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OVERVIEW

Who We Are

We are a global leader in clean energy technology. Since our establishment in 1997, we have been focusing on the clean power sector, beginning with PV inverters and progressively expanding across five strategic areas: solar energy, wind energy, energy storage, electric vehicles and charging and hydrogen energy (“Solar — Wind — ESS — EV — Hydrogen (光風儲電氫)”). Our principal products include PV inverters, energy storage systems, wind power converter and transmission products, new energy vehicles’ electric control, power supply and charging equipment as well as hydrogen energy equipment, while we are committed to offering comprehensive clean energy solutions.

We are committed to market-driven strategies, with technological capabilities serving as our engine for development. We continuously transform our technological advantages into business competitiveness. Our major business segments, represented by PV inverters and energy storage systems, are all positioned at the forefront of the global market. According to Frost & Sullivan, our PV inverter products have maintained a leading position in terms of global shipment volumes for ten consecutive years, and the market share of our PV inverters accounted for approximately 25.2% globally in 2024 in terms of shipment volume. As of December 31, 2025, our energy storage systems had reached over 93 GWh of cumulative shipments, maintaining a leading position globally. We have established a comprehensive global network, with our products and services sold to over 100 countries and regions worldwide as of December 31, 2025, underscoring our leadership in the global clean power conversion sector.

Our “SUNGROW” brand is widely recognized for our high-quality products and services. According to the 2025 “Top 500 Most Valuable Chinese Brands” published by World Brand Lab, our brand value reached RMB116.14 billion, securing its place among the top 100 most valuable Chinese brands, with both brand value and ranking having risen for six consecutive years. In addition, we were awarded the MSCI ESG AAA rating for 2025 and were named “China’s Best Employer 2025” by Forbes China.

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Through relentless effort, we have earned broad recognition from customers around the world and received strong market endorsement, achieving solid results:

Power Conversion Devices Globally Leading for 10 Consecutive Years PV Inverter Market Share⁽¹⁾ Over 1,000 GW Cumulative Installed Capacity of Power Conversion Devices Globally⁽²⁾	Energy Storage Systems Globally Leading Cumulative Shipments⁽²⁾ 11.9% Global Market Share in 2024⁽³⁾	New Energy Investment and Development Over 59 GW Cumulative Capacity of New Energy Power Stations Developed Globally⁽²⁾ 17 Countries and Regions Covered⁽²⁾
R&D Strengths RMB15.7 Billion Cumulative R&D Investment from 2011 to Q3 2025⁽⁴⁾ 11,504 Cumulative Applied Patents⁽²⁾	Global Layout 60.7% Overseas Revenue Proportion (2025) 50 GW Overseas Production Capacity for PV Inverters⁽²⁾ 98% Local Hiring Rate⁽²⁾	Brand Image No. 1 Globally Bankability Ranking of PV Inverters; Bankability Ranking of Energy Storage Systems and PCS⁽⁵⁾ RMB 116.14 Billion Brand Value⁽⁶⁾ AAA Rating 2025 MSCI ESG Rating

Notes:

- (1) “10 consecutive years” refers to 2015-2024, and the market share was based on the shipment volume, according to Frost & Sullivan.
- (2) As of December 31, 2025.
- (3) The market share was based on the shipment volume, according to Frost & Sullivan.
- (4) Based on the A-share public disclosure.
- (5) According to BNEF report in 2024. Bankability ranking refers to an independent third-party evaluation and ranking of a brand’s ability to enable overseas renewable projects, including PV power plants and energy storage projects, to obtain bank financing when its products are selected. Enterprises demonstrating sustained advantages in bankability are well-positioned to leverage their established track records to access broader markets and further expand their market share.
- (6) According to the 2025 “Top 500 Most Valuable Chinese Brands” published by World Brand Lab.

Our Global Opportunities

The global consensus on low-carbon, green development has laid a solid foundation for the long-term growth of clean energy. The world’s energy system is undergoing a profound transition from fossil fuel dominance to renewable energy dominance. Improvements in the cost-effectiveness of renewable power generation are driving a continuous increase in its share of installed capacity, and the global power systems are accelerating toward next-generation power systems centered on renewable energy. For example, the LCOE for solar PV power fell by approximately 90% from 2010 to 2025 according to Frost & Sullivan, making it comparable to or even more economical than traditional fossil fuels. The cumulative installed capacity of solar PV power and wind power as a percentage of the cumulative installed capacity of global power mix has increased from 4.4% in 2010 to 33.4% in 2025, and is expected to increase substantially to 68.0% by 2050.

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At the same time, the integration of high shares of highly variable renewable energy into the grid poses unprecedented challenges to the safe and stable operation of power systems. The controllable scope of the power system is expanding from primarily generation to encompass the full generation — grid — load — storage chain (“源網荷儲”). This evolution has created a substantial market opportunity for energy storage. According to Frost & Sullivan, the global newly installed capacity of lithium battery energy storage systems grew rapidly from 23.6 GWh in 2021 to 324.1 GWh in 2025, representing a CAGR of 92.5%. This figure is projected to reach 1,164.7 GWh by 2030, with a CAGR of 29.2% from 2025 to 2030. Additionally, the growing need for grid stability is driving higher requirements for advanced grid-forming technologies, and market applications for full-scenario “solar PV plus energy storage” grid-forming systems are expected to further expand.

The development of next-generation power systems is also fostering emerging applications such as microgrids, off-grid systems and zero-carbon zones. There will be a significant increase in future demand across society for integrated energy solutions spanning the generation — grid — load — storage chain. As a global leader in clean power conversion technology, we are not only well positioned to benefit from the market expansion driven by the energy transition, but are also set to play a critical role in the development of each key segment — generation, grid, load and storage — within next-generation power systems. We are well poised to seize unprecedented growth opportunities.

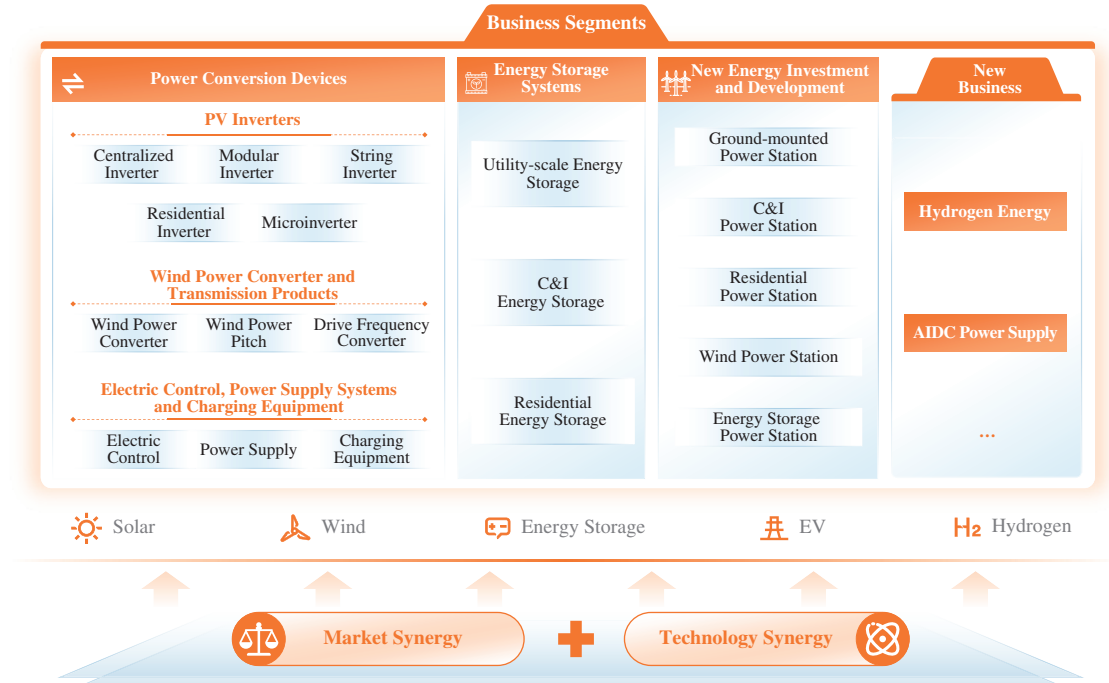
In addition, the AI-driven wave of data center construction is substantially boosting the demand for high-performance, high-reliability AIDC power systems, while key equipment such as HVDC power supplies and solid-state transformers is poised for significant market expansion. According to Frost & Sullivan, the global market for AIDC power supply is projected to grow from USD7.1 billion in 2025 to approximately USD29.1 billion by 2030, representing a CAGR of 32.8%.

