relevant to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange" to this document. This appendix also contains a summary of the legal and regulatory provisions of our Company Law of China. The principal objective of this summary is to provide potential investors with an overview of the principal PRC legal and regulatory provisions applicable to our Company. This summary is not intended to include all the information which may be important to potential investors. For more details on laws and regulations which are relevant to our business, please refer to the section headed "Regulatory Overview" in this document.

PRC LAWS AND REGULATIONS

PRC Legal System

The legal system of the People's Republic of China is based on the PRC Constitution (the "Constitution") and comprises written laws, administrative regulations, local regulations, separate and general rules, autonomous regulations, departmental rules, local government rules, international treaties to which the PRC is a signatory, and other regulatory documents. Court judgments are not binding precedents but may serve as judicial reference and guidance in practice.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 Amendment) (the "Legislation Law"), the National People's Congress (the "NPC") and its Standing Committee of the National People's Congress (the "SCNPC") are vested with legislative powers. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws. The NPC may delegate the power to enact relevant laws to the SCNPC.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions under the State Council, the People's Bank of China, the National Audit Office, and other institutions directly under the State Council with administrative functions may, within the scope of their respective authorities and in accordance with laws, administrative regulations, decisions and orders issued by the State Council, formulate departmental rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, environmental protection and historical cultural protection and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. Such local regulations must be submitted to the Standing Committee of the People's Congress of the province or autonomous region for approval before they can take effect. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned. The autonomous regulations and separate regulations of an autonomous region shall come into force after being reported to and approved by the Standing Committee of the NPC. The autonomous regulations and separate regulations of an autonomous prefecture or an autonomous county shall come into force after being reported to and approved by the standing committee of the people's congress of the province, autonomous region, or municipality directly under the Central Government.

The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations and separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts and autonomous prefecture within the administrative areas.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but which contravene the Constitution and the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, the general interpretation on questions involving the specific application of laws and decrees in court trials shall be given by the Supreme People's Court of the PRC (the "Supreme People's Court"), respectively. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People's Court of the PRC (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》), the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts.

Local people's courts at all levels are divided into primary people's court, intermediate people's court and high people's court. High people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial organ in the PRC. It supervises the judicial work of the people's courts at all levels.

Under the Constitution and the Law of Organization of the People's Procuratorate of the PRC (2018 Revision) (《中華人民共和國人民檢察院組織法(2018修正)》), the people's procuratorates of the PRC are divided into the Supreme People's Procuratorate, the local people's procuratorates at all levels, Military Procuratorates and other special people's procuratorates. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The PRC Civil Procedure Law (2023 revision) (《中華人民共和國民事訴訟法(2023修正)》) (the "Civil Procedure Law") sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the

defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that the provisions of this law regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people's court. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

Where a party requests for enforcement of an effective judgment or ruling made by a people's court, but the opposite party or his property is not within the territory of the PRC, the party may apply to the foreign court with jurisdiction for recognition and enforcement of the judgment or ruling. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people's court of the PRC, a party may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which its country is a participant or according to the principle of reciprocity, request for recognition and enforcement by the people's court.

THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

- The PRC Company Law (the "Company Law") was promulgated by the SCNPC on December 29, 1993, last amended on December 29, 2023 and came into effect on July 1, 2024;

- The Trial Administrative Measures of 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 "Overseas Listing Trial Measures") and five supporting guidelines were

promulgated by the China Securities Regulatory Commission (the "CSRC") on February 17, 2023 and came into effect on March 31, 2023 and are applicable to the direct and indirect overseas share offering or listing of domestic companies; and

- The Guidelines for the Articles of Association of Listed Companies was promulgated by the CSRC on December 16, 1997, and last amended and implemented on March 28, 2025.

The following is a summary of the main provisions of the Company Law, the Overseas Listing Trial Measures, and the Guidelines for the Articles of Association of Listed Companies:

General

A joint stock limited company refers to an enterprise legal person established under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Where any laws stipulate that a company cannot be the capital contributor who has the joint and several liabilities associated with the debts of the invested enterprises, such requirements shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters for establishing a joint stock limited company through fund-raising must convene an inaugural meeting within 30 days after the full payment of the shares to be issued at the time of the establishment of the company, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of subscribers holding a majority of the voting rights. The procedures for convening and voting at the inaugural meeting of a joint stock limited company established by means of promotion shall be stipulated by the articles of association or promoters' agreement. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must authorize a representative to apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

If a promoter does not contribute in accordance with the shares subscribed for by it or if the actual value of the non-monetary property contributed as capital is significantly less than the shares subscribed for, the other promoters together with such promoter shall be jointly and severally liable with it to the extent of the shortfall in the capital contribution.

Share Capital

The promoters of a company can make capital contributions in cash or in non-monetary assets which can be valued in currency and transferable according to law, such as physical items, intellectual property rights, land use rights, equity interests, creditor's rights and so on, except for properties that are prohibited from being used as capital contributions under the provisions of laws and administrative regulations.

If capital contribution is made other than in cash, valuation and verification of the property contributed must be carried out and converted into shares. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

The shares issued by a company shall be registered shares.

The Overseas Listing Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Under the Overseas Listing 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, and authorise the domestic company to file with the CSRC on their behalf. The domestic unlisted shares mentioned in the preceding paragraph refer to the shares that have been issued by domestic enterprises but have not been listed or listed for trading on domestic exchanges. Domestic unlisted shares shall be centrally registered and deposited with domestic securities registration and settlement institutions. The registration and settlement arrangements of overseas listed shares shall be subject to the provisions of overseas listing places.

The share offering price may be equal to or greater than nominal value, but shall not be less than nominal value.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its register of members.

Shares issued by a company prior to the public offering of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall declare to the company their holdings of the company's shares and the status of changes therein, and shall not transfer over 25% of the shares held by each of them in the company each year during the term of office determined at the time of assumption of office or transfer any share of the company held by each of them within one year after the listing date. They shall not transfer the shares they hold within half a year after they leave their positions in the company. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

Transfers of shares may not be entered in the register of shareholders within 20 days before the date of a general meeting or within five days before the record date set for the purpose of distribution of dividends.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Domestic enterprises issued and listed overseas shall file with the CSRC in accordance with Overseas Listing Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly issues and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Registered Shares

Under our Company Law, the shareholders may make capital contributions in cash, or alternatively may make capital contributions with such valuated non-monetary property as physical items, intellectual property rights, land-use rights, equity interests and debts that may be valued in monetary term and may be transferred in accordance with the law, except the property that cannot be used for capital contribution purpose as required by relevant laws and administrative regulations.

In accordance with the Overseas Listing Trial Measures, a domestic enterprise that intends to be listed or is listed overseas may raise funds and pay dividends in foreign currencies or RMB.

Under our Company Law, the shares issued by the company shall be in the form of registered shares. A joint stock limited company shall prepare and keep a register of shareholders, stating the following matters: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed by each shareholder; (iii) the serial numbers of shares, if issued in a paper form; and (iv) the date on which each shareholder acquired the shares.

Increase of Share Capital

Pursuant to our Company Law, when the joint stock limited company issues new shares, resolutions shall be passed by a general meeting, approving the class and number of the new shares, the issue price of the new shares, the commencement and end of the new share issuance and the class and amount of new shares to be issued to existing shareholders, in the case of issuing non-par value shares, more than half of the amount of proceeds from the new share issuance to be included in the registered capital.

The company conducting a public offering of shares shall register the offering with the securities regulatory authority under the State Council and publish a document. After the share issuance has been paid up, an announcement shall be made.

Reduction of Share Capital

Pursuant to our Company Law, if a company may reduce its registered capital, it shall prepare a balance sheet and a property list. A company shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed. Creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts. A company decreasing its registered capital shall decrease shareholders' contributions or shares on a pro rata basis, except as otherwise stipulated by law, the articles of association in the case of a joint stock limited company.

Repurchase of Shares

According to our Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a general meeting; (v) use of shares for conversion of convertible corporate bonds issued by the company; and (vi) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the general meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the articles of association or as authorized by the general meeting.

Following the purchase of our Company's shares in accordance with the first paragraph of this article, such shares shall be deregistered within 10 days from the date of purchase under the circumstances stipulated in (i). The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of our Company's total outstanding shares, and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law of the PRC (the "Securities Law"). If the share buyback is made by a listed company under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

Transfer of Shares

Shareholders may transfer their shares in accordance with relevant laws and regulations. Pursuant to our Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register shall be carried out within 20 days prior to the convening of general meeting or five days prior to the base date for determination of dividend distributions. Where there are separate provisions by law, administrative regulations or Securities Regulatory Agencies under the State Council on alternation of registration in the share register of listed companies, those provisions shall prevail.

The obligations of shareholders include the obligation to abide by our Company's articles of association, to pay the subscription capital in respect of the shares subscribed for and by the way of contribution, to be liable for our Company's liabilities to the extent of the amount of subscription capital to be paid in respect of the shares taken up by them and any other shareholder obligation specified in the articles of association.

Pursuant to the Overseas Listing 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.

General Meeting

The general meeting is our Company's governing body and exercises its powers in accordance with our Company Law.

In accordance with our Company Law, the general meeting exercises the following principal powers:

- Electing and replacing directors and supervisors, and deciding on matters related to the remuneration of directors and supervisors;
- Considering and approving the report of the board of directors;
- Considering and approving the report of the board of supervisors;
- Considering and approving our Company's profit distribution plan and loss compensation plan;
- Making resolutions on increasing or decreasing our Company's registered capital;
- Making resolutions on our Company's issuance of bonds;
- Making resolutions on our Company's merger, division, dissolution, liquidation, or change of corporate form;
- Amending the Articles of Association of our Company; and
- Other powers as specified in the Articles of Association;

The general meeting may authorize our Board of Directors to make resolutions on the issuance of corporate bonds.

The general meeting shall be held once a year. According to our Company Law, when any of the following circumstances occur, our Company shall convene an extraordinary general meeting within two months after the occurrence of such circumstances:

- The number of directors is less than the number specified by law or less than two-thirds of the number specified in the Articles of Association;
- Our Company's accumulated losses reach one-third of the total share capital of our Company;
- Shareholders holding 10% or more of our Company's shares individually or collectively request the convening of an extraordinary general meeting;
- Our Board of Directors deems it necessary;
- The board of supervisors proposes the convening of a meeting; or
- Other circumstances specified in the Articles of Association.

According to our Company Law, the general meeting shall be convened by our Board of Directors and chaired by the chairman. If the chairman is unable to perform his duties or fails to perform them, the vice-chairman shall preside. If the vice-chairman is unable to perform his duties or fails to perform them, a director shall be jointly elected by a majority of the directors to preside.

If our Board of Directors is unable to perform or fails to perform its duty to convene a general meeting, the board of supervisors shall promptly convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders who individually or collectively hold more than 10% of our Company's shares for a continuous period of 90 days or more may convene and preside over the meeting on their own.

According to our Company Law, notices of the general meeting shall specify the time, location, and items to be discussed at the meeting and shall be distributed to all shareholders 20 days prior to the meeting. Notices of extraordinary general meetings shall be distributed to all shareholders 15 days prior to the meeting. According to the Guidelines for Articles of Association of Listed Companies, once a notice of the general meeting has been issued, the meeting shall not be postponed or canceled without valid reasons, and the proposals listed in the notice shall not be withdrawn. In the event of a postponement or cancellation, the convener shall announce the reason at least two working days prior to the originally scheduled date of the meeting.

According to our Company Law, where a shareholder appoints a proxy to attend the general meeting, the matters, authority and duration of the proxy appointment shall be clearly specified. The proxy shall submit to our Company a power of attorney executed by the shareholder and shall exercise voting rights within the authorized scope. Our Company Law does not prescribe specific requirements regarding the quorum for the general meeting.

According to the Guidelines for Articles of Association of Listed Companies, for the general meeting convened by the Audit Committee or shareholders on their own, our Board of Directors and the company secretary shall provide assistance. Our Board of Directors shall provide the register of shareholders as at the record date.

According to our Company Law, shareholders holding individually or collectively 1% or more of our Company's shares may submit an extraordinary proposal in writing to our Board of Directors no later than 10 days prior to the general meeting. Such proposal shall contain a clear subject matter and specific resolution items. Our Board of Directors shall, within two days of receiving the proposal, issue a supplementary notice of the general meeting and submit such extraordinary proposal for deliberation at the meeting.

According to our Company Law, each share held by a shareholder attending the general meeting carries one voting right (except for shareholders of class shares). Our Company shall not exercise voting rights in respect of its own shares held by it.

In the election of directors or supervisors at the general meeting, the cumulative voting system may be adopted in accordance with the Articles of Association or a resolution of the general meeting. Under the cumulative voting system, when electing directors or supervisors at the general meeting, each share carries voting rights equal to the number of directors or supervisors to be elected, and shareholders may aggregate their voting rights for the election of a single candidate.

Resolutions of the general meeting shall be passed by a simple majority of the voting rights held by shareholders present at the meeting.

Resolutions on amendments to the Articles of Association, increases or decreases in registered capital, mergers, divisions, dissolution, or changes in corporate form shall require approval by two-thirds of the voting rights held by shareholders present at the meeting.