Our Business Segments

We focus on clean power, with a business coverage across five strategic areas, “Solar — Wind — ESS — EV — Hydrogen (光風儲電氫).” Our principal products and services include PV inverters, energy storage systems, new energy investment and development, wind power converter and transmission products, new energy vehicles’ electric control, power supply and charging equipment, smart energy operation and maintenance services and floating PV system, while we have also strategically expanded into hydrogen energy and AIDC power supply business. During the Track Record Period, our revenue was primarily generated from PV inverters and other power conversion devices, energy storage systems and new energy investment and development.

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The following graph sets forth our major business segments:



Note: Our other business also primarily includes power generation at new energy power stations, smart energy operation and maintenance services and floating PV system.

Power Conversion Devices

- PV inverters.** Since our establishment in 1997, we have been committed to the R&D and production of PV system equipment, centered around PV inverters. We are one of the earliest companies focusing on R&D and production of PV inverters in China. Our PV inverters portfolio covers centralized inverters, modular inverters, string inverters, residential inverters and microinverters, covering a power range from 0.45 kW to 9,600 kW, with wide applications in ground-mounted power stations, C&I power stations, as well as residential PV power stations. We were the first in the industry to introduce the “1+X” modular inverters, creating a new business category. Backed by deep technical expertise and sustained investment in R&D, we have consistently set the pace in technological development, delivering products with profound generational advantages and offering leading solutions. As of December 31, 2025, our cumulative PV inverter installed capacity was over 660 GW and we had sold our products to more than 100 countries and regions worldwide. According to Frost & Sullivan, the market share of our PV inverters accounted for approximately 25.2% globally in 2024 in terms of shipment volume, and the annual shipment volume of our PV inverters has been continuously maintaining a globally leading position since 2015.

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- ***Wind power converter and transmission products.*** We mainly offer wind power converters, wind power pitch and drive frequency converters, catering to various onshore wind site conditions, such as salt spray, extremely low temperature, high-altitude, coastal and high-humidity conditions, as well as offshore wind site conditions, such as near-shore and far-offshore conditions, compatible with principal wind turbine generators. We focus on high-power energy conversion and control technologies and have become the first in the industry to introduce the 1,800 V wind power converter. As of December 31, 2025, our cumulative global shipment of wind power converters had reached 200 GW. According to Frost & Sullivan, our market share in the wind power converter sector has maintained a leading global position for three consecutive years.
- ***New energy vehicles’ electric control, power supply and charging equipment.*** Leveraging our strong expertise in clean power electronic conversion technologies and R&D advantages, we have expanded into the automotive industry, offering drive system solutions, which primarily include high-quality electric control and power supply products, as well as charging equipment for new energy vehicles. Since 2010, we have been continuously offering products and services to passenger vehicles, commercial vehicles and construction machinery companies. As of December 31, 2025, the cumulative shipment volume of our new energy vehicles’ electric control and power supply products had exceeded 3.5 million units globally. As of December 31, 2025, our charging equipment had been sold in volume to over 40 countries and regions worldwide.

Energy Storage Systems

We are one of the earliest companies in China to enter the energy storage sector. Grounded on our globally leading “3-in-1” integration of power electronics, electrochemistry and grid support technologies, we have developed professional energy storage systems, offering solutions for new energy grid connection, frequency regulation, peak shaving, demand-side response, microgrids, C&I and residential scenarios. We highly value the safety of energy storage systems. In 2024, we successively completed the world’s first large-scale combustion test on energy storage systems, as well as the world’s largest and longest-duration real-life combustion non-spreading test, the latter of which was certified by DNV. According to Frost & Sullivan, the cumulative shipment volume of our energy storage systems had reached over 93 GWh as of December 31, 2025, maintaining a leading position globally.

New Energy Investment and Development

We have engaged in new energy investment and development business globally, covering a wide range of scenarios including ground-mounted power stations, C&I PV power stations, residential PV power stations, wind power stations and energy storage power stations, committed to establishing a differentiated competitive advantage through technological development. The cumulative capacity of PV power stations and wind power stations we developed globally had reached 59 GW as of December 31, 2025.

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Hydrogen Energy Equipment

We are one of the earliest new energy companies in China to enter the hydrogen energy sector. We offer integrated and systematic hydrogen production equipment, covering PWM hydrogen power supplies, ALK and PEM electrolysis cell, electrolysis cell digital management systems, gas-liquid separation and purification equipment and smart hydrogen management systems. We have also developed hydrogen production system solutions for off-grid, grid-connected and microgrid scenarios. As of December 31, 2025, the production capacity of our hydrogen electrolysis cell had reached 3 GW. According to Frost & Sullivan, the market share of our hydrogen production equipment in terms of contract volume had achieved an industry-leading position in 2024.

AIDC Power Supply

We are committed to offering highly reliable, high-efficiency and high-power density full-stack power solutions for next-generation AI data centers. Our product portfolio covers end-to-end power products from medium-voltage grid level to chip level, with a particular focus on HVDC-related product series. Leveraging our long-established SST technology, full power range power electronics conversion technology and battery management technology, we prioritize the deployment of primary power supply systems and collaborate with leading internet and data center customers to promote the development of AI data centers. Simultaneously, to accelerate the industrialization of HVDC, we have expanded into HVDC-related products such as server internal power units.

Market and Technology Synergies Across Business Segments

Our business segments exhibit strong market and technology synergies. On the market side, our major customers are large global energy groups with diverse product and service needs, which allows us to cross-sell across different product lines and enhance customer service effectiveness and market development efficiency. On the technology side, we focus on power electronics conversion technology, which could be applied across multiple products, enabling technology sharing and collaborative development across product lines and significantly improving R&D efficiency. These enable us to provide comprehensive solutions that cover a wide range of application scenarios, meeting complex customer requirements while solidifying our sustainable growth.

Our Global Footprint

Since our inception, we have embedded “localization globally” into our corporate DNA, and we have built a worldwide business presence. We have cultivated deep and long-standing partnerships with numerous globally renowned customers. Our overseas revenue reached RMB54.0 billion in the year ended December 31, 2025, accounting for 60.7% of our total revenue for the same year. As of December 31, 2025, our operations extended to more than 100 countries and regions, and we had established over 20 overseas branch offices. Our global local hiring rate has reached 98%, while we had over 2,200 employees overseas, as of December 31, 2025.

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We provide highly responsive localized support and premium services to customers worldwide. As of December 31, 2025, our operations comprised over 520 service centers. We are able to respond to customer requests within 24 hours in China and within 48 hours in overseas markets. Leveraging our foresight into global demand trends, we had built up 50 GW of overseas production capacity for PV inverters by December 31, 2025. The initiative not only provides a solid foundation for us to meet the boosting overseas market demand, but also significantly strengthens our delivery resilience and responsiveness through localized production.

Our globalization extends beyond product and service coverage. We have established research and development centers in Germany and the Netherlands, bringing together global expertise to drive continuous product iteration and solution upgrades through advanced technologies, and we remain closely attuned to local customer needs, thereby reinforcing our leadership position worldwide.

Our Brand

PV power stations and energy storage power stations are long-term assets that typically operate for over 20 years. Their reliability directly impacts the investment returns and asset security of our customers. The performance and stability of critical equipment, such as PV inverters and energy storage systems, are fundamental to safeguarding these returns. As a result, brand reputation has become a key consideration for customers when selecting their partners.

We view brand as the concentrated expression of a company’s long-term business philosophy and value proposition. Our power conversion devices and energy storage systems are not merely functional products. They encompass long-cycle service attributes including grid simulation, solution design, grid connection and delivery and ongoing operation and maintenance. Leveraging years of accumulated technical expertise, iterative product development and comprehensive services, our “SUNGROW” brand has established a significant global moat and become a preferred choice for customers worldwide. According to BNEF, our PV inverters ranked first globally in terms of bankability in 2024, and “SUNGROW” became the only renewable energy brand to achieve the top position five times. Our energy storage systems and PCS also ranked first globally in terms of bankability. Moreover, according to the 2025 “Top 500 Most Valuable Chinese Brands” published by World Brand Lab, our brand value reached RMB116.14 billion, securing its place among the top 100 most valuable Chinese brands, with both brand value and ranking having risen for six consecutive years.

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Our ESG Initiatives

ESG is not only essential for our own development, but also represents our commitment and responsibility to stakeholders, including customers, partners, employees and society at large. Guided by our sustainable development philosophy of “Green Mission, Better Life,” we consistently honor our commitments through concrete actions, systematically integrating sustainable development principles into our corporate strategy and daily operations, with a sustained focus on key areas such as governance, net-zero transition and industry chain collaboration.

In terms of environmental initiatives, we have established a clear pathway towards net zero: achieving operational carbon neutrality by 2028, supply-chain carbon neutrality by 2038 and supply-chain net-zero emissions by 2048. We collaborate with upstream and downstream partners to build a low-carbon supply chain. Our self-developed, one-stop, full life-cycle zero-carbon solution, the iCarbon system, has undergone multiple iterations, enabling precise calculation of product carbon footprints. The results are aligned with international certification authorities, supporting our partners in their net-zero transition. In 2024, we added a carbon footprint module to our Supplier Relationship Management (SRM) system. As of December 31, 2025, we had collected carbon emission data for approximately 25,000 types of materials and conducting carbon audits for 182 suppliers. 39 of our core products obtained carbon footprint assessment/certification as of December 31, 2025. Our power conversion devices have achieved a cumulative installed capacity of over 1,000 GW globally, enabling customers to avoid approximately 600 million tons of CO₂ emissions globally each year.

In terms of social initiatives, we are committed to giving back to society through charitable donations and volunteer service activities, and have established the Sungrow Public Welfare Foundation. Leveraging our professional expertise, we strive to provide broad support in areas such as ecological improvement, community development, science education and disaster relief. As of December 31, 2025, the cumulative charitable donations of Sungrow Power and its employees had reached over RMB200 million. We remain dedicated to cultivating a more inclusive, respectful and transparent organizational atmosphere, promoting cross-cultural integration within our global teams. In 2025, we supported over 1,700 employees in obtaining professional certifications.

In terms of governance initiatives, we have established a robust corporate governance structure and we operate in a prudent and compliant manner, with a strong focus on risk prevention and timely information disclosure. We have received an A-grade evaluation for information disclosure from the Shenzhen Stock Exchange for recent four consecutive years. We have been an industry pioneer in ESG practices, publishing our first sustainability report as early as 2015, and we had published sustainability reports for ten consecutive years as of the Latest Practicable Date.

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Through continuous optimization of our ESG management, we have achieved strong performance across multiple mainstream ESG ratings, including the MSCI ESG AAA rating for 2025.

Our Financial Performance

During the Track Record Period, we achieved rapid growth and demonstrated strong financial performance. In 2023, 2024 and 2025, our revenue was RMB72,159.3 million, RMB77,704.1 million and RMB88,913.8 million, respectively. Our net profit was RMB9,608.7 million, RMB11,264.2 million and RMB13,532.9 million in the same years, respectively. Between 2023 and 2025, our revenue and net profit increased at a CAGR of 11.0% and 18.7%, respectively. In 2023, 2024 and 2025, our gross profit margin was 25.5%, 29.0% and 30.4%, respectively. During the same years, our weighted average return on equity was 41.0%, 34.0% and 31.3%, respectively.

OUR STRENGTHS

Our business success and market leadership are underpinned by a set of key strengths that are interrelated and mutually reinforcing, enabling us to maintain core competitiveness and development resilience in an intensely competitive landscape.

Early-Mover Advantage Grounded in Nearly Three Decades of Deep Engagement in Clean Power

Since our establishment in 1997, we have maintained robust expertise and focus in the clean power sector, with a long-term commitment to technological development. We have developed a synergistic business portfolio across solar energy, wind energy, energy storage, electric vehicles and charging and hydrogen energy, alongside a globally localized regional presence, all of which have contributed to our strong competitive edge. Driven by a visionary understanding of the global clean power landscape, we have consistently achieved industry-leading iterative advancements in our technologies and products.

- We identified the promising prospects of the global clean power sector at its early development stage and made a firm commitment to this field. In 2003, we successfully developed China’s first grid-connected PV inverter with proprietary intellectual property rights. We have also maintained our competitiveness through continuous R&D investment. Benefiting from the rapid growth of the global clean power market, the global PV inverter shipment volume has expanded over 300 times in the past 20 years, according to Frost & Sullivan. We also experienced rapid growth during this period, and in 2015 emerged as one of the world’s top PV inverter providers in terms of shipment volume for the first time, and we have maintained leading position ever since.