According to our Company Law and the Guidelines for Articles of Association of Listed Companies, resolutions of the general meeting shall be adopted by a simple majority of the voting rights held by shareholders present at the meeting. However, the following matters shall require approval by two-thirds of the voting rights held by shareholders present: (i) amendments to the Articles of Association; (ii) increases or decreases in registered capital; (iii) share incentive schemes; (iv) purchases and disposals of our Company's material assets or provision of guarantees to third parties within one year, which exceed 30% of our Company's latest audited total assets; (v) mergers, divisions, dissolution or change of corporate form of our

Company; and (vi) other matters stipulated by laws, administrative regulations or the Articles of Association, or which the general meeting determines by ordinary resolution to have a material impact on our Company and therefore require a special resolution.

According to our Company Law, the general meeting shall make minutes of the decisions on the matters discussed, and the presider and directors attending the meeting shall sign the minutes. The minutes shall be kept together with the signature register of shareholders attending the meeting and the powers of attorney for proxy attendance.

Board of Directors

In accordance with our Company Law, a joint stock limited company shall have a board of directors. However, the joint stock limited company with a relatively small scale or a limited number of shareholders may choose not to establish a board of directors and may instead appoint one director to exercise the functions and powers of the board of directors as prescribed by our Company Law. The board of directors may include employee representatives. In the case of a company with three hundred or more employees, the company's board of directors shall include employee representatives. The employee representatives on the board of directors shall be democratically elected by the company's employees at the employee representatives' meeting, employee meeting or other means. The term of office for directors shall be stipulated in the articles of association of the company, provided that no term shall exceed three years. Directors may be re-elected upon expiration of their term. When the directors' term expires and re-election not be held in time, or where the resignation of a director during his/her term of office causes the number of members of the board of directors to be less than the quorum, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations and the articles of association before the re-elected directors take office.

In accordance with our Company Law, the board of directors mainly exercises the following powers:

- to convene the general meetings and report on its work to the general meetings;
- to implement the resolutions passed at general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;

- to determine the establishment of the company's internal management bodies;

- to determine the appointment or removal of the company manager and the manager's remuneration, and based on nominations by the manager, determine the appointment or removal of any deputy manager and the head of finance of the company and their remuneration;

- to formulate the company's basic management system; and

to exercise other functions or powers specified in the articles of association or granted by the general meeting.

Board Meetings

In accordance with our Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. The board of directors may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director in writing to represent them, and the power of attorney shall specify the scope of authorization granted to the representative attending the meeting on his behalf.

The directors shall take responsibility for the resolutions of the board of directors. In case any board resolutions contravene any laws, administrative regulations or the articles of association or resolutions of a general meeting, which caused serious losses to the company, all the directors participating in making such resolutions shall be liable to compensate the company for the losses. However, if there is evidence showing that a director expressed his objection to the resolution and such objection has been recorded in the meeting minutes, such director may be exempted from the liability.

Chairman of our Board

In accordance with our Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not

performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

In accordance with our Company Law, the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into bankruptcy and liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business licence revoked or been ordered to close down due to violations of the law and the person was personally responsible, where less than three years have elapsed since the date of the revocation of the business licence or the ordered closure of the company or enterprise; or

- any individual identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts.

For other circumstances disqualifying a person from serving as a director, refer to the Guidelines for Articles of Association of Listed Companies.

Board of Supervisors

In accordance with our Company Law, a joint stock limited company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the board of supervisors by our Company Law, without establishing a board of supervisors or supervisor.

The board of supervisors of a company shall hold at least one meeting every six months. In accordance with our Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors.

The board of supervisors shall exercise the following powers:

- to review our Company's financial position;
- to supervise the directors and senior management in their performance of their respective duties and to propose the dismissal of directors and senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of general meeting;
- when the acts of directors and senior management are harmful to our Company's interests, to require correction of those acts;
- to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over general meeting under our Company Law;
- to initiate proposals for resolutions to general meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the Articles of Association; and

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board of directors. The board of supervisors may investigate any irregularities identified in the operations of the company and, when necessary, may engage an accounting firm to assist its work at the cost of our Company.

According to the Transitional Arrangements relating to the Implementation of the Rules under the New Company Law (關於新《公司法》配套制度規則實施相關過渡期安排) issued and implemented by the CSRC on December 27, 2024, listed companies shall, before January 1, 2026, in accordance with the provisions of our Company Law, the Provisions of the State Council on Implementation of the Registered Capital Management System under our Company Law of the PRC (《國務院關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》) and the supporting rules of the CSRC, establish an audit committee in the board of directors, exercising the powers and functions of the supervisory board as stipulated in our Company Law, the listed companies will then have no supervisory board or supervisors. Before a listed company adjusts the establishment of the company's internal supervisory body, the supervisory board or supervisors shall continue to comply with the provisions in the original rules of the CSRC regarding the supervisory board or supervisors.

Manager and Senior Management

Under our Company Law, a joint stock limited company shall have a manager who shall be appointed or removed by the board of directors.

The manager shall report to the board of directors and exercise functions and powers as specified in the Articles of Association or as authorized by the board of directors. The manager shall attend board meetings.

According to our Company Law, senior management shall mean our Company's manager, deputy manager(s), person-in-charge of finance, board secretary of the listed company and other personnel as stipulated in the Articles of Association.

Duties of Directors, Supervisors and Senior Management

According to our Company Law, directors, supervisors, and senior management of our Company must comply with laws, administrative regulations, and the Articles of Association. Directors, supervisors, and senior management owe a duty of loyalty to the company and shall take measures to avoid conflicts of interest between their personal interests and the interests of our Company, and shall not use their authority to seek improper benefits. Directors, supervisors, and senior management owe a duty of diligence to our Company, and in the execution of their duties, shall exercise the usual and reasonable care that a manager should have for the maximum benefit of our Company.

Directors and senior management are prohibited from:

- embezzling Company's property, or misappropriation of our Company's capital;
- depositing our Company's capital into accounts under his own name or the name of other individuals;
- using his authority to engage in bribery or accept other illegal income;
- accept and possess commissions paid by a third party for transactions conducted with our Company;
- unauthorized divulgence of confidential information of our Company; or
- other acts in violation of their duty of loyalty to our Company.

Directors, supervisors, and senior management, whether directly or indirectly, entering into a contract or engaging in a transaction with our Company, shall report matters related to the contract execution or transaction to the board of directors or the general meeting and obtain approval in accordance with the Articles of Association through resolutions of the board of directors or the general meeting.

Directors, supervisors, and senior management shall not use their positions to seek any business opportunity available to our Company for themselves or others, except in any of the following circumstances: (i) Where the activity is reported to the board of directors or the

general meeting and approved in accordance with the Articles of Association through resolutions of the board of directors or the general meeting; or (ii) Where our Company cannot exploit the business opportunity according to any laws, administrative regulations, or the Articles of Association.

A director, supervisor or senior management who contravenes any law, regulation or the Articles of Association in the performance of his duties resulting in any loss to our Company shall be personally liable to our Company.

Finance and Accounting

Under our Company Law, our Company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. Our Company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to our Company Law, a joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting. A joint stock limited company that has publicly offered shares must also publish its financial and accounting reports.

When distributing each year's after-tax profits, our Company shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the Articles of Association. Shares held by our Company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value, the amount of capital obtained from the issuance of non-par value shares that is not included in the registered capital, and other items required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. When using a company's reserves to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations. Upon the conversion of statutory common reserve fund into an increase in registered capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to our Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by general meeting, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the general meeting, board of directors, or board of supervisors conducts a vote on the dismissal of the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the accounting firm it employs without any refusal, withholding and misrepresentation.

The Guidelines for the Articles of Association of Listed Companies stipulates that the company shall undertake to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the accounting firm it employs without any refusal, withholding and misrepresentation. The audit fee payable to an accounting firm shall be decided by the general meeting.

Distribution of Profits

According to our Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

According to our Company Law, a company shall be dissolved by reason of the following:

(i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the general meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business licence is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. Where the company falls under any of the circumstances specified in the preceding provisions, it shall make a public announcement through the National Enterprise Credit Information Publicity System within ten days.

In the event of (i) or (ii) above, provided that the company has not yet distributed its assets to shareholders, it may continue its existence by amending its articles of association or by resolution of the general meeting. The amendment of the articles of association of a joint stock limited liability company in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation committee shall be established. Directors shall be the obligors of the company's liquidation, who shall establish a liquidation committee to conduct liquidation within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation committee shall be composed of its directors, unless the company's articles of association provide otherwise or the general meeting resolves to elect someone else. If a liquidation committee is not established within the stipulated period, or if the liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply to the people's court and request the court to appoint relevant personnel to form the liquidation committee. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee shall exercise the following powers during the liquidation period:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to allocate the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation committee shall register such creditor rights. The liquidation committee shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a bankruptcy liquidation.

Following the acceptance of application for bankruptcy by the court, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the general meeting or the people's court for verification, and the report shall be submitted to the registration authority of the company in order to cancel the company's registration.

When performing the duties in relation to the liquidation, members of the liquidation committee shall bear the duties of loyalty and diligence. Members of the liquidation committee shall bear the liability for damages suffered by the company due to their negligence in performing the obligations of liquidation; if a member of the liquidation committee causes loss to the creditors due to intentional misconduct or gross negligence, he/she shall be liable for damages.

Overseas Listing

According to the Overseas Listing Trial Measures (《境外上市試行辦法》), where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within three working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after the completion of the issuance. In addition, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within twenty working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within five working days after receiving the filing materials. The issuer shall supplement the materials within thirty working days.

Loss of Share Certificates

If a share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

Suspension and Termination of Listing

Our Company Law has deleted provisions governing suspension and termination of listing. The Securities Law has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within three working days from the date of occurrence and announcement of the relevant matters.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

The Securities Law took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "Arbitration Law") was passed by the SCNPC on August 31, 1994, was implemented on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. Under the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement.

If the respondent is able to demonstrate with evidence that the arbitral award is under any of the following conditions, subject to the hearing and verification of the collegial panel of the people's court, the people's court shall refuse to enforce such award: (i) the parties have no arbitration clause in their contract, nor have subsequently reached a written agreement on arbitration; (ii) the matters dealt with by the award fall outside the scope of the arbitration agreement or are matters which the arbitral tribunal has no power to arbitrate; (iii) the composition of the arbitration tribunal or the procedure for arbitration contradicts the procedure prescribed by the law; (iv) the evidences based on which the arbitral award was made is falsified; (vi) the other parties conceal the evidences from the arbitral tribunal which are sufficient to affect the impartiality of the arbitral award; or (vii) the arbitrators have committed embezzlement, accepted bribes or done malpractice for personal benefits or perverted the law in the arbitration of the case.

The award shall not be enforced if the people's court determines that the enforcement of the award is against the social and public interest.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body maybe recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention") adopted on June 10, 1958 pursuant to a resolution of the SCNPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and

enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. Pursuant to such arrangement, the arbitration made by the mainland China arbitral authorities can be executed in Hong Kong, Hong Kong arbitration awards are also enforceable in mainland China.

Judicial Judgment and Its Enforcement

According to the Arrangement of the Supreme People's Court on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland China and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of mainland China and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People's Court of mainland China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. "Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either the People's Court of mainland China or the court of the Hong Kong Special Administrative Region in order to resolve dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the Court of mainland China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in mainland China or Hong Kong that meet certain conditions of the aforementioned regulations.

According to the Arrangement of the Supreme People's Court between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, such arrangement aims to establish a clearer and more definitive mechanism for the recognition and enforcement of a broader range of civil and commercial judgments between Hong Kong and mainland China. Such arrangement terminates the requirement for jurisdictional agreements to be concluded regarding the reciprocal recognition and enforcement of judgments.

This Appendix mainly provides potential [**REDACTED**] with an overview of the Articles of Association. As the following information is in summary form, it does not contain all the information that may be important to [**REDACTED**].

Issuance of Shares

Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other. For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by subscribers, the price payable for each of such shares shall be the same.

CAPITAL INCREASE AND CAPITAL REDUCTION

Increase and reduction of shares

The Company may, based on its business and development needs and in accordance with the laws, regulations and the listing rules of the place where the Company's shares are listed, increase its capital in the following ways, subject to separate resolutions of the general meeting:

(1) public issuance of shares after obtaining approval, registration, or filing with the relevant authorities in accordance with the law;

(2) non-public issuance of shares;

(3) distributing bonus shares to its existing shareholders;

(4) conversion of capital reserve into share capital;

(5) other means as is stipulated by laws, administrative regulations, or as approved by relevant regulatory authorities such as the CSRC and the regulatory authority of the place where the Company's shares are listed.

The general meeting may authorize the board of directors to decide to issue not exceeding 50% of the issued shares within three years. However, a resolution of the general meeting shall be required in the case of capital contributions in the form of non-monetary property. If the general meeting authorises the board of directors to decide on the issuance of new shares, the resolution of the board of directors shall be adopted by at least two thirds of all the directors.

The Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures stipulated by the Company Law, other relevant laws, administrative regulations, normative documents, the securities regulatory authority of the place where the Company's shares are listed, the Hong Kong Stock Exchange, and other applicable provisions, as well as the Articles of Association.