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- With foresight into the pivotal role of energy storage in enabling a reliable clean power supply, we began investing in energy storage technologies in 2006, becoming one of the earliest companies in China to enter this field. According to Frost & Sullivan, the global energy storage shipment volumes have grown more than 1,000-fold over the past decade, and the newly installed capacity of global energy storage is expected to grow at a CAGR of 29.2% from 2025 to 2030. Foreseeing the critical role of energy storage in next-generation power systems, we made early investments in the development of grid-forming energy storage technologies, which have been deployed in various markets worldwide, earning wide market recognition.
- We were early movers in international expansion. In the early stages of our development, we registered our “SUNGROW” brand overseas in 2006 and established our first overseas office in 2008. Grounded in these moves, we have developed deep insights into the power systems and grid requirements of different countries and regions, and have continuously designed products tailored to the needs of international markets. We have also ensured our products meet international certification standards and comply with overseas market entry requirements. We have progressively cultivated our global presence spanning sales, production and R&D. We had sold our products and services to over 100 countries and regions worldwide as of December 31, 2025, and “SUNGROW” is recognized as one of the leading brands in the global clean power industry.

Our early-mover positioning in the clean power sector has allowed us to accumulate further experience across technology, products, services, global sales and brand management compared with our competitors. Drawing on this, we have steadily strengthened our competitive advantages, with product shipments growing consistently each year and economies of scale continuously improving.

Comprehensive Product and Service Portfolio

We consistently pursue robust and far-reaching initiatives across our core operational priorities, including market development, product strategy and R&D. With clean power conversion technology at the core and empowered by our profound insights into global markets, we have cultivated a product and service portfolio that can address the diverse needs of customers across regions and application scenarios globally, thereby we are able to achieve comprehensive coverage in terms of both market and product.

Market coverage: Leveraging our global presence spanning sales, production, R&D and operations, we gain deep insights into the needs of diverse market segments worldwide. This allows us to rapidly launch and continually iterate products tailored to local requirements. For instance, in response to Australia’s complex and unique grid systems, we developed a dedicated simulation platform compatible with the local grid, obtaining the Australian GPS grid-connection approval and successfully delivering energy storage systems. We are the first Chinese energy storage company to receive such approval. For Japan’s stringent and intricate grid equipment testing standards, we designed systems that meet such strict requirements for

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active islanding detection, earning certification from the Japan Electrical Safety & Environment Technology Laboratory (JET). For European customers with differentiated needs, we introduced large, medium and small C&I energy storage solutions, adapted to local grid conditions and diverse application scenarios.

Product coverage: Our PV inverter products cover a power range from 0.45 kW to 9,600 kW, including centralized inverters, modular inverters, string inverters, residential inverters and microinverters, with wide applications in ground-mounted power stations, C&I power stations, as well as residential PV power stations, where we have established leading positions in each segment. Our energy storage systems cater to large-scale energy storage power stations, C&I energy storage power stations, residential energy storage power stations, providing services such as support for new energy grid connection, frequency regulation, peak shaving, demand response, microgrids, C&I and residential storage, comprehensively addressing the multi-scenario needs in next-generation power systems. In the hydrogen sector, we offer PWM hydrogen power supplies, ALK and PEM electrolysis cells, covering mainstream hydrogen production technologies currently adopted in the industry. Our flexible hydrogen production is suitable for diverse applications in the energy power, industrial and transportation sectors. Our wind power converters cover a power range from 1.5 MW to 26 MW and are extensively used in onshore and offshore wind power stations in different environments with salt spray, extreme temperatures (both high and low) and high altitudes. Furthermore, our new energy investment and development business spans a wide range of scenarios including large-scale PV and wind power stations, floating PV power system, C&I PV power stations, energy storage power stations, charging stations and residential PV power stations.

Our business segments exhibit strong synergies. Our multi-scenario business coverage enables technology reuse, channel sharing and knowledge transfer across different business lines. For instance, our power electronics technologies can support the development of multiple products, including PV inverters, energy storage systems and hydrogen production equipment. Our customers typically require more than just one single product type, allowing us to leverage shared sales channels and cross-selling opportunities to strengthen customer loyalty, deliver more integrated solutions and dilute the marginal cost of individual business lines. In addition, our diversified footprint across multiple industry sub-sectors allows us to maintain strong resilience against industry fluctuations.

Our comprehensive market and product coverage enables us to systematically capture industry opportunities and continuously expand our business at minimal marginal cost, securing our leading market positions across multiple sectors.

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Advanced R&D and Product Innovation

Holistic R&D System Driving Sustainable Innovation

We have adopted a comprehensive R&D framework, continuously strengthening our talent base and IP portfolio, while committing substantial resources to technological development to maintain our technological leadership. Our R&D expenses were RMB2,447.4 million, RMB3,163.5 million and RMB4,175.0 million in 2023, 2024 and 2025, respectively. As of December 31, 2025, our R&D team comprised 7,625 employees, representing approximately 40.1% of our total workforce.

We have established a mature and well-structured R&D framework, with six major R&D centers located in Hefei, Shanghai, Nanjing, Shenzhen, Germany and the Netherlands. Our R&D architecture consists of a Central Research Institute and dedicated R&D teams within each business unit, providing leading technological support to develop globally competitive new energy products and services. Our Central Research Institute focuses on breakthroughs in fundamental research and transformative technologies, providing efficient platform services and management mechanisms for our product and technology development. It strategically plans for key technologies over the next five to ten years. Once matured, these technologies could be shared across our business lines. The Central Research Institute also serves as a talent incubator for high-caliber R&D and management professionals. Each business unit has also established independent platform R&D teams and business R&D teams. Our platform R&D teams focus on general technologies and challenging technologies to support the entire business unit. Our business R&D teams concentrate on development at the product application level, staying closer to market and customer needs, thereby enabling rapid product introduction and iteration.

We have adopted an advanced integrated product development (“IPD”) process and our R&D personnel are managed under a matrix structure by product and technology. This approach ensures technical integration across the whole R&D process, fosters synergy and significantly boosts overall R&D efficiency. We have invested in the world-leading high-performance electromagnetic compatibility (“EMC”) laboratories, low voltage ride-through (“LVRT”) testing systems, and other advanced product testing facilities. These resources provide rigorous conditions that closely replicate real-world application scenarios, and we are among the limited number of companies globally with the capability to conduct simulation tests across full application scenarios. As of December 31, 2025, we had applied 11,504 patents. We are recognized as one of the few companies in the industry with mastery over numerous proprietary core technologies. See “— Research and Development — Major R&D Achievements” for further details.