Repurchase of shares

The Company shall not repurchase its shares, except under any of the following circumstances:

(1) reducing its registered capital;

(2) merger with another company that holds shares in the Company;

(3) when utilising shares in employee stock ownership plan or equity incentives;

(4) a shareholder requesting the Company to purchase the shares held by him since he objects to a resolution of the general meeting on the combination or division of the Company;

(5) utilising the shares for conversion of corporate bonds which are convertible into shares issued by the Company;

(6) where it is necessary for the Company to maintain its corporate valueand shareholders' equity;

(7) any other circumstance permitted by laws and administrative regulations, departmental rules, normative documents, listing rules of the place where the shares of the Company are listed.

The Company may repurchase its shares through public and centralised trading or other methods as permitted by laws, administrative regulations and the CSRC and the securities regulatory authority of the place where the Company's shares are listed. Where the Company repurchases its shares under the circumstances in items (3), (5) and (6) abovementioned, the repurchase shall be carried out by public concentrated transaction.

A resolution of a general meeting is required for the repurchase of the Company's own shares under either of the circumstances stipulated in item (1) or item (2) abovementioned; for the Company's repurchase of its own shares under any of the circumstances stipulated in item (3), item (5) or item (6) abovementioned, a resolution of a meeting of the board of directors shall be passed by more than two-thirds (2/3) of directors attending the meeting according to the provisions of the Company's Articles of Association or as authorised by the general meeting. Where the general meeting of the Company authorizes the board of directors to repurchase the shares, the specific circumstances under which such share repurchases may be executed and the duration of the authorization shall be clearly specified in both the authorization proposal and the resolution to be submitted to the general meeting for consideration.

For unlisted domestic shares, after the Company has repurchased its own shares in accordance with aforesaid provision, the shares so repurchased shall be canceled within ten days from the date of purchase (under the circumstances set out in (1)), or shall be transferred or canceled within six months (under the circumstances set out in (2) and (4)). If the Company repurchases its shares under the circumstances set out in (3), (5) and (6), the total number of shares held by the Company shall not exceed ten percent of the total issued shares of the Company, and such shares shall be transferred or canceled within three years.

If it is otherwise provided in relevant laws and regulations, normative documents and relevant requirements of the securities regulatory authority of the place where the Company's shares are listed regarding the relevant matters of the repurchase of the shares, such provisions shall prevail.

For the share repurchase, the Company shall adhere to the information disclosure obligations as stipulated in the Securities Law, the Securities and Futures Ordinance and the listing rules of the place where the Company's shares are listed.

Transfer of Shares

Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are listed and traded on the stock exchange.

The directors and senior management members of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The annual transfer of shares during the term of office as determined at the time of their assumption of office shall not exceed 25% of their total holdings of shares of the Company in the same class. The shares of the Company held by them shall not be transferred within one year from the date on which the Company's shares are listed for trading. The shares in the Company held by them shall not be transferred within a year from their departure from the Company.

If the shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted transfer period.

If there are other restrictions on transfer of overseas-listed shares imposed by relevant provisions of the securities regulatory authority of the place where the shares of the Company are listed, such provisions shall prevail.

For shareholders, Directors, supervisors, and senior management holding more than 5% of the Company's shares (excluding the Hong Kong Securities Clearing Company Limited), if they have sold the shares of the Company or other securities with an equity nature held by them within six months after purchasing, or if they have purchased such shares or securities again within six months after selling them, the gains obtained therefrom shall be attributed to the Company and be forfeited by the Board of the Company. However, securities companies

holding more than 5% of the shares due to the purchase of the remaining shares after underwriting, and other circumstances stipulated by securities regulatory authority of the place where the shares of the Company are listed and by CSRC are excluded.

The shares or other securities with an equity nature held by Directors, senior management and natural person shareholders as mentioned in the preceding paragraph shall include the shares or other securities with an equity nature held by their spouses, parents, children, and those held in the accounts of others.

If the Board of the Company does not comply with the above-mentioned provisions, the shareholders shall have the right to request the Board to do so within 30 days. If the Board of the Company fails to follow the above-mentioned deadline, the shareholders shall have the right to file a lawsuit directly to the People's Court in their own name in the interest of the Company. If the Board of the Company does not comply with the above-mentioned provisions, the responsible Directors shall be jointly and severally liable in accordance with the law.

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

The Company shall prepare a register of members based on the evidence provided by the securities registration and clearing institution, and the register of members shall be sufficient evidence for the shares ownership of the shareholders in the Company. The shareholders shall enjoy the rights and assume the obligations according to the class of the shares they hold. The shareholders holding the same class of shares shall enjoy the equal rights and assume the equal obligations.

The shareholders of the Company shall be entitled to the following rights:

(1) to receive dividends and other distributions in proportion to the number of shares held;

(2) to request to convene, summon, preside over, attend or appoint a proxy to attend general meetings in accordance with the laws, and to exercise the corresponding rights to vote;

(3) to supervise the operation of the Company, making suggestions or inquiries;

(4) to transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and Articles of Association;

(5) to review and copy Articles of Association, the register of members, minutes of general meetings, resolutions of board meetings, and financial and accounting reports and (for shareholders who meet the relevant requirements) 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 proportion to the number of shares held;

(7) to request the Company to buy back the shares of shareholders objecting to resolutions of the general meeting concerning merger or division of the Company;

(8) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Shareholders are entitled to request the People's Court to invalidate the resolutions of a general meeting or a Board meeting which violates the laws and administrative regulations. The shareholders shall be entitled to request the People's Court to cancel the relevant resolution within 60 days after the resolution is adopted if the convening procedure or voting method of the general meeting or Board meeting violates the laws, administrative regulations or the Articles of Association, or the resolution content breaches the Articles of Association. However, this does not apply if such procedures for convening the general meeting and the Board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

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 monies according to the number of shares subscribed and the method of subscription;

(3) not to make divestment unless under the circumstances stipulated by laws and regulations;

(4) not to abuse the rights of shareholders to damage the interests of the Company or that of other shareholders; not to abuse the independent status of the Company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the Company;

(5) other obligations imposed by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If shareholders of the Company abuse their shareholder rights and cause losses to our Company or other shareholders, they shall bear compensation liability in accordance with the law. If a Company's shareholders abuse the independent status of our Company's legal person and the limited liability of shareholders, evade debts, and seriously harm the interests of our Company's creditors, they shall bear joint and several liability for our Company's debts.

General Provisions for General Meetings

The general meeting of the Company is composed of all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

(1) to elect and change a director and decide on matters relating to the remuneration of the director;

(2) to consider and approve the report of the Board;

(3) to consider and approve the profit distribution plan and loss recovery plan of the Company;

(4) to decide on any increase or reduction of the registered capital of the Company;

(5) to decide on the issue of corporate bonds;

(6) to decide on issues such as merger, division, dissolution, liquidation or change of corporate form of the Company;

(7) to amend the Articles of Association;

(8) to decide on the engagement and dismissal of the accounting firm of the Company;

(9) to consider and approve the guarantees and transactions as provided in Article 50 of the Articles of Association;

(10) to consider the purchase or disposal of material assets of the Company with an amount exceeding 30% of the latest audited total assets of the Company;

(11) to consider and approve any change in the use of proceeds;

(12) to consider any share incentive scheme and employee stock ownership plan;

(13) to consider other matters and transactions that shall be resolved by the general meeting under the laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

Shares and corporate bonds convertible into shares of the Company may be issued by a resolution of the general meeting or by a resolution of the Board as authorized by the Articles of Association or the general meeting, the specific implementation of which shall comply with the laws, administrative regulations, the requirements of the CSRC and the rules of the stock exchanges.

Unless otherwise provided by laws, administrative regulations, the requirements of the CSRC and the rules of the stock exchanges, the aforesaid functions and powers of the general meeting shall not be exercised by the Board or other institutions and individuals by means of authorization. The general meeting may delegate the Board to resolve on the issuance of corporate bonds.

The following guarantees of the Company shall be reviewed and approved at the general meeting:

(1) any guarantee provided after the total amount of external guarantees of the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;

(2) any guarantee provided by the Company after the total external guarantee exceeds 30% of the latest audited total assets value;

(3) any guarantee provided by the Company to others within one year exceeds 30% of the Company's latest audited total assets;

(4) any guarantee to be provided to a recipient of such guarantee whose asset to liability ratio is over 70%;

(5) any single guarantee with an amount exceeding 10% of the latest audited net assets;

(6) any guarantee provided to shareholders, de facto controllers, and their related parties;

(7) other guarantees required by laws, administrative regulations, departmental rules, normative documents, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

General meetings are classified into annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once in each fiscal year and shall be held within six months from the end of the previous fiscal year.

The Company shall hold an extraordinary general meeting within 2 months after the date on which any of the following events occurs:

(1) the number of Directors is less than the number specified by the Company Law or two-thirds of the number required by the Articles of Association;

(2) the uncovered loss of the Company reaches one-third of the paid-in Share capital;

(3) the Shareholders holding more than 10% of the Company Shares either independently or collectively request for a meeting in writing;

(4) the Board deems it necessary;

(5) the Audit Committee proposes to convene ameeting;

(6) other circumstances required by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

If the extraordinary general meeting is convened in accordance with the requirements of the securities regulatory rules of the place where the shares of the Company are listed, the actual date of the extraordinary general meeting may be adjusted according to the approval progress of the stock exchange at the place where the shares of the Company are listed.

Convening of General Meetings

General meetings shall be summoned by the Board. General meetings shall be convened by the Board on time within the specified period.

Independent non-executive directors shall have the right to propose to the Board to convene an extraordinary general meeting, subject to the consent of more than half of all the independent non-executive directors. The board of directors shall, pursuant to relevant laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after receipt of the proposal of the independent non-executive directors to convene such a meeting.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Save as otherwise provided by the Hong Kong Listing Rules or otherwise required by the Hong Kong Stock Exchange, in which case such provisions shall prevail; if the Board does not agree to convene the extraordinary general meeting, it shall give the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board in writing to convene an extraordinary general meeting. The board of directors shall, in accordance with relevant laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, give a written response on whether it agrees to convene such an extraordinary general meeting within 10 days after receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Save as otherwise provided by the Hong Kong Listing Rules or otherwise required by the Hong Kong Stock Exchange, in which case such provisions shall prevail; any changes to be made to the original proposal in the notice shall be subject to approval of the Audit Committee. If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Audit Committee may convene and preside over such meeting on its own.

Shareholders that hold, individually or collectively, 10% or more of the shares of the Company (excluding treasury shares) shall have the right to request the Board to convene an extraordinary general meeting and to include any proposed resolutions in the agenda of the meeting, which shall be submitted in writing to the Board. The board of directors shall, in accordance with relevant laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association, provide its feedback in writing on whether or not it agrees to convene the extraordinary general meeting within 10 days upon receipt of such request.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after it has so resolved. Save as otherwise provided by the Hong Kong Listing Rules or otherwise required by the Hong Kong Stock Exchange, in which case such provisions shall prevail; any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders. If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the request, the shareholders that hold, individually or collectively, 10% or more of the shares of the Company may propose in writing to the Audit Committee to convene an extraordinary general meeting. The Audit Committee shall make a decision on whether to convene the extraordinary general meeting within 10 days from the date of receiving the request and give a written reply to the shareholders.

If the audit committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the meeting within five days of receiving the request, unless otherwise stipulated by the Hong Kong Listing Rules or required by the Hong Kong Stock Exchange, in which case such stipulations or requirements shall prevail. Any changes to the original request in the notice shall require the consent of the relevant shareholders. If the audit committee fails to issue the notice to convene the meeting within the specified period, it shall be deemed that

the audit committee is not convening or presiding over the meeting, and shareholders who individually or collectively hold 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting themselves.

If the audit committee or shareholders decide to convene the meeting on their own, they must provide written notice to the board of directors and file a record with the stock exchange where the Company's shares are listed in accordance with relevant laws, regulations, and the Hong Kong Listing Rules (if required). The audit committee or the convening shareholders shall submit relevant supporting documents (if required) to the stock exchange where the Company's shares are listed in accordance with applicable laws, regulations, and the Hong Kong Listing Rules when issuing the notice of the meeting and announcing the resolution of the meeting. Before the announcement of the meeting resolution, the shareholding ratio of the convening shareholders shall not fall below 10%.

For a meeting convened by the audit committee or shareholders, the necessary expenses for the meeting shall be borne by the Company.

Proposals and Notices for General Meetings

When the Company convenes a general meeting, the board of directors, the audit committee, and shareholders individually or jointly holding 1% or more of the Company's shares have the right to submit proposals to the Company.

Shareholders individually or jointly holding 1% or more of the Company's shares may submit ad hoc proposals in writing to the convener at least 10 days before the general meeting. The convener shall, within two days of receiving such proposals, issue a supplementary notice announcing the content of the ad hoc proposals and submit them for deliberation at the meeting, unless the proposals violate laws, administrative regulations, or the Company's articles of association, or fall outside the scope of the general meeting's authority. The Company shall not impose a higher shareholding threshold for submitting ad hoc proposals.

Except under the circumstances mentioned above, once the convener has issued the notice convening the general meeting, it may not modify the proposals already listed in the notice or add new proposals.

The convener shall notify shareholders of an annual general meeting by announcement at least 21 days before the meeting and notify shareholders of an extraordinary general meeting by announcement at least 15 days before the meeting. In calculating these time periods, the day of the meeting shall not be included.