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Technology-driven Product Iteration

Technological development underpins our strong product competitiveness. Consistently guided by market demand, and with technological capabilities as the engine of our growth, we strive to achieve cost-efficient innovation. Across each segment of our business chain, we enhance R&D efficiency and continuously reduce product costs through technology development and streamlined operations. We maintain a strong competitive edge in the cost-effectiveness of our products and services. Particularly, according to Frost & Sullivan, a range of our products hold industry-leading positions:

- In the PV inverter sector, we have launched a series of high-power inverters tailored for ground-mounted power stations. For example, in 2023, we launched the world’s first 2,000V high-voltage inverter, and successfully deployed it in the Mengjiawan PV Project in Yulin, Shaanxi. This marked the industry’s first grid-connection verification of a 2,000V system. In 2025, we introduced SG465HX, the world’s first string inverter with a power rating exceeding 400 kW, which can significantly enhance the lifetime electricity output of ground-mounted power stations. We also launched the 1+X 2.0 modular inverter, the world’s first split-type modular inverter, combining the high power and low unit cost of traditional centralized inverters with the broad application adaptability and low O&M costs of string inverters. As of December 31, 2025, our global cumulative installed capacity of PV inverters exceeded 660 GW.
- In the energy storage sector, we have integrated power electronics, electrochemistry and electrical grid support technologies to become the first to realize the large-scale application of grid-forming solutions. Our PowerTitan series is developed for large-scale energy storage power stations and had reached a cumulative global shipment of over 60 GWh as of December 31, 2025. As of the Latest Practicable Date, our PowerTitan series have evolved to version 3.0, which features the world’s first mass-producible 684Ah large-capacity battery cell, and the Plus version is the lithium battery energy storage system with the world’s highest single-cabinet capacity and highest energy-density. It also marks the global first large-scale application of silicon carbide (“SiC”) PCS, with single-cabinet capacity reaching a world-leading 12.5 MWh, substantially reducing investment costs for system owners. We place strong emphasis on the safety of energy storage systems. In 2024, we completed the world’s first large-scale combustion test on our PowerTitan 1.0 system. Later in the same year, we completed the largest and longest-duration real-life combustion non-spreading test on our 20 MWh PowerTitan 2.0 system, certified by DNV. Our grid-forming technology has been widely deployed in global markets helping rapidly restore frequency in the UK’s national grid to prevent widespread power outages, and has been successfully applied in dozens of projects, including the NEOM multi-energy (wind, solar, energy storage and hydrogen) complementary project in Saudi Arabia, the largest of its kind globally.

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- In the hydrogen energy equipment sector, according to Frost & Sullivan, we were the first in China to propose the concept of flexible hydrogen production and to launch a corresponding system solution. We also pioneered the introduction of PWM hydrogen power supplies, setting new performance benchmarks in the industry and lowering the cost of hydrogen production. For electrolysis cells, both our ALK and PEM technologies are industry-leading. For example, we supplied both hydrogen production powers and electrolysis cells for Songyuan Hydrogen Industrial Park Project by China Energy Engineering, which is currently the world’s largest integrated project for green hydrogen, green ammonia and green methanol. We played a key role and were responsible for the largest part of the project. In addition, we successfully implemented China’s first hybrid ALK–PEM hydrogen production system in the integrated green hydrogen-powered mining project in Daye City, which combines green power generation, hydrogen production, energy storage and refueling. This system leverages the low cost and high stability of ALK technology together with the fast response and wide power range control of PEM technology. It provides a flexible solution for large-scale consumption of green power.

Well-established Localized Operations Worldwide

We have established a global operational network with deeply localized capabilities across sales, production, R&D and operations, enabling us to deliver products and services tailored to local market needs, creating greater value for customers worldwide.

- ***Sales, Delivery and Service.*** We remain customer-centric, striving to create value for our customers. We have established localized sales and service teams composed of sales representatives, application engineers and technical experts worldwide. Our global teams provide comprehensive coverage across all stages from pre-sales and delivery to after-sales service, offering tailored solutions to meet the diverse needs of customers in different regions. As of December 31, 2025, we had more than 520 service outlets and hundreds of key channel partners, enabling us to respond rapidly to various customer needs within 48 hours. We had sold our products and services to over 100 countries and regions worldwide as of December 31, 2025.
- ***Production.*** We are committed to building a resilient global production system and we arrange our production facilities in line with customer needs. As of December 31, 2025, our overseas PV inverter production capacity had reached 50 GW. Thus, we demonstrate robust capabilities of localized delivery with flexibility globally.
- ***Research and Development.*** We have established six R&D centers worldwide, with leading global talent and strong capabilities in localized product design. Our German R&D center focuses on advanced hydrogen technologies and product industrial design, and leverages the strengths of local universities and research institutes to actively pursue industry-academia-research collaborations related to our business. Meanwhile, our Netherlands R&D center specializes in core software

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development for charging infrastructure and integrates closely with the European local charging ecosystem. Localized R&D enables us to precisely identify local customer needs, improving the adaptability of our products and services.

- **Operations.** We have deeply implemented the integration of globalization and localization at the operational level, building a globally localized operations system. This ensures that each regional market is led by local teams familiar with the culture, regulations and market characteristics, enabling effective management of employee relations and community affairs, thereby enhancing the efficiency of localized operations. As of December 31, 2025, we established over 20 branch offices overseas, supported by a workforce of more than 2,200 employees. In addition, we have founded the Sungrow Public Welfare Foundation and actively participated in global public welfare. The cumulative charitable donations of Sungrow Power and its employees had reached over RMB200 million as of December 31, 2025.

Experienced Management Team with Firm Strategic Focus

Our management team has deep expertise and extensive experience in the clean power conversion sector. Most of our core leadership members have over 20 years of solid industry background, combining strategic vision and technical expertise. They possess sharp insight into the evolving industry trends of clean energy and the direction of technological advancement. Many members of the team have participated in multiple draftings of key industry standards. Collectively, they have achieved hundreds of scientific research outcomes and patents, demonstrating strong R&D capabilities and rich experience in industrialization. With deep industry knowledge built over years of dedicated involvement, the management team is well-positioned to identify market opportunities and lead steady business growth.

Our management team is committed to a long-term approach, directing resources and focus toward areas that create enduring value for our customers. They strive to establish industry leadership across all dimensions including product philosophy and technological advancement. Under their leadership, and with a strategic and visionary focus, we have proactively positioned ourselves across key sectors including solar energy, wind energy, energy storage, electric vehicles and charging and hydrogen energy, gaining an early-mover advantage and establishing ourselves as a global leader in the clean power industry.

We serve our customers with sincerity and pragmatism, approach product and technological development with rigor and openness and foster a culture that respects and values employees’ R&D efforts and diverse ideas. We are dedicated to maximizing value for our customers and driving their success. These values form the foundation of our continued growth and progress.

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OUR STRATEGIES

We concentrate on the clean power sector, harnessing cost-efficient and layered development to build a technological edge and strong brand momentum, achieving rapid and sustainable growth.

Cultivate Multi-Dimensional Growth Trajectories through Focusing on the Core Sectors of “Solar — Wind — ESS — EV — Hydrogen (光風儲電氫)”

We will continue to focus on clean energy, with concentrated efforts in “Solar — Wind — ESS — EV — Hydrogen.” Leveraging our technology foundation in clean power conversion, we aim to advance our strategy of comprehensive product and market coverage. In terms of product coverage, in light of the regional variations in grid characteristics and customer requirements worldwide, we will continue to deepen our understanding of global customer needs, further expand and refine our product and service portfolio and accelerate their iteration and upgrade. We aim to consistently introduce new offerings designed to address the diverse, localized and personalized demand of customers worldwide. In terms of market coverage, we recognize the rapid growth in the installed capacity of renewable energy and energy storage system in emerging markets such as Asia, Africa and Latin America, each exhibiting distinctive local characteristics. While maintaining our strong presence in established markets including Europe, the Americas and Australia, we aim to intensify our penetration in these emerging regions, enhancing both the depth and breadth of our global market reach. Through these initiatives, we are dedicated to establishing a robust foundation to fuel our long-term and sustainable growth.

While maintaining a focus on existing business, we plan to further unlock new growth opportunities to ensure long-term profitability. In the hydrogen energy sector, we are committed to delivering flexible, renewable-energy based hydrogen production systems and solutions that are efficient, intelligent and safe. By accelerating technological iteration and scaling production capacity, we aim to lead the commercialization of green hydrogen production systems globally. In the AIDC power supply sector, we are strategically developing a comprehensive suite of power products, spanning medium-voltage grids to the chip level. Our goal is to empower next-generation data centers with full-chain solutions that deliver high-reliability, high-efficiency and high-power-density. Additionally, we are actively developing integrated energy solutions tailored to diverse application scenarios, including microgrids and integrated energy systems covering generation — grid — load — storage, as well as zero-carbon zones.

Further Enhance R&D Efforts

We intend to continuously focus on clean power and enhance our technological development to advance both the depth and integration of our core technologies. Through sustained and substantial investment in research and development, we aim to achieve significant breakthroughs in power electronics, electrochemistry and grid support technologies. We are promoting the deep integration of AI into our R&D and key product development

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processes. We are also strengthening the application and convergence of our core technologies across end-use scenarios to develop integrated “solar — wind — energy storage (光風儲)” solutions, “solar — energy storage — hydrogen production (光儲氫)” solutions, “solar — energy storage — charging (光儲充)” solutions and AIDC power supply solutions. Our goal is to deliver integrated solutions tailored to a broad spectrum of application scenarios, continuously creating value for our customers through the technological convergence of “Solar — Wind — ESS — EV — Hydrogen.”

In addition, with foresight into the evolving requirements of next-generation power systems, we recognize that photovoltaic and energy storage solutions will face increasingly stringent technical demands. In response, we plan to prioritize R&D investment in areas such as grid and grid-forming technologies, network security systems and capabilities, advanced thermal management, high power density and high voltage platforms for “solar — energy storage — charging (光儲充)” integration solutions, next-generation energy storage systems and next-generation high-efficiency intelligent PV inverters. We also plan to establish and upgrade our R&D centers in Hangzhou, Nanjing and Hefei. Furthermore, we plan to integrate AI with energy management to further enhance the utilization and economic efficiency of renewable energy, enabling customers to achieve optimal multi-energy management in a variety of scenarios across “solar — energy storage — charging (光儲充)” integration, virtual power stations and integrated energy systems covering generation — grid — load — storage.

We view technological development as the cornerstone of corporate advancement and talent as the foremost driver of research and development. We place great importance on cultivating a global workforce and plan to further strengthen our talent pipeline in cutting-edge, foundational technologies. By attracting and nurturing outstanding individuals worldwide, we aim to invigorate our ongoing efforts in research and development as well as technological development.

Advance Localization Strategy Globally

We remain committed to advancing our “localization globally” strategy, with the aim of aligning more closely with customer needs in distinct markets worldwide, strengthening our delivery capabilities and reinforcing our industry position.

- ***Sales and Services.*** We will continue to optimize our global sales and service network, further enhancing our competitive edge in core markets while accelerating expansion into emerging ones. In established markets such as Europe, North America and Australia, we intend to invest in and expand our localized sales and service infrastructure. Simultaneously, we will allocate additional resources to fast-growing markets including Asia, Africa and Latin America, expanding channel networks and building more local service centers. We expect to shorten delivery and after-sales response times, provide high-quality customer services and further enhance customer satisfaction.

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- **Products and R&D.** Building on our increasingly robust global sales network and R&D teams, we are well-positioned to deepen our understanding of local customer needs and the delivery of products suited to regional markets. We have established six R&D centers worldwide. Going forward, we will continue to enhance our global R&D system and recruit more local professionals. Through these initiatives, we aim to ensure that our product development is closely aligned with local customer demand, thereby delivering greater value to customers.
- **Supply Chain.** We plan to reinforce the localization and diversification of our supply chain, including through the establishment of additional overseas production bases, with the objective to enhance supply chain resilience, localized delivery capability and operational flexibility. In parallel, we intend to work closely with our global supply chain partners to drive low-carbon transition and advance ESG development across the industry.

Accelerate Comprehensive Digital and Intelligent Upgrades to Enhance Operational Quality and Efficiency

We view digital and intelligent transformation as our important strategic initiative to address global competition and to support sustainable, high-quality development. To this end, we have set forth a strategic objective of “Building a Smart and Digital Sungrow, Achieving Global Leadership.” We have established a digital transformation management committee to drive the implementation of our digital and intelligent transformation initiatives. Taking a long-term approach, we are continuously advancing digital and intelligent transformation and making substantial investments to enhance data and AI-driven productivity. Our goal is to build an agile organization with fully digitalized, integrated and highly efficient processes, empowering Sungrow to achieve sustainable, resilient and high-quality growth through digital and intelligent operations.

We have achieved initial digitalization and transparency in our business operations and management, driving transformation in both operational workflows and management practices. Through our data platform, we are steadily progressing towards refined operational management. Looking ahead, we will continue to increase our investment in digital and intelligent transformation, building a solid foundation in three key areas: data management, technology applications and AI. We are developing global digital marketing, digital R&D and intelligent production platforms to accelerate our digitalization process and enhance lean operational capabilities.

Continuously Elevate the “SUNGROW” Brand Image

Our brand serves as a key vehicle for conveying our value proposition and enabling effective marketing. Through ongoing value creation for our customers, we continuously deepen the connection between the brand “SUNGROW” and our customers, forming sustained trust and respect in the marketplace.

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We have articulated a clear brand value proposition: “Bridge to a sustainable future.” Through technological development and practical applications, we are committed to converting natural resources into stable and accessible clean power, building bridges of clean power conversion and transmission. Through these bridges, we connect closely with global customers, industry partners and ecosystem stakeholders to jointly advance towards a sustainable future. According to the 2025 “Top 500 Most Valuable Chinese Brands” published by World Brand Lab, our brand value reached RMB116.14 billion, a testament to the strong market recognition of our brand-building achievements.

Looking ahead, we will anchor our brand in technological development, reliable solutions and high-quality services, continuously creating value for our customers and striving to establish “SUNGROW” as a globally renowned brand. We firmly believe that we will play an increasingly important role in the global energy transition, together with our customers and partners, help shape a greener and more sustainable future.

OUR PRODUCTS AND SOLUTIONS

We focus on clean power with a business coverage across five strategic areas, “Solar — Wind — ESS — EV — Hydrogen.” Our principal products and services include PV inverters, energy storage systems, new energy investment and development, wind power converter and transmission products, new energy vehicles’ electric control, power supply and charging equipment, smart energy operation and maintenance services and floating PV system, while we have also strategically expanded into hydrogen energy and AIDC power supply business. We have become the global industry-leader of PV inverter. The market share of our PV inverters accounted for approximately 25.2% globally in 2024 in terms of shipment volume, according to Frost & Sullivan. We have leveraged our advanced technologies in clean power conversion and a well-established customer base in the clean energy industry and extended our offerings to energy storage. As of December 31, 2025, our energy storage systems had reached over 93 GWh of cumulative shipments. We also branched out our business into other industry sectors, including wind energy, electric vehicles and charging and hydrogen energy, establishing a comprehensive product and service portfolio. Going forward, we are committed to offering high-efficiency and high-power density full-stack power solutions for next-generation AI data centers. Leveraging our long-established SST technology, full power range power electronics conversion technology and battery management technology, we prioritize the deployment of primary power systems and collaborate with leading internet and data center customers to promote the development of AI data centers.