The notice of a general meeting shall include the following:

(1) time, venue and duration of the meeting;

(2) matters and proposals to be considered at the meeting;

(3) a prominent statement that all shareholders are entitled to attend the meeting and may appoint a proxy in writing to attend and vote on their behalf, with such proxy not required to be a shareholder of the Company;

(4) record date for determining shareholders entitled to attend the meeting;

(5) name and telephone number of the standing meeting contact person;

(6) voting time and procedures for online or other voting methods;

(7) other requirements under applicable laws, administrative regulations, departmental rules, securities regulations of the stock exchange where the Company's shares are listed, and the Articles of Association.

Both the general meeting notice and any supplementary notice shall disclose the full and specific content of all proposals completely and accurately.

Convening of General Meetings

All shareholders or their proxies registered in the Company's register of members on the record date shall have the right to attend general meetings and exercise voting rights (including abstaining from voting on specific matters in accordance with relevant provisions) in accordance with applicable laws, regulations, securities regulatory rules of the stock exchange where the company's shares are listed, and the Articles of Association.

Shareholders may attend general meetings either in person or through authorized proxies. Individual shareholders attending in person must present valid personal identification documents, while proxies must present both their own valid identification and a properly executed power of attorney from the shareholder. Shareholders shall have the right to (1) speak at general meetings; and (2) vote at general meetings, unless otherwise required to abstain from voting on specific matters under the Hong Kong Listing Rules.

Corporate shareholders must be represented either by their legal representative or by a duly authorized proxy. The legal representative must present personal identification and proof of representative capacity, while proxies must present identification along with a written power of attorney executed by the corporate shareholder's legal representative (except where the shareholder is a recognized clearing house as defined under relevant Hong Kong regulations from time to time or its nominee). The appointment of such representative shall constitute personal attendance by the corporate shareholder.

For shareholders that are recognized clearing houses (or their nominees) as defined under relevant Hong Kong regulations from time to time, such shareholders may appoint one or more representatives to attend any general meeting or creditors' meeting. Where multiple representatives are appointed, the authorization must specify the number and class of shares each represents, with the authorization document signed by an authorized official of the clearing house. These authorized representatives may exercise all rights of attendance,

including speaking and voting, on behalf of the clearing house (or its nominee) without needing to present share certificates, notarized documents and/or further evidence to verify that they have been officially authorized, enjoying the same rights as individual shareholders of the company.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who need not be shareholders) as his or her proxies to attend and vote on his or her behalf. The securities depository and clearing institution shall be entitled to appoint its representative(s) or corporate representative(s) to attend meetings of shareholders and creditors. Such representative(s) shall be entitled to all rights according to other shareholders, including the right to speak and vote at such meetings. The form of proxy issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:

(1) names of the appointer, the class and number of shares held by the appointer;

(2) names of the proxies;

(3) specific instructions of the shareholders, including instructions to vote for, against or abstain from voting on each of the items in the agenda of the meeting and others;

(4) the signing date and the effective period of the form of proxy;

(5) signature (or seal) of the appointer, if the appointer is a corporate shareholder, such form of proxy shall be affixed with the official seal of the corporate entity.

(6) other circumstances stipulated by laws, administrative regulations, departmental rules, regulatory rules of the place where the shares of the Company are listed or the Articles of Association.

The form of proxy shall specify if no specific instruction is given by the shareholder, whether the proxy of the shareholder may vote at his/her own discretion.

Where the form of proxy is signed by a person authorized by the appointer, the power of attorney or other authorization instruments to authorize the signing shall be notarized. The notarized power of attorney or other authorization instruments, together with the voting form of proxy are required to be lodged at the domicile of the Company or other places as specified in the notice of the meeting at least 24 hours prior to the relevant meeting for which the proxy is appointed to vote or 24 hours prior to the scheduled voting time.

Where the appointer is a corporate legal person, its legal representative or the person authorized by the resolution of its board of directors or other decision-making body shall act as a representative to attend the general meeting of shareholders of the Company on behalf of the appointer.

Voting and Resolutions of General Meetings

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions. An ordinary resolution shall be passed by votes representing more than half of the voting rights represented by the shareholders present at the meeting. A special resolution shall be passed by votes representing at least two-thirds of the voting rights represented by the shareholders present at the meeting.

The following matters shall be passed by ordinary resolutions at a general meeting:

(1) work reports of the board of directors;

(2) profit distribution plans and loss recovery plans formulated by the board of directors;

(3) appointment and removal of members of the board of directors and their remuneration and method of payment for them;

(4) matters other than those required by laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association to be adopted by special resolution.

The following matters shall be passed by special resolutions at a general meeting:

(1) increase or reduction of the registered capital of the Company;

(2) division, split, merger, dissolution, and liquidation of the Company;

(3) amendments to the Articles of Association;

(4) purchase or disposal of material assets or provision of external guarantee by the Company within 1 year with an amount exceeding 30% of the latest audited total assets of the Company;

(5) share incentive scheme;

(6) any change to the rights attached to the class of shares;

(7) other matters stipulated by laws, administrative regulations, regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and other matters considered by the general meeting, by way of ordinary resolution, to have a material impact on the Company and need to be approved by special resolution.

Shareholders (including proxy) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. On a poll taken at a meeting, shareholders (including proxies) having two or more votes need not cast all his/her votes in favour of or against, or to abstain from voting.

When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate poll results shall be disclosed in a timely manner in accordance with laws, administrative regulations, departmental rules, regulatory documents, the listing rules of the stock exchange where the shares of the Company are listed or the provisions of the Articles of Association.

The shares held by the Company do not carry any voting rights, and shall not be counted towards the total number of voting shares represented by shareholders attending the general meeting.

Where a shareholder purchases voting shares of the Company in violation of the provisions of paragraphs 1 and 2 of Article 63 under the Securities Law, such shares in excess of the prescribed proportion are prohibited from exercising voting rights within 36 months after purchase, and they will not be counted in the total number of shares with voting right represented by shareholders present at the general meeting.

Pursuant to applicable laws, administrative regulations, departmental rules, normative documents and securities regulatory rules of the places where the shares of the Company are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.

The board of directors, independent non-executive directors, shareholders holding more than 1% of voting shares of the Company, or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. Shareholders' voting rights shall be solicited with sufficient disclosure of the concrete voting intention to the owner of the rights. Consideration or de facto consideration for soliciting shareholders' voting rights is prohibited. Except under statutory circumstances, the Company shall not set a minimum shareholding ratio threshold for soliciting voting rights.

Related (connected) shareholders and their close associates (as defined the Hong Kong Listing Rules) shall not vote on any related (connected) transaction under consideration at the shareholders' meeting. The voting shares they represent shall not be counted towards the total number of valid votes. The announcement of the shareholders' meeting resolution shall fully disclose the voting results of non-related (connected) shareholders, as well as other information required by the securities regulatory rules of the place where the Company's shares are listed.

THE BOARD

Directors

The Directors of the Company comprise executive Directors, non-executive Directors and independent non-executive Directors.

A Director of the Company shall be a natural person and shall not serve as a Director of the Company under any of the following circumstances:

(1) a person who is unable or has limited ability to undertake any civil liabilities;

(2) a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence or in the case of a suspended sentence, two years have not elapsed since the probation period was completed;

(3) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into bankruptcy and liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

(4) a person who has been a legal representative of a company or an enterprise that has had its business licence revoked or been ordered to close down due to violations of the law and the person was personally responsible, where less than three years have elapsed since the date of the revocation of the business licence or the ordered closure of the company or enterprise;

(5) any individual identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts;

(6) a person who has been imposed measures by the CSRC to prohibit entry into the securities market and the prohibition period has not expired;

(7) a person who is publicly recognized by the stock exchange where the Company's shares are listed for a period which has not yet expired as unsuitable to be a director, and officer of the Company;

(8) other circumstances as specified in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed or relevant regulatory authorities.

If the election or appointment of Directors violates the provisions of this Article, such election, appointment or engagement shall be null and void. If a Director falls under any of the circumstances described in this Article during his/her term of office, the Company shall remove him/her from his/her position and cease his/her performance of duties.

A Director shall be elected or replaced at a general meeting and may be removed from office at a general meeting before the expiration of his/her term of office. A Director shall serve a term of three years and may be re-elected for re-appointment upon expiry of his/her term of office.

The term of office of a Director shall commence on the date of appointment and end upon the expiry of the term of office of the current session of the board of directors. If a Director is not re-elected in time after his/her term of office expires, resulting in the number of Directors of the board of directors falling below the statutory minimum, the original Director shall still perform his/her duties as a Director in accordance with the provisions of 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 a Director re-elected takes office. Directors may be concurrently held by the officers, but the number of Directors who concurrently hold the position of officers and Directors who are employee representatives shall not exceed half of the total number of Directors of the Company.

Subject to the provisions of the relevant laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, if the board of directors appoints any new director to fill any casual vacancy of the board of directors or as an addition to the board of directors, the term of office of the newly appointed director shall expire on the first annual general meeting after the appointment. At the same time, such director shall be eligible for re-election.

Directors may resign prior to the expiration of their term of office. Directors who resign shall submit a written resignation report to the Company. The resignation shall take effect on the day when the Company receives the resignation report. The Company will disclose the relevant situation within two trading days.

In the event that the resignation of any director results in the number of members of the board of directors falls below the statutory minimum requirement, such director shall continue to perform his/her duties in accordance with 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 newly elected director assume his/her office. The board of directors shall convene an extraordinary general meeting as early as possible to elect the Director and fill up the vacancy resulting from the said resignation.

The Board of Directors

The board of directors shall consist of nine Directors, including one Chairman and one employee representative. Among the Directors, there shall be at least three independent non-executive Directors, who shall constitute no less than one-third of the Company's Directors. At least one of these independent non-executive Directors shall possess the appropriate accounting or financial management expertise or professional qualifications required by the stock exchange where the Company's shares are listed. At least one independent non-executive Director of the Company is ordinarily resident in Hong Kong. Employee representatives shall be elected by the Company's employees through a meeting of representatives, a meeting of employees, or other democratic electoral processes, and this election shall not be subject to consideration at the general meeting.

The board of directors shall exercise the following functions and powers:

(1) to convene the general meetings and report on its work to the general meetings;

(2) to implement the resolutions passed at general meetings;

(3) to decide on the Company's business plans and investment proposals;

(4) to formulate the Company's profit distribution proposals and loss recovery proposals;

(5) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and the listing plan;

(6) to prepare plans for material acquisitions and repurchase of the Company's shares, or merger, division, dissolution or change of corporate forms of the Company;

(7) to decide, within the authority granted by the general meetings, on the matters in relation to the Company's external investment, acquisition and disposal of assets, assets pledge, provision of guarantees to external parties, entrustment of wealth management and related (connected) transactions, external donations, etc.;

(8) to review and approve transactions that require the board of directors to make decisions under securities regulatory rules of the place where the shares of the Company are listed;

(9) to determine the establishment of the Company's internal management bodies;

(10) to decide to appoint or remove the Company's general manager, the secretary of the board of directors and other senior management, and decide on matters relating to their remuneration, rewards and punishments; according to the nomination of the general manager, to decide to appoint or remove the senior management members of the Company, such as the vice general manager and chief financial officer and decide on matters relating to their remuneration, rewards and punishments;

(11) to formulate the basic management system of the Company;

(12) to formulate plans for amendments to the Articles of Association;

(13) to manage the Company's information disclosure;

(14) to propose the appointment or replacement of the accounting firm of the Company for audit purposes at a general meeting;

(15) to receive the work reports submitted by the general manager of the Company and to check his/her work;

(16) other powers and duties conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or general meeting.

The board of directors shall meet regularly, and meetings of the board of directors shall be held at least four times a year, which shall be convened by the chairman of the board of directors, and shall give written notice (including personal delivery, facsimile or e-mail) to all Directors 14 days prior to the convening of the meeting. The board of directors may convene meetings and vote by electronic means.

Upon the proposal by a shareholder representing more than one-tenth of the voting rights, more than one-third of the Directors or the audit committee, an extraordinary board meeting may be convened. The chairman shall convene and chair the board meeting within 10 days upon receipt of the proposal.

The notice convening an extraordinary board meeting by the board of directors shall be delivered in writing (including personal delivery, facsimile or e-mail) to all Directors at least 3 days before the meeting. Where an extraordinary board meeting is necessary to be convened as soon as possible in case of an emergency, the notice of the meeting may be delivered at any time by telephone or by other verbal means, provided that the convener shall give an explanation at the meeting.

Board meetings shall be held only if more than half of the Directors are present. Unless otherwise is set out in the Articles of Association, resolutions of the board of directors shall be passed by more than half of all Directors. Voting on the resolutions of the board of directors shall be conducted on a one-person-one-vote basis.

If a Director has a related (connected) relationship with an enterprise or individual involved in a matter of the resolutions of the board meeting, such Director shall promptly submit a written report to the board of directors. Such related (connected) Director may not exercise his right to vote regarding such resolution, nor may he exercise the voting right of another Director as such Director's proxy thereon. Such a board meeting may be held only if more than half of the Directors without a related (connected) relationship are present, and the

resolutions made at such a board meeting shall require adoption by more than half of the Directors without a related (connected) relationship. If the board meeting is attended by less than 3 Directors without a related (connected) relationship, the matter shall be submitted to the general meeting for consideration. The board of directors shall also comply with other regulations in the laws, administrative regulations, regulatory documents, the regulatory authority of the place where the shares of the Company are listed or the Hong Kong Listing Rules.