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We have achieved robust business growth since our inception, as demonstrated by the increases in our product shipment volume and revenue. The following table sets forth the shipment volume of certain of our major products for the years indicated:

	Year Ended December 31,		
	2023	2024	2025
PV inverters (GW)	130	147	143
Energy storage systems (GWh)	10.5	28.0	43.0

The cumulative capacity of PV power stations and wind power stations we developed globally had reached 40 GW, 54 GW and 59 GW as of December 31, 2023, 2024 and December 31, 2025, respectively.

The following table sets forth a breakdown of our revenue by product in absolute amount and as a percentage of our revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousand except for percentages)</i>						
PV inverters and other power						
conversion devices ⁽¹⁾	27,653,074	38.3	29,127,039	37.5	31,136,228	35.0
Energy storage systems	17,801,524	24.7	24,959,166	32.1	37,286,579	41.9
New energy investment and						
development	24,733,981	34.3	21,003,004	27.0	16,559,406	18.6
Others ⁽²⁾	1,970,674	2.7	2,614,925	3.4	3,931,559	4.5
Total	<u>72,159,253</u>	<u>100.0</u>	<u>77,704,134</u>	<u>100.0</u>	<u>88,913,772</u>	<u>100.0</u>

Notes:

- (1) A substantiate proportion of revenue from PV inverters and other power conversion devices is generated from the sales of PV inverters.
- (2) Primarily include power generation at new energy power stations, smart energy operation and maintenance services, floating PV system and charging equipment.

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PV Inverters and Other Power Conversion Devices

PV Inverters

PV inverters serve as the bridge between PV power stations and the grid, and are one of the most critical components of PV stations. They convert the direct current (“DC”) generated by solar panels into alternating current (“AC”) with adjustable frequency and amplitude to meet grid connection requirements. Therefore, the design and production of PV inverters must take a system-wide perspective, considering not only conversion efficiency but also comprehensive protection, stable operation, safety and reliability, and grid compatibility. We focus on the R&D, production and sale of PV inverters and offer a full range of PV inverters serving various application scenarios from ground-mounted power stations, C&I power stations to residential power stations. Our PV inverters portfolio covers centralized inverters, modular inverters, string inverters, residential inverters and microinverters, covering a power range from 0.45 kW to 9,600 kW, compatible with different application scenarios, securing grid stability and safety for PV power stations throughout their lifecycle. Our PV inverters have been accredited by authoritative international institutions such as TÜV, CSA and SGS. As of December 31, 2025, we had sold our PV inverters to over 100 countries and regions worldwide.

As a leading global PV inverter provider, we have consistently achieved advancements in key technologies. For example, we launched SG320HX string PV inverters in 2021, which could reduce the cost of balance of system through the optimization of subarrays and power ratings, and undergo upgrades in safety, reliability and electrical grid support. In addition, we launched 1+X modular inverters in 2021, which are capable of addressing diversified customer needs, as they integrate the advantages of both traditional string PV inverters and centralized PV inverters with their flexibility, high cost-effectiveness and convenient installation and maintenance. In 2025, we launched our 1+X 2.0 modular inverter, which is the first split modular inverter in the world. Our 1+X 2.0 modular inverters feature a more scalable block design with a maximum power configuration of up to 9.6 MW. Our 1+X 2.0 modular inverters also integrate an AI-driven safety management system and pioneering grid-forming technology which further enhance its operation safety, reliability and cost-effectiveness.

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The following table sets forth a brief description of our major PV inverter products:

Product	Description
“1+X 2.0” Modular Inverter. 	We have launched the 1+X 2.0 modular inverter for large-scale ground-mounted power stations. Building on the first-generation modular inverter, the single unit capacity has been upgraded to 800 kW. Through multi-unit parallel connection, a flexible configuration of 0.8 MW to 9.6 MW can be achieved, introducing major advancements in availability, O&M, safety and grid-forming capabilities. This solution features an upper and lower split modular design and integrates AI-powered fault diagnosis system, which reduces maintenance time, enhances usability and achieves high availability rates. In addition, such product incorporates a comprehensive AI-driven full-domain DC safety management solution. Leveraging a three-level “Prevention — Diagnosis — Control” mechanism, such product provides proactive safety and full-domain protection.
SG465HX String Inverters 	We have launched the first-generation high-power string inverter, SG465HX, increasing the maximum inverter power to 465 kW per unit — the highest globally. It is also the world’s first 400 kW+ string inverter, offering a 28% increase in power density and a 0.2% improvement in system efficiency. Over the lifetime of a GW-scale power station, this can generate an additional 90 million kWh of electricity. The inverter features full-current protection technology to prevent string backflow, and is the first in the industry to achieve comprehensive anti-corrosion protection for harsh industrial environments, addressing the challenge of inverter reliability in difficult conditions. It is also the first PV inverter with a full life-cycle safety protection system.
SG320HX String Inverters (overseas model: SG350HX series) 	To meet the demands of the widespread application of high-power modules, we introduced this high-power string inverter specifically designed for ground-mounted power stations. The application of advanced technologies, such as the AI-based air duct health management, the MPPT-class insulation monitoring, AC/DC terminal temperature sensing and the HV/LV grid adaptation, contributed to the upgrade in intelligent operation and maintenance, safety and reliability and support for the power grid, continuously leading the market of 300 kW+ high-power series inverters.

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Product	Description
SG150CX series inverter 	This 150 kW C&I inverter features advanced Smart Arc Detection 3.0, supporting 48A current and 450m cable detection. This inverter includes a 20ms instant trip switch for enhanced safety. It has upgraded variable frequency self-cleaning technology that ensures daily dust removal, maintaining system efficiency.
SG50T-CN Residential Inverter 	To meet the growing demand for high-power user-side inverters in complex application scenarios, we have launched a new 50 kW product. This model offers greater flexibility in the number of modules and site adaptation, features multiple MPPT design and supports unlimited multi-unit parallel connections as well as both long and short string configurations, providing a highly flexible solution.
S450S/S800S/ S1000S/S1600S Micro PV Inverter 	Our series of microinverter products, S450S, S800S, S1000S and S1600S, offer rated power outputs of 450 W, 800 W, 1,000 W and 1,600 W, respectively, and are suitable for various application scenarios. Featuring high-efficiency heat dissipation, no high-voltage DC, high reliability and stable power generation even under harsh conditions, they can maintain normal operation at temperatures up to 60°C with only a slight reduction in power output. The products are designed for easy installation, supporting plug-and-play connections, which reduces installation time by 30%. Intelligent safety protection includes 200 safety checks and 12 core protection functions. The inverters are rated IP67 for dust and water resistance and feature independent MPPT for each module. They operate from a low DC start voltage of 60 V and support rapid shutdown for both AC and DC sides, ensuring maximum safety.

According to Frost & Sullivan, as of December 31, 2025, our cumulative global installed capacity of PV inverters exceeded 660 GW. The market share of our PV inverters accounted for approximately 25.2% globally in 2024 in terms of shipment volume.