Board meetings shall be attended by the Directors themselves; if a Director is unable to attend for any reason, he/she may appoint another Director in writing to attend on his/her behalf, and the power of attorney shall contain the name of the proxy, the matters to be represented, the scope of authorization and the validity period, and shall be signed or sealed by the appointer. The appointed Director who attends the meeting shall exercise rights of Directors within the scope of authorisation. A Director shall not make or accept an appointment without voting intentions, discretionary appointment or appointment with indefinite scope of authorization. When considering related (connected) transactions, non-related (non-connected) Directors shall not appoint related (connected) Directors to attend the meeting on his/her behalf. If a Director does not attend a board meeting in person and does not appoint a proxy to attend the meeting, he/she shall be deemed to have waived the voting rights at the meeting.

Special Committees of the Board of Directors

The board of directors of Directors of the Company has established an audit committee to exercise the powers and functions of the supervisory committee as stipulated in the Company Law.

The audit committee shall consist of 3 members, who shall be Directors who do not hold senior management positions in the Company, of whom 2 shall be independent non-executive Directors, with an accounting professional from among the independent non-executive Directors serving as the convener. Staff representative Directors can be the committee members.

The audit committee is responsible for reviewing the Company's financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters shall be submitted to the board of directors for consideration after the approval by a majority of all members of the audit committee:

(1) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(2) appointment or dismissal of the accounting firm that undertake the Company's auditing business;

(3) appointment or dismissal of the Company's chief financial officer;

(4) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(5) other matters as provided by laws, administrative regulations, requirements of the CSRC, securities regulatory rules of the place where the shares of the Company are listed, and the Articles of Association.

The Audit Committee shall meet at least once every quarter. An extraordinary meeting can be convened as proposed by two or more members, or when the convener deems it necessary. A meeting of the Audit Committee shall be convened with the attendance of more than two-thirds of the members. Resolutions made at the Audit Committee shall be approved by a majority of its members. Voting on resolutions of the Audit Committee shall be conducted on a one-person-one-vote basis. Minutes of meeting shall be recorded for the resolutions of the Audit Committee in accordance with the requirements and shall be signed by the attending member. The board of directors shall be responsible for formulating the working procedures of the Audit Committee.

The board of directors of the Company has established the Nomination Committee, the Remuneration and Appraisal Committee, the Strategy Committee, the ESG Committee and other special committees to perform their duties in accordance with the Articles of Association and the authorization of the board of directors, and the proposals of the special committees shall be submitted to the board of directors for review and decision. The board of directors is responsible for formulating work procedures for special committees. More than half of the members of the Nomination Committee and the Remuneration and Appraisal Committee shall be independent non-executive directors, who shall act as the convener. However, where relevant competent departments of the State Council provide otherwise with respect to the convener of the specialized committees, such provisions shall prevail.

GENERAL MANAGER AND SENIOR MANAGEMENT

The Company shall have one general manager, who shall be appointed or removed by the board of directors. The Company shall have several deputy general managers who shall be appointed or removed by the board of directors.

Senior management means the general manager, deputy general managers, the financial controller, secretary to the board of directors and other personnel determined by the Articles of Association.

The senior management personnel owe fiduciary duties to the Company and shall take measures to avoid conflicts of interest between their personal interests and the interests of the Company, shall not use their authority to seek improper benefits and shall perform duties with reasonable care that managers should ordinarily exercise in the best interests of the Company. The provisions of the Articles of Association concerning the circumstances where a person shall not serve as a director, the management system for resignations and the duties of loyalty and diligence of the directors shall also apply to senior management.

The term of office of the general manager shall be 3 years and renewable upon re-appointment of the general manager.

The general manager, who reports to the board of directors, may exercise his/her functions and powers:

(1) to manage the production, operation and administration of the Company, arrange for the implementation of the resolutions of the board of directors, and report to the board of directors;

(2) to arrange for the implementation of the Company's annual operation plans and investment proposals;

(3) to formulate proposals for the establishment of the Company's internal management organs;

(4) to formulate the fundamental management system of the Company;

(5) to formulate the specific rules and regulations of the Company;

(6) to recommend the appointment or dismissal of the deputy general manager, the financial controller and other senior management of the Company by the board of directors;

(7) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the board of directors);

(8) to exercise any other functions and powers conferred by the Articles of Association or the board of directors.

The general manager shall be present at meetings of the board of directors.

The Company shall have a secretary to the board of directors. The secretary to the board of directors is responsible for the preparation and documentation of general meetings and board meetings of the Company, as well as the management of shareholders' information of the Company, information disclosure matters and other matters. The secretary to the board of directors shall abide by the relevant provisions of the laws, administrative regulations, departmental rules, the regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The senior management of the Company shall perform duties faithfully and safeguard the best interests of the Company and all shareholders. Where any member of the senior management of the Company fails to perform duties faithfully or violate his/her fiduciary duties resulting in any loss to the interests of the Company and the general public shareholders, such member shall be liable for compensation in accordance with the law.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and the requirement of relevant regulatory departments of the PRC.

The Company's financial accounting reports are prepared, submitted, and disclosed in accordance with the relevant provisions of laws, administrative regulations and the securities regulatory rules of the place where the Company's shares are listed.

The Company shall not establish the statutory account books accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Profit Distribution

When the Company allocates the after-tax profits for the current year, it shall extract 10% of the profits into the Company's statutory reserve fund. Should the accumulated amount of the Company's statutory reserve fund be more than 50% of the Company's registered capital, no appropriation shall be made. In the event that the Company's statutory reserve fund is not sufficient to cover all the losses for the previous year, the profits for the current year shall be firstly used to cover the loss before making appropriation to the statutory reserve fund pursuant to the foregoing provisions.

After the Company has made appropriation to the statutory reserve fund from the after-tax profits, optional reserve fund may also be extracted from the after-tax profits upon resolution at the general meeting.

As for the remaining after-tax profits after the Company has covered loss and has extracted statutory reserve fund, shareholders shall be allocated pursuant to the ratio of the shareholding of the shareholders, except for those allocations not pursuant to the ratio of the shareholding as provided by the laws and regulations, the regulatory rules of the place where the shares of the Company are listed, the Hong Kong Listing Rules and the Articles of Association.

The Company shall not be entitled to any distribution of profits in respect of shares held by it.

The Company's reserve funds shall be used to make up the losses or expand the production operations, or be converted to increase the registered capital of the Company. In case reserve funds are used to make up the Company's losses, discretionary reserve funds and statutory reserve funds shall be prioritized. If the losses still cannot be made up, the capital

reserve may be used in accordance with the provisions. Upon the transfer of the statutory common reserve fund into increased registered capital, the balance of the fund shall not be less than 25% of the registered capital of the Company before such transfer.

Internal Audit

The Company implements an internal audit system, which specifies the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit work.

The internal audit system of the Company shall be implemented upon approval by the board of directors and shall be disclosed to the public. The internal audit institution shall be accountable to the board of directors.

Appointment of Accounting Firm

The Company employs an independent accounting firm that complies with the provisions of the Securities Law and regulatory provisions of the place where the shares of the Company are listed to conduct accounting statement auditing, net asset verification and other related consulting services. The term of appointment shall be one year commencing from the conclusion of the current annual general meeting and ending at the conclusion of the next annual general meeting, and shall be renewable.

The Company's engagement and dismissal of an accounting firm shall be determined on the general meeting through ordinary resolutions, and the board of directors may not appoint an accounting firm before a decision is made on the general meeting.

The Company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the accounting firm engaged, and shall not refuse, conceal or make false statements.

The audit fees of an accounting firm are determined on the general meeting.

The Company shall notify the accounting firm 30 days in advance when dismissing or no longer renewing the accounting firm. The accounting firm shall be allowed to state its opinions when the general meeting of the Company votes on dismissing the accounting firm. If an accounting firm proposes to resign, it shall explain to the general meeting whether there is any misconduct in the Company.

MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

Company mergers may take the form of mergers by absorption or mergers by new establishment. When a company absorbs other companies, it is called a merger, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a new merger, and the merging parties are dissolved.

If the Company merges, the merging parties shall sign a merger agreement and prepare a balance sheet and property list. The Company shall notify creditors within 10 days from the date of making the merger resolution, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Publicity System. Creditors may require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

If the Company merges, the claims and debts of the merging parties shall be inherited by the continuing company or the newly established company after the merger.

If the Company is divided, its property will be divided accordingly. If the Company is divided, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days from the date of making the separation resolution, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Publicity System. The debts incurred before the Company is divided shall be jointly and severally liable by the Company after the division. However, this shall not be the case unless otherwise agreed upon in a written agreement between the Company and its creditors regarding debt settlement before the division

If the Company needs to reduce its registered capital, it must prepare a balance sheet and property list. The Company shall notify creditors within 10 days from the date of making the resolution to reduce the registered capital on the general meeting, and shall make an announcement within 30 days in newspapers or the National Enterprise Credit Information Publicity System. Creditors have the right to require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

If the Company is merged or divided and the registered items are changed, the registration of the change shall be carried out with the Company registration authority in accordance with the law; if the Company is dissolved, the registration of the cancellation of the Company shall be carried out in accordance with the law; if a new company is established, the registration of the establishment of such company shall be carried out in accordance with the law.

If the Company increases or decreases its registered capital, it shall apply for a registration of the change with the Company registration authority in accordance with the law.

Dissolution and Liquidation

The Company will be dissolved for the following reasons:

(1) the business period stipulated in the Articles of Association expires or other reasons for dissolution stipulated in the Articles of Association occur;

(2) the general meeting makes a resolution to dissolve;

(3) dissolution is required due to company merger or division;

(4) the business license has been revoked, it is ordered to close, or revoked in accordance with the law;

(5) if the Company encounters serious difficulties in its operation and management, and its continued existence will cause heavy losses to the interests of shareholders, and cannot be solved through other means, shareholders holding more than 10% of the voting rights of the Company may request the People's Court to dissolve the Company.

If the Company encounters the above-mentioned reasons for dissolution, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Under the circumstance described in items (1) and (2) above, if no property has been distributed to its shareholders, the Company may continue to exist by amending the Articles of Association or with approval of the general meeting. Amendments to Articles of Association or obtaining approval of the general meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing more than two-thirds of the voting rights present at the general meeting.

Where the Company is dissolved pursuant to items (1), (2), (4) and (5) above, it shall be liquidated. The Directors, who are the liquidation obligors of the Company, shall form a liquidation committee to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation committee shall be composed of directors or persons determined by the general meeting, unless otherwise selected by a resolution of the general meeting. If a liquidation obligor fails to perform his/her liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, such liquidation obligor shall be liable for compensation.

The liquidation committee shall exercise the following functions and powers during the liquidation:

(1) to go through the property of the Company and prepare a balance sheet and a property inventory separately;

(2) to inform or make an announcement to the creditors;

(3) to deal with the Company's outstanding business in connection with the liquidation;

(4) to settle any taxes payable and any taxes arising in the course of liquidation;

(5) to go through the claims and debts of the Company;

(6) to distribute the Company's remaining property after settlement of its debts;

(7) to participate in civil litigation on behalf of the Company.

The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement in the designated newspapers and periodicals or the National Enterprise Credit Information Publicity System and in the manner required by the stock exchange of the place where the shares of the Company are listed within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of announcement in case they have not received the notice.

A creditor filing proof of a claim shall explain describe the matters related to the claim and provide proof materials. The liquidation committee shall register the proof of claim.

During the period of declaring creditor's rights, the liquidation committee shall not pay off the creditor.

Upon sorting out the assets of the Company and preparing a balance sheet and an inventory of assets, the liquidation committee shall prepare a liquidation report which shall be submitted to the general meeting or the people's court for confirmation. The remaining assets of the Company after paying the liquidation expenses, employee salaries, social insurance expenses, and statutory compensation, paying the outstanding taxes, and paying off the debts of the Company shall be distributed by the Company according to the classes of shares held by shareholders and their shareholdings.

During the liquidation period, the Company exists but shall not carry out business activities unrelated to liquidation. The assets of the Company will not be distributed to shareholders until they have been paid off in accordance with the provisions of the preceding paragraph.

If the liquidation committee discovers that the assets of the Company are insufficient to repay its debts after sorting out the assets of the Company and preparing a balance sheet and an inventory of assets, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report which shall be submitted to the general meeting or the people's court for confirmation and submitted to the company registration authority for application for deregistration of the Company.

Where the Company is declared bankrupt according to law, it shall carry out a bankruptcy liquidation in accordance with the laws concerning enterprise bankruptcy.

Amendments to Articles of Association

The Company shall amend its Articles of Association under any of the following circumstances:

(1) after the amendments are made to the Company Law or relevant laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed, the provisions of Articles of Association are conflict with the amended laws, administrative regulations and securities regulatory rules of the place where the shares of the Company are listed;

(2) there is a change in the situation of the Company, which is inconsistent with the matters recorded in the Articles of Association;

(3) the general meeting decides to amend the Articles of Association.

The amendments to the Articles of Association adopted by the general meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

1. FURTHER INFORMATION ABOUT OUR GROUP

Incorporation

Our Company was established as a joint stock limited company under the laws of the PRC with the name of Anhui Yingfa Ruineng Technology Co., Ltd. (安徽英發睿能科技股份有限公司) on June 23, 2016.

Our Company has established a place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong. Our Company has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance, with Ms. Yu Anne 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 V to this document, respectively.

Changes in the Share Capital of our Company

Save as disclosed in the section headed "History, Development and Corporate Structure" in this document, there has been no alternation in the share capital of our Company since its incorporation.

Changes in the Share Capital of Our Subsidiaries

The following subsidiary of our Company was incorporated within two years immediately preceding the date of this document:

Name of subsidiary	Place of incorporation	Date of incorporation	Capital contribution
Nanjing Rongbei New Energy Co., Ltd. (南京容貝新能源有限公司)	PRC	February 4, 2024	RMB20,000,000
Yingfa Derui	PRC	February 14, 2025	RMB1,000,000,000
Mianyang Yingfa Ruiyang New Energy Technology Co., Ltd. (綿陽英發睿陽新能源科技有限公司)	PRC	June 4, 2025	RMB100,000,000

Name of subsidiary	Place of incorporation	Date of incorporation	Capital contribution
PT YINGFA NEW ENERGY	Indonesia	July 11, 2024	IDR100,000,000,000
PT BINTAN CELLULAR INDONESIA	Indonesia	June 14, 2024	IDR100,000,000,000
YINGFA CELLULAR PTE. LTD.	Singapore	May 29, 2024	US$1,000,000
ENERGON SOLAR LLC	United States	February 28, 2025	US$1,000,000

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

Yingfa Dekun

- On August 30, 2024 the registered capital of Yingfa Dekun increased from RMB2,020,000,000 to RMB2,083,291,139

PT BINTAN CELLULAR INDONESIA

- On August 15, 2024 the registered capital of PT BINTAN CELLULAR INDONESIA increased from IDR10,000,000,000 to IDR100,000,000,000

PT YINGFA NEW ENERGY

- On November 29, 2024 the registered capital of PT YINGFA NEW ENERGY increased from IDR20,000,000,000 to IDR100,000,000,000

Resolutions of Our Shareholders

At the extraordinary general meeting of our Company held on August 13, 2025, the following resolutions, among others, were duly passed:

(a) the issuance by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares to be [**REDACTED**] on the Stock Exchange;

(b) the number of H shares to be issued pursuant to the [**REDACTED**] of not more than 25% of our Company's total issued share capital immediately following the completion of the [**REDACTED**] and assuming the [**REDACTED**] is not exercised, and the grant to the [**REDACTED**] of the [**REDACTED**] of not more than 15% of the aforementioned number of H Shares issued, subject to market conditions;

(c) subject to the filing procedure with the CSRC, upon completion of the [**REDACTED**], [**REDACTED**] Unlisted Shares will be converted into H Shares on a one-on-one basis;

(d) authorization of our Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the issue and [**REDACTED**] of H Shares on the Stock Exchange;

(e) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**].

2. FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contracts

Our Group has 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 to us:

(a) a capital increase agreement dated July 29, 2025 entered into among our Company, Yibin High-tech Investment Group Co., Ltd. (宜賓市高新投資集團有限公司) and Yibin Gaotou Industrial Development Co., Ltd. (宜賓高投產業發展有限公司), pursuant to which Yibin High-tech Investment Group Co., Ltd. subscribed for 29,353,020 Shares at a total consideration of RMB651,049,982 and Yibin Gaotou Industrial Development Co., Ltd. subscribed for 18,122,182 Shares at a total consideration of RMB401,950,000; and

(b) the [**REDACTED**].

Our Intellectual Property Rights

(a) Trademarks

Registered Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which we consider to be material in relation to our business:

No.	Trademark	Class	Registered Owner	Jurisdiction of Registration	Registration Number
1.	英发德耀	9	Company	PRC	66983641
2.	英发金星	9	Company	PRC	66999575
3.	英发德盛	9	Company	PRC	66990213

No.	Trademark	Class	Registered Owner	Jurisdiction of Registration	Registration Number
4.	瓦科维夫	9	Company	PRC	66982620
5.	英发睿能	9	Company	PRC	66983653
6.	英发 YINGFA	9	Company	PRC	49781996
7.	英发·黑金	9	Company	PRC	19932004
8.	英发	9	Company	PRC	11664167
9.		9	Company	PRC	11664258
10.		9	Company	PRC	1311137
11.	英发德盛	9	Company	PRC	75522261
12.	英发德耀	9	Company	PRC	75497260
13.	英发睿能	9	Company	PRC	75508464
14	YINGFA	9	Company	Hong Kong	306941719
15		9	Company	Hong Kong	306941700
16	英发	9	Company	Hong Kong	306941692

(b) Patents

(i) Registered Patents

As of the Latest Practicable Date, we have registered the following patents which we consider to be material to our business:

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application	Expiry Date
1.	A sintering process for solar cells (一種太陽能電池片燒結工藝)	Invention	Company	PRC	ZL201810943299.2	August 17, 2018	August 16, 2038
2.	A steerable mounting device for polycrystalline silicon solar cell chips (一種多晶硅太陽能電池芯片的可轉向搭載設備)	Invention	Company	PRC	ZL201610676094.3	August 17, 2016	August 16, 2036
3.	A screen printing inspection system for solar cells (一種太陽能電池的絲印檢測系統)	Invention	Company	PRC	ZL201610676058.7	August 17, 2016	August 16, 2036
4.	A support structure for solar cells in low-temperature regions (一種適用於低溫地區的太陽能電池片的支撐結構)	Invention	Company	PRC	ZL201610676091.X	August 17, 2016	August 16, 2036
5.	An auxiliary device for manufacturing polycrystalline silicon solar cells (製造多晶硅太陽能電池的輔助裝置)	Invention	Company	PRC	ZL201610676092.4	August 17, 2016	August 16, 2036
6.	A lifting mechanism for silicon-based solar cell production (一種用於製造硅基太陽能電池片的升降機構)	Invention	Company	PRC	ZL201610676020.X	August 17, 2016	August 16, 2036
7.	An auxiliary device for modifying photoelectric conversion efficiency of solar cells (一種能夠改變太陽能電池片光電轉換效率的輔助設備)	Invention	Company	PRC	ZL201610676005.5	August 17, 2016	August 16, 2036

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application	Expiry Date
8. . .	A high-strength monocrystalline silicon solar cell (一種具備高強度的單晶硅太陽能電池片)	Invention	Company	PRC	ZL201610676028.6	August 17, 2016	August 16, 2036
9. . .	A device facilitating rework and dismantling of solar battery installations (一種便於太陽能電池裝置返工拆除的裝置)	Invention	Company	PRC	ZL201610696057.9	August 22, 2016	August 21, 2036
10. . .	A method for reducing efficiency degradation in PERC bifacial cells (一種用於降低PERC雙面電池效率衰減的方法)	Invention	Company	PRC	ZL202110302209.3	March 22, 2021	March 21, 2041
11. . .	A laser processing equipment for preventing fracture in thin solar silicon wafers (一種可防止薄片太陽能硅片破裂的激光加工設備)	Invention	Company	PRC	ZL202210720481.8	June 23, 2022	June 22, 2042
12. . .	An etching equipment with fixing structure for PERC bifacial cells (一種具有固定結構的PERC雙面電池用蝕刻設備)	Invention	Company	PRC	ZL202210024853.3	January 11, 2022	January 10, 2042
13. . .	A dual-sided coating device with positioning function for Perc bifacial cell production (一種具有定位功能的Perc雙面電池生產加工用的雙面鍍膜裝置)	Invention	Company	PRC	ZL202210128318.2	February 11, 2022	February 10, 2042
14. . .	Automated wafer conveying system (自動化硅片輸送裝置)	Invention	Company	PRC	ZL201911133108.7	November 19, 2019	November 18, 2039

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application	Expiry Date
15. . .	An uniform glue coating equipment for glue uniformity processing of solar wafers (一種太陽能硅片均膠加工用膠體均勻塗覆設備)	Invention	Yingfa Desheng	PRC	ZL202210988930.7	August 17, 2022	August 16, 2042
16. . .	A steerable mounting device for polycrystalline silicon solar cell chips (一種雙面電池用碼垛機構)	Invention	Yingfa Desheng	PRC	ZL202210918207.1	August 1, 2022	July 31, 2042
17. . .	A solar cell processing table with tilted carrier plate for rapid release (通過承載板傾斜式實現快速脫離的太陽能電池加工台)	Invention	Yingfa Desheng	PRC	ZL202210843044.5	July 18, 2022	July 17, 2042
18. . .	A rotary truncated cone support-assisted attachment mechanism for Perc bifacial cell production (一種圓台支撐轉動式Perc雙面電池生產貼附輔助機構)	Invention	Yingfa Desheng	PRC	ZL202210809459.0	July 11, 2022	July 10, 2042
19. . .	A single-board isolated plug-in anti-static storage device for Perc bifacial cells (一種單板隔離插接式防靜電Perc雙面電池用存儲裝置)	Invention	Yingfa Desheng	PRC	ZL202210737609.1	June 27, 2022	June 26, 2042
20. . .	A clamping-type handling device with adjustable tension for Perc bifacial cells (一種夾持式帶有鬆緊功能的Perc雙面電池用搬運裝置)	Invention	Yingfa Desheng	PRC	ZL202210726746.5	June 24, 2022	June 23, 2042
21. . .	A rotary packaging device for bifacial cell production (一種旋轉式的雙面電池生產用打包裝置)	Invention	Yingfa Desheng	PRC	ZL202210542195.7	May 18, 2022	May 17, 2042

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application	Expiry Date
22. . .	A shock-absorbing mobile unit for bifacial cell production (一種具有緩沖效果的雙面電池生產用移動裝置)	Invention	Yingfa Desheng	PRC	ZL202210452137.5	April 27, 2022	April 26, 2042
23. . .	A transport device for dual-sided decontamination of Perc bifacial cells (一種能夠對Perc雙面電池兩面分別除雜的運輸裝置)	Invention	Yingfa Desheng	PRC	ZL202210210670.0	March 3, 2022	March 2, 2042
24. . .	A stacked heat dissipation structure for PERC bifacial cells (一種PERC雙面電池用堆疊散熱結構)	Invention	Yingfa Desheng	PRC	ZL202210182333.5	February 26, 2022	February 25, 2042
25. . .	A height-adjustable anti-stacking conveyor for bifacial cell production (一種高低可調的防堆積式雙面電池生產用輸送機)	Invention	Yingfa Desheng	PRC	ZL202210074974.9	January 22, 2022	January 21, 2042
26. . .	Immersion-based agitation chemical cleaning equipment for bifacial cell production (基於浸泡式擾動的雙面電池生產用化學清洗設備)	Invention	Yingfa Desheng	PRC	ZL202210019762.0	January 10, 2022	January 9, 2042
27. . .	A high-efficiency solar cell slicing equipment with laminated structure (一種具有層壓結構的太陽能電池高效切片設備)	Invention	Yingfa Desheng	PRC	ZL202211274467.6	October 18, 2022	October 17, 2042
28. . .	Photovoltaic cell cleaning device with sliding mechanism for spray head adjustment (通過滑動機構改變噴射頭部位置的光伏電池清洗裝置)	Invention	Yingfa Desheng	PRC	ZL202211318146.1	October 26, 2022	October 25, 2042

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Date of Application	Expiry Date
29.	A texturing method with recyclable texturizing agent (一種循環利用制絨劑的制絨方法)	Invention	Yingfa Deyao	PRC	ZL202411172541.2	August 26, 2024	August 25, 2044
30.	A method for enhancing wafer uniformity (一種提高硅片均匀性的方法)	Invention	Yingfa Deyao	PRC	ZL202411213833.6	August 31, 2024	August 30, 2044
31.	A preparation method for high-light-transmittance polycrystalline silicon (一種高透光率poly的制備方法)	Invention	Yingfa Deyao	PRC	ZL202411775824.6	December 5, 2024	December 4, 2044
32.	An improved support block structure for wafer inserter (一種插片機支撐塊改進結構)	Invention	Yingfa Deyao	PRC	ZL201811375766.2	November 19, 2018	November 18, 2038
33.	An etching equipment for flexible crystalline silicon solar panel production (一種柔性晶硅太陽能電池板生產用刻蝕設備)	Invention	Yingfa Deyao	PRC	ZL202411855978.6	December 17, 2024	December 16, 2044
34.	A high-temperature boron diffusion process for prolonging quartz spare part lifespan (一種延長石英備件壽命的高溫硼擴散工藝)	Invention	Yingfa Deyao	PRC	ZL202411933828.2	December 26, 2024	December 25, 2044

(ii) Patents Applications

As of the Latest Practicable Date, we have applied for the registration of the following patents which we consider to be or may be material to our business:

No	Patent Name	Type	Applicant	Jurisdiction of Registration	Application Number	Date of Application
1.	A texturing tank suitable for eliminating basket marks on front side of N-type cells (一種適用於N型電池片改善制絨正面花籃印的制絨槽體)	Invention	Yingfa Deyao	PRC	2024118625186	December 17, 2024