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Wind Power Converter and Transmission Products

Wind power converters are one of the key devices in a wind turbine generator system, which convert the variable frequency and voltage power generated by wind turbine generators into a stable power output that can be fed into the electrical grid through AC-DC-AC conversion. We focus on the R&D, production and sale of wind power converters. We mainly offer wind power converters, wind power pitch and drive frequency converters. Our wind power converters come with power ratings ranging from 1.5 MW to 26 MW and output voltages of 360V, 690V, 1,140V, 1,380V and 1,800V, including full-power wind power converters and double-fed wind power converters that are compatible with principal wind turbine generators produced in China. We focus on high-power energy conversion and control technologies and we are the pioneer in the industry to introduce 1,800V wind power converters. Our wind power converters are designed to withstand various onshore wind site conditions, such as salt spray, extreme low temperature, high-altitude, coastal and high-humidity conditions, as well as offshore wind site conditions, such as near-shore and far-offshore conditions. With over 20 years of experience in wind power converter development, we have developed industry-leading technologies that maintain our competitive edge in the market.

The following table sets forth a brief description of our major wind power converter and transmission products:

Product	Description
Doubly-fed 4.x MW – 16 MW Wind Power Converter 	This product features an integrated heat dissipation design that improves heat dissipation efficiency and product stability, a high power density design and integrated components for a compact structure, an integrated design of main control and converters for larger load-carrying capacity and strong environmental adaptability for customization in various application scenarios.
Wind Turbine Pitch Drive 	This product is highly integrated, safe and reliable, featuring a quadruple safety chain design to ensure the safety of wind turbines. The pitch control system converts wind energy into mechanical energy by adjusting the blade angle of the fan. In safe conditions, it adjusts the blade angle together with the main control to enable power control of the fan. In the event of malfunctions, it acts as a brake to ensure the safety of the fan.

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Product	Description
Drive Frequency Converter	With low-voltage transmission models covering 380V/690 V/1140V/1380V/1800V and medium- to high-voltage transmission models covering 3.3 kV/6 kV/10 kV/35 kV, this product is widely used in industrial transmission and new energy fields, suitable for various load types such as fans, pumps, constant torque and soft start of motor. Available in cabinet or container configuration, and supporting two-quadrant or four-quadrant circuit topology, it can adapt to various voltage levels, with the power of medium- to high-voltage transmission models reaching 100 MW level.



We are one of the world’s leading wind power converter suppliers. Our market share in the wind power converter sector maintaining a leading global position for three consecutive years, according to Frost & Sullivan. As of December 31, 2025, our cumulative global shipment of wind power converters had reached 200 GW.

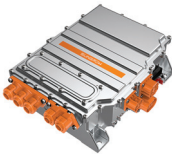
New Energy Vehicles’ Electric Control and Power Supply System

With our impressive accumulation of technology and R&D advantages in clean power conversion, we have extended the application of inverters to the new energy vehicle industry, offering drive system solutions, which primarily include high-quality electric control and power supply products, such as motor controllers and on board power supply products. Our products and services cater to various types of new energy vehicles, including passenger vehicles, commercial vehicles and construction machinery. We have supplied our products to multiple automobile enterprises and have earned the trust of customers with high-quality products and stable delivery capabilities, continuously boosting our market share. As of December 31, 2025, we had established multiple automated production lines for electric control and power supply products, with an annual production capacity of 3.0 million units. As of December 31, 2025, the cumulative shipment volume of our new energy vehicles’ electric control and power supply products had exceeded 3.5 million units globally.

We have actively promoted the research and development of electric control and power supply systems, and achieved multiple technological breakthroughs in the areas of electromagnetic compatibility and functional safety design of motor controllers, as well as parallel connection of power devices. As of December 31, 2025, we have obtained IATF16949, ISO14001 and ISO45001 certifications, as well as ISO26262 ASIL-D, ISO/SAE21434 cybersecurity and ASPICE CL3 process certifications, building a product development and management system that fulfill the highest standards of functional safety. With our advanced technologies, reliable product quality and stable delivery capabilities, we have gained market recognition, including the first prize for Science and Technology Award from the China Electrotechnical Society, the first prize for Science and Technology Progress Award from the China Power Supply Society and the Red Dot award.

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The following table sets forth a brief description of our major electric control and power supply systems:

Product	Description
HEM series hybrid dual electric control for passenger vehicles 	The product is suitable for A and B class hybrid passenger cars. Adopting a thin power array package (TPAK) parallel power module, it has excellent device compatibility and power expansion flexibility to meet the demand of multi-power configuration of the same platform models. The product is the first to be equipped with the SiC boost module, ensuring smooth and efficient power output, and significantly improves the driving experience and energy utilization of the whole vehicle.
EE31 series controller . . 	With main motor controller, DCDC, OBC and PDU integrated, the product is suitable for light commercial vehicles such as minivans and minitrucks. It features high integration, high reliability and flexible adaptation.
EP51 series in-vehicle power supply 	The product integrates OBC and DCDC and is compatible with 800 V electrical platforms. It features external discharge functionality and is suitable for Class A and Class B new energy passenger vehicles. With high power density, strong grid adaptability and comprehensive functionality, it achieves ASIL-C functional safety standards.

Energy Storage Systems

We focus on the R&D, production, sales and service of electrochemical energy storage systems, offering solutions for various scenarios including new energy grid connection, frequency regulation, peak shaving, demand-side response, microgrids, C&I and residential applications. Our energy storage system solutions are designed to accommodate various AC- or DC- coupled residential, C&I and utility scenarios. As an early entrant into the energy storage industry, we have achieved scaled operations in a number of overseas markets and established a strong global business framework.

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Our premium energy storage systems are underpinned by the superior integration capabilities of their three core components: battery management systems (“BMS”), power conversion systems (“PCS”) and energy management systems (“EMS”). We integrate power electronics, electrochemistry and electrical grid support technologies and pioneer the launch of integrated energy storage products and ensure high compatibility and cooperativity between different systems by integrated structure and control logic design. Leveraging our power electronics, electrochemistry and electrical grid support technologies, we launched our industry-leading PowerTitan and PowerStack liquid-cooled energy storage systems in 2022, catering to utility, C&I scenarios respectively. We have continuously iterated our energy storage systems since their introduction, which significantly extend their lifetime, improve charging and discharging efficiency and reduce power loss, resulting in a reduction of the levelized cost of storage by over 20%. In 2023, we introduced a 10 MWh liquid-cooled energy storage system, PowerTitan 2.0, which is a liquid-cooled energy storage system targeting large-scale application in overseas markets. Built with the Stem-Cell Grid-Forming Tech we introduced in 2023, the PowerTitan 2.0 is more efficient, safe and user friendly. In 2025, we launched the ground-breaking PowerTitan 3.0 AC Intelligent Energy Storage Platform, and the Plus version is the lithium battery energy storage system with the world’s highest single-cabinet capacity and highest energy-density, capable of reducing land footprint by 45% and significantly reducing capital expenditure. Our PowerTitan 3.0 is embedded with our Stem-Cell Grid-Forming Tech 2.0, which systematically integrates DC-side battery management with AC-side grid-forming control, to ensure safe and efficient