No	Patent Name	Type	Applicant	Jurisdiction of Registration	Application Number	Date of Application
2. . .	TOPCon cell front anti-reflection film structure and preparation method (一種TOPCon電池正面減反射膜結構及其制備方法)	Invention	Yingfa Deyao	PRC	2024118625171	December 17, 2024
3. . .	A sintering optimization method for N-type solar cells (適用於N型電池的燒結優化方法)	Invention	Yingfa Deyao	PRC	2023112157597	September 20, 2023
4. . .	A cleaning equipment for reprocessed post-coated N-type cells (一種適用於N型電池片膜後返工片的清洗設備)	Invention	Yingfa Deyao	PRC	2024117959758	December 9, 2024
5. . .	High-efficiency fiber cloth impregnation equipment for cell production trial pressing (一種電池片生產試壓用纖維布高效浸漬設備)	Invention	Yingfa Deyao	PRC	24118625932	December 17, 2024
6. . .	A laser-assisted sintering method for TOPCon solar cells (一種TOPCon太陽能電池的激光輔助燒結方法)	Invention	Yingfa Deyao	PRC	2024117852873	December 6, 2024
7. . .	A light-induced passivation method for TOPCon cells (一種TOPCon電池的光注入鈍化方法)	Invention	Yingfa Deyao	PRC	2024117852869	December 6, 2024
8. . .	A method for improving sheet resistance uniformity of solar cells (一種改善太陽能電池片方阻均勻性的方法)	Invention	Yingfa Deyao	PRC	2024117434105	November 30, 2024
9. . .	An energy consumption regulation method for water heaters (一種熱水機能耗調節方法)	Invention	Yingfa Deyao	PRC	2024117582696	December 3, 2024
10. .	An encapsulation station for solar panel production (一種太陽能電池板生產加工用封裝台)	Invention	Yingfa Deyao	PRC	2024118524749	December 16, 2024
11. .	A cathode contact plating tank structure for horizontal electroplating (一種應用於水平電鍍的陰極接觸鍍槽結構)	Invention	Yingfa Deyao	PRC	2024117756664	December 5, 2024
12. .	An efficiency improvement method for N-type TOPCon cells based on RCA monitoring (一種基於RCA監控的N型TOPCon電池效率提升方法)	Invention	Yingfa Deyao	PRC	2024116047410	November 12, 2024
13. .	A sintering furnace with energy-saving structure design for novel N-type TOPCon cells (一種新型的N型Topcon電池節能降耗結構設計的燒結爐)	Invention	Yingfa Deyao	PRC	2024116601420	November 20, 2024
14. .	An efficiency enhancement method for TOPCon cells (一種針對TOPCON電池的提效方法)	Invention	Yingfa Deyao	PRC	2024115489334	November 1, 2024

No	Patent Name	Type	Applicant	Jurisdiction of Registration	Application Number	Date of Application
15. .	A method for improving graphite boat marks (一種改善石墨舟印的方法)	Invention	Yingfa Deyao	PRC	2024110022852	July 25, 2024
16. .	A graphite boat mark improvement method for N-type cells (一種適用於N型電池的改善石墨舟印的方法)	Invention	Yingfa Deyao	PRC	2024111920650	August 28, 2024
17. .	A light injection passivation method for TOPCon cells (一種TOPCon電池的光注入鈍化方法)	Invention	Yingfa Deyao	PRC	2024102838360	March 13, 2024
18. .	A high-uniformity boron diffusion process (一種高均勻性的硼擴散工藝)	Invention	Yingfa Deyao	PRC	2024102838356	March 13, 2024
19. .	A metallization method for solar cells (一種用於太陽能電池的金屬化方法)	Invention	Yingfa Deyao	PRC	2024102840680	March 13, 2024
20. .	A boron diffusion process for N-type solar cells (一種N型太陽能電池的硼擴散工藝)	Invention	Yingfa Deyao	PRC	2024102838341	March 13, 2024
21. .	A TOPCon cell fabrication process based on heavily doped boron diffusion (一種基於重摻雜硼擴散的TOPCon電池制備工藝)	Invention	Yingfa Deyao	PRC	2024100561828	January 15, 2024
22. .	A preparation method for TOPCon solar cells (Topcon太陽能電池片的制備方法)	Invention	Yingfa Deyao	PRC	2024101765540	February 8, 2024
23. .	A commissioning method for boron diffusion equipment installation (一種硼擴機裝機調試方法)	Invention	Yingfa Deyao	PRC	2024101765574	February 8, 2024
24. .	An LPCVD process for TOPCon solar cells (一種TOPCon太陽能電池的LPCVD工藝)	Invention	Yingfa Deyao	PRC	2024101765555	February 8, 2024
25. .	A method for tuning amorphous silicon film refractive index and conductivity through phosphorus doping (一種通過磷摻雜調控非晶硅薄膜折射率及電導率的方法)	Invention	Yingfa Deyao	PRC	202410176556X	February 8, 2024
26. .	A preparation method for high-efficiency TOPCon cells (一種高效TOPCon電池的制備方法)	Invention	Yingfa Deyao	PRC	2024100561813	January 15, 2024
27. .	A TOPCon cell preparation method for improved texture stability (一種提高絨面穩定性的TOPCon電池的制備方法)	Invention	Yingfa Deyao	PRC	2024100561832	January 15, 2024
28. .	A preparation method for N-type TOPCon cells with high passivation quality (一種高鈍化質量的n型TOPCon電池的制備方法)	Invention	Yingfa Deyao	PRC	2024100561809	January 15, 2024

No	Patent Name	Type	Applicant	Jurisdiction of Registration	Application Number	Date of Application
29. .	A front-side poly method for LPCVD route (一種LPCVD路線正面poly方法)	Invention	Yingfa Deyao	PRC	2023115477046	November 20, 2023
30. .	A preparation method of glass frit for N-type silver-aluminum paste (一種N型銀鋁漿用玻璃粉的制備方法)	Invention	Yingfa Deyao	PRC	2023115477050	November 20, 2023
31. .	A novel commissioning method for boron diffusion equipment installation (一種新型硼擴散機台裝機調試方法)	Invention	Yingfa Deyao	PRC	2023115477084	November 20, 2023
32. .	A cylindrical return airflow moisture test system for wafer surface humidity (一種硅片表面濕度的圓柱回風水汽測試系統)	Invention	Yingfa Deyao	PRC	2023113628183	October 20, 2023
33. .	A boron diffusion process for TOPCon cells (一種topcon硼擴散工藝)	Invention	Yingfa Deyao	PRC	2023115533012	November 20, 2023
34. .	A sintering method for screen-printed electrode paste (一種絲網印刷電極漿料的燒結方法)	Invention	Yingfa Deyao	PRC	2023113628164	October 20, 2023
35. .	A high-precision POLY layer preparation method for LPCVD process (適用於LPCVD法的高精度POLY層制備方法)	Invention	Yingfa Deyao	PRC	2023112157544	September 20, 2023
36. .	A diversion tube maintenance and installation mobile platform (一種導流筒維修安裝移動平台)	Invention	Yingfa Dekun	PRC	2025102995296	March 13, 2025
37. .	An integrated silicon rod inspection equipment (一種硅棒檢測集成設備)	Invention	Yingfa Dekun	PRC	2024108346995	June 26, 2024
38. .	A cleaning fixture for thick silicon wafers (硅料厚片清洗工裝夾具)	Invention	Yingfa Dekun	PRC	202411106667X	August 13, 2024
39. .	A clamping and transfer equipment for crystal rod processing (一種晶棒加工用夾持轉運設備)	Invention	Yingfa Dekun	PRC	2024109810760	July 22, 2024
40. .	A monocrystalline furnace insulation cylinder felt wrapping machine (一種單晶爐保溫筒裹氈機)	Invention	Yingfa Dekun	PRC	2024109415102	July 15, 2024
41. .	A crystal rod transfer cart (一種晶棒流轉小車)	Invention	Yingfa Dekun	PRC	2024109415070	July 15, 2024
42. .	A space-efficient intelligent logistics equipment (一種有限空間高效智能物流設備)	Invention	Yingfa Dekun	PRC	2024108242784	June 25, 2024

(c) Software Copyrights

As of the Latest Practicable Date, we have registered the following software copyrights which we consider to be material to our business:

No	Software Name	Registrant	Registration Number	Date of Registration
1.	High-efficiency Crystalline Silicon Solar Cell Production Control System V1.0 (高效晶硅太陽能電池片生產控制系統V1.0)	Company	2019SR0384777	April 24, 2019
2.	Solar Cell Electrical Performance Testing System V1.0 (太陽能電池電性能測試系統V1.0)	Company	2019SR0385614	April 24, 2019
3.	Solar Wafer Insertion Device Control System V1.0 (太陽能電池硅片插片裝置控制系統V1.0)	Company	2019SR0386175	April 24, 2019
4.	Solar Cell EL Inspection System V1.0 (太陽能電池片EL檢測系統V1.0)	Company	2019SR0383788	April 24, 2019
5.	Solar Cell Comparative Sorting System V1.0 (太陽能電池片對比分選系統V1.0)	Company	2019SR0385616	April 24, 2019
6.	Solar Wafer Cleaning Control System V1.0 (太陽能電池硅片清洗控制系統V1.0)	Company	2019SR0383264	April 24, 2019
7.	Solar Cell Printing Inspection System V1.0 (太陽能電池片印刷檢測系統V1.0)	Company	2019SR0385615	April 24, 2019
8.	Solar Cell Automated Feeding Control System V1.0 (太陽能電池片自動上料控制系統V1.0)	Company	2019SR0383742	April 24, 2019
9.	Yingfa AGV Robot Dispatching Platform V1.0 (英發AGV機器人調度平台V1.0)	Yingfa Deyao	2024SR2145533	December 20, 2024
10.	Yingfa Battery Warehouse Management System V1.0 (英發電池倉儲管理系統V1.0)	Yingfa Deyao	2024SR2164364	December 23, 2024
11.	Yingfa Battery Online Monitoring System V1.0 (英發電池在線檢測系統V1.0)	Yingfa Deyao	2024SR2156855	December 23, 2024
12.	Yingfa Data Leakage Prevention System V1.0 (英發數據防洩密系統V1.0)	Yingfa Deyao	2024SR2151785	December 20, 2024
13.	Yingfa Network Equipment Online Monitoring Platform V1.0 (英發網絡設備在線監控平台V1.0)	Yingfa Deyao	2024SR2164630	December 23, 2024

(d) Domain Name

As of the Latest Practicable Date, we have registered the following domain name which we consider to be material in relation to our business:

No	Registrant	Domain Name	Expiry Date
1.	Yingfa Deyao	yingfa.com	December 1, 2030
2.	Company	yingfaruineng.com	January 26, 2028

Save as aforesaid, as of the Latest Practicable Date, there were no other trademarks, patents or other intellectual property rights which we consider to be material in relation to our business.

3. DISCLOSURE OF INTERESTS

Disclosure of Interests of our Directors and Chief Executive in Our Company and Our Associated Corporations

Save as disclosed below, immediately following the completion of the [**REDACTED**], and Conversion of Unlisted Shares into H Shares, assuming that the [**REDACTED**] is not exercised, the interests and/or short positions of our 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, are listed below:

Name of Director or chief executive	Position	Nature of Interest	Number and Class of Shares held upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(1)]	Approximate percentage of shareholding in total issued share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the Unlisted Shares/ H Shares immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares[(2)]
Mr. Zhang Fayu[(3)]	Chairperson of our Board and executive Director	Beneficial owner Interest in controlled corporation	[**REDACTED**] Shares	49.10%	[**REDACTED**]

Notes:

(1) All interests stated are long positions.

(2) The calculation is based on the total number of (i) [**REDACTED**] Unlisted Shares in issue, (ii) [**REDACTED**] H Shares converted from Unlisted Shares and (iii) [**REDACTED**] H Shares to be [**REDACTED**] under the [**REDACTED**] immediately following completion of the [**REDACTED**] and the Conversion of Unlisted Shares into H Shares, assuming the [**REDACTED**] is not exercised.

(3) As of the Latest Practicable Date:

(i) Mr. Zhang Fayu directly held 3,307,505 Shares of our Company;

(ii) Nanjing Yingfa directly held 176,788,586 Shares of our Company;

(iii) Nanjing Yingfa was held as to 36% by Mr. Zhang Fayu. By virtue of the SFO, they are deemed to be interested in the 176,788,586 Shares held by Nanjing Yingfa; and

(iv) Mr. Zhang Fayu was the general partner of Yingfa Qinhe. By virtue of the SFO, Mr. Zhang Fayu is deemed to be interested in the 10,145,721 Shares held by Yingfa Qinhe.

Disclosure of Interests of Substantial Shareholders

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 issued 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 or any other members of our Group.

Particulars of the Service Contracts and Letters of Appointment

We [have entered] into a service contract or a letter of appointment with each of our Directors in respect of, among other things, compliance with the relevant laws and regulations, the Articles of Association and applicable provisions on arbitration.

Save as disclosed above, we have not entered, and do not propose to enter, any service contracts with any of our Directors in their respective capacities as Directors (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Remuneration of Directors

The aggregate remuneration paid and benefits in kind granted to our Directors by our Group in respect of the last completed financial year, being the year ended December 31, 2025, was RMB20.99 million. For details of our Directors' emoluments during the Track Record Period, see Note 9 to the Accountants' Report in Appendix I to this document.

Under the arrangements in force at the date of this document, we estimate the aggregate remuneration payable to, and benefits in kind receivable by, our Directors by our Group in respect of the year ending December 31, 2026 to be approximately RMB21.02 million.

Disclaimers

(a) Save as disclosed in the section headed "History, Development and Corporate Structure", none of our Directors or any of the experts referred to in "— 5. Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the

promotion of, or in, any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of our Group, or are proposed to be acquired or disposed of by, or leased to, any member of our Group.

(b) Save for in connection with the [**REDACTED**], none of our Directors or any of the experts referred to in "— 5. Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.

(c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of our Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [**REDACTED**] or related transactions as mentioned.

(d) So far as is known to our Directors, save as disclosed in the section headed "Business", none of our Directors or their associates or any Shareholders who are expected to be interested in 5% or more of the issued share capital of our Company has any interest in the five largest customers or the five largest suppliers of our Group.

4. PRE-[REDACTED] EQUITY INCENTIVE PLAN

The following is a summary of the principle terms of the Pre-[**REDACTED**] Equity Incentive Plan, which was adopted by our Company and took effect in December 2020, and amended from time to time. The Pre-[**REDACTED**] Equity Incentive Plan does not involve the grant of new Shares or awards by our Company after the [**REDACTED**] and is not subject to the provisions of Chapter 17 of the Listing Rules.

Purpose

The main purpose of the Pre-[**REDACTED**] Equity Incentive Plan is to improve the long-term and effective incentive mechanism of our Group, fully mobolize the work enthusiasm and creativity of the participants thereto (the "**Eligible Participants**"), balance our short-term and long-term goals to promote our sustained, healthy and high-speed long-term development and align the interest of our Shareholders with the interests of our Company and the Eligible Participants.

Eligible Participants

The Eligible Participants include our senior and middle management personnel, and core business personnel determined by our Company based on actual circumstances.

Administration

Our Board of Directors has the authority to interpret and implement the Pre-[**REDACTED**] Equity Incentive Plan.

If a grantee under the Pre-[**REDACTED**] Equity Incentive Plan (the "**Grantee(s)**") engages in conduct such as violating laws, breaching professional ethics, divulge confidential information of our Company, or committing dereliction of duty or misconduct that severely harms our Company's interests or reputation, the Grantee's eligibility and the award granted under the Pre-[**REDACTED**] Equity Incentive Plan may therefore be lost and forfeited.

Our Company or the Equity Incentive Platform shall withhold and remit the individual income tax and other taxes and fees that the Grantees are required to pay in accordance with PRC tax regulations.

Form of Awards under the Pre-[REDACTED] Equity Incentive Plan

The Pre-[**REDACTED**] Equity Incentive Plan operates through the Equity Incentive Platform, a limited partnership, of which the general partner is Mr. Zhang Fayu and the limited partners are the Grantees. The Grantees shall subscribe for partnership interests of the Equity Incentive Platform as limited partners and make the corresponding capital contributions under the Pre-[**REDACTED**] Equity Incentive Plan, thereby holding indirect interests in our Shares.

Total Number of the Shares underlying the Awards

As of the Latest Practicable Date, awards corresponding to a total of 6,351,221 Shares have been granted under the Pre-[**REDACTED**] Equity Incentive Plan, and no further awards will be granted thereunder after the [**REDACTED**].

Grantees are indirectly interested in a total of 6,351,221 Shares, representing approximately 1.64% of the issued share capital of our Company as of the Latest Practicable Date, through holding partnership interests in our Equity Incentive Platform.

Term

The Pre-[**REDACTED**] Equity Incentive Plan shall take effect from the date of its approval at the Shareholders' meeting.

Lock-up Arrangement

Grantees shall not transfer, sell, gift, pledge or dispose of, in any manner, all or part of any of the partnership interests they held in our Equity Incentive Platform within 12 months following the [**REDACTED**] of the Company without the prior written consent of the the general partner of the Equity Incentive Platform (the "**Awards Lock-up Period**").

Upon the expiry of the Awards Lock-up Period, a Grantee, who is as a limited partner of the Equity Incentive Platform and remains being employed by our Company, may have his or her awards disposed of by sending notice in writing to the general partner of the Equity Incentive Platform to request a reduction in the indirect holding of Shares in our Company by reducing the partnership interests held (the "**Reduction Request**"). Such Reduction Request

shall be completed by the general partner of the Equity Incentive Platform within 90 trading days from the date of receipt of the Reduction Request with a consideration calculated based on the then market price of the corresponding Shares of our Company. The corresponding partnership interests held by such Grantee shall be cancelled accordingly. Notwithstanding the above, each Grantee shall not dispose of more than 40% each year of the total number of Shares of our Company he or she indirectly held prior to the [**REDACTED**] (the "**Annual Reduction Limit**"), while the unutilized Annual Reduction Limit from the previous year can be carried over to the next year unless otherwise prohibited by laws and regulations.

Transfer of the partnership interest in the Equity Incentive Platform by the Grantee as a limited partner may only be made to other partner(s) of the Equity Incentive Platform or other Eligible Participants pursuant to the Pre-[**REDACTED**] Equity Incentive Plan.

The transfer and reduction of the partnership interests in the Equity Incentive Platform and the transfer of our Shares held by the Equity Incentive Platform shall comply with the applicable PRC laws.

Cessation of Employment

In an event that, after [**REDACTED**] but before the expiry of the Awards Lock-up Period, a Grantee, as a limited partner of the Equity Incentive Platform, ceases to be employed by our Group, the partnership interest held by such Grantee shall be transferred to the general partner of the Equity Incentive Platform or the party designated by the general partner in the following manners:

1. if the employment is terminated by our Company without any fault on the part of the Guarantee, the general partner of the Equity Incentive Platform shall acquire all limited partnership interests then held by the Grantee, at a consideration equal to 75% (tax inclusive) of the average market price of the Shares of our Company indirectly held by the departing Grantee through such partnership interest, calculated over a continuous period of 20 trading days from the date of the Grantee's departure;

2. if the Grantee (i) voluntarily terminates the employment without any fault of our Company, or (ii) becomes unable to continue performing his or her own duty under the employment contract due to his or her own reasons; or (iii) elects not to renew his or her employment contract upon its expiry, the general partner of the Equity Incentive Platform has the right to require the Grantee to immediately transfer the entire partnership interests he or she held to the general partner or a designated third party at a consideration equal to 20% (tax inclusive) of the average market price of the Shares of our Company indirectly held by the departing Grantee through the partnership interest, calculated over a continuous period of 20 trading days from the date of the Grantee's departure, deducting any dividends and earnings received during the period of holding such partnership interest; and

3. if the employment is terminated by our Company due to the fault of the Guarantee, the general partner of the Equity Incentive Platform has the right to require the Grantee to immediately transfer the entire partnership interests he or she held to the general partner or a designated third party at a consideration equal to 20% (tax inclusive) of the average market price of the Shares of our Company indirectly held by the departing Grantee through the partnership interest, calculated over a continuous period of 20 trading days from the date of the Grantee's departure, deducting any dividends and earnings received during the period of holding such partnership interest and indemnification for our Group's losses if any; and if such amount is insufficient to cover the losses, the Grantee shall transfer the entire partnership interest at no cost to the general partner or its designee, and shall further compensate our Group for any outstanding and loss.

Details of the Grantees

As of the Latest Practicable Date, the awards corresponding to a total of 6,351,221 Shares, representing approximately 1.64% of our total issued Shares, have been granted to a total of 41 Eligible Participants under the Pre-[**REDACTED**] Equity Incentive Plan. As of the Latest Practicable Date, all partnership interests in the Equity Incentive Platform have been subscribed by and fully paid up by the grantees. As of the Latest Practicable Date, the relevant registrations had been completed. The details of the awards are set out below:

Name	Position	Approximate partnership interests in Yingfa Qinhe as of the Latest Practicable Date	Approximate number of Shares corresponding to awards granted to the grantees[(1)]	Approximate shareholding percentage corresponding to awards in the total issued Shares immediately prior to the [REDACTED]
Connected Persons				
Mr. Shi Yansong	Executive Director, deputy general manager, head of finance, secretary to our Board and joint company secretary	16.00%	1,623,315	0.42%
Mr. Sun Bolin	Supervisor of Yingfa Desheng, Yingfa Deyao and Yingfa Dekun	1.60%	162,332	0.04%
Subtotal of Connected Persons		17.60%	1,785,647	0.46%

Name	Position	Approximate partnership interests in Yingfa Qinhe as of the Latest Practicable Date	Approximate number of Shares corresponding to awards granted to the grantees[(1)]	Approximate shareholding percentage corresponding to awards in the total issued Shares immediately prior to the [REDACTED]
Other Grantees				
39 employees		45%	4,565,574	1.18%
Total		62.6%	6,351,221	1.64%

(1) For illustrating the indirect interests of grantees in the Shares, the number of Shares is presented and calculated by multiplying their respective percentage of partnership interests in Yingfa Qinhe by the total number of Shares held by Yingfa Qinhe.

As no further awards will be granted after the [**REDACTED**] and the 6,351,221 Shares corresponding to the awards granted under the Pre-[**REDACTED**] Equity Incentive Plan have been issued to the Equity Incentive Platform as of the Latest Practicable Date, awards granted under the Pre-[**REDACTED**] Equity Incentive Plan will not result in any dilution of the shareholding of our Shareholders after the [**REDACTED**].

5. OTHER INFORMATION

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to be imposed on our Company or our subsidiaries.

Litigation

Save as disclosed in this document, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company that would have a material adverse effect on our Company's results of operations or financial condition.

Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the [**REDACTED**] of, and permission to [**REDACTED**] in, (i) our H Shares to be issued pursuant to the [**REDACTED**] and (ii) the H Shares to be converted from our

existing Unlisted Shares. The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate of HK$7 million for acting as the Joint Sponsors for the [**REDACTED**].

Preliminary Expenses

As of Latest Practicable Date, our Company did not incur any preliminary expenses.

Promoters

Within the two years immediately preceding the date of this document, no cash, securities, amount or 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**] or the related transactions described in this document.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualifications
China Securities (International) Corporate Finance Company Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of regulated activities as defined under the SFO
Huatai Financial Holdings (Hong Kong) Limited	Licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in future 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) of regulated activities as defined under the SFO
Grandall Law Firm (Nanjing)	Legal advisor to our Company as to PRC laws
Ernst & Young	Certified public accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan	Industry consultant
Suzhou RSM Tax Ltd.	Transfer pricing consultant
Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd.	Independent property valuer

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

Compliance Advisor

We have appointed Somerley Capital Limited as our Compliance Advisor upon the [**REDACTED**] in compliance with Rule 3A.19 of the Listing Rules.

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.

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 December 31, 2025.

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.

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 Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

(a) Save as disclosed in the section headed "History, Development and Corporate Structure" and in this section, 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 or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(c) No founder, management or deferred shares of our Company or any of our subsidiaries have been issued or have been agreed to be issued.

(d) Save as disclosed in the section headed "History, Development and Corporate Structure", none of the equity and debt securities of our Company or our subsidiaries is presently listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought.

(e) Our Company has no outstanding convertible debt securities or debentures.

(f) To the best knowledge of our Directors, none of the experts listed under "— 5. Other Information — Qualifications and Consents of Experts":

(i) is interested beneficially or non-beneficially in any shares in any member of our Group; or

(ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group save in connection with the [**REDACTED**].

(g) The English text of this document shall prevail over its Chinese text.

(h) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

(i) No commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries.

(j) There is no arrangement under which future dividends are waived or agreed to be waived.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of the material contracts referred to in "Statutory and General Information — 2. Further Information about Our Business — Summary of Material Contracts" in Appendix VI to this document; and

(b) the written consents referred to in "Statutory and General Information — 5. Other Information — Qualifications and Consents of Experts" in Appendix VI to this document.

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.yingfa.com** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Ernst & Young, the text of which is set forth in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the financial years ended December 31, 2023, 2024 and 2025;

(d) the report prepared by Ernst & Young on the unaudited [**REDACTED**] financial information, the text of which is set forth in Appendix II to this document;

(e) the legal opinion from Grandall Law Firm (Nanjing), our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC laws;

(f) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this document;

(g) the transfer pricing analysis report issued by Suzhou RSM Tax Ltd.;

(h) the property valuation report prepared by Colliers Appraisal and Advisory Services (Shanghai) Co., Ltd., the text of which is set out in Appendix III to this Document;

(i) a copy of the PRC Company Law, the PRC Securities Law and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with their respective unofficial English translations thereof;

(j) the service contracts referred to in "Statutory and General Information — 3. Disclosure of Interests — Particulars of the Service Contracts and Letters of Appointment" in Appendix VI to this document;

(k) the material contracts referred to in "Statutory and General Information — 2. Further Information about Our Business — Summary of Material Contracts" in Appendix VI to this document; and

(l) the written consents referred to in "Statutory and General Information — 5. Other Information — Qualifications and Consents of Experts" in Appendix VI to this document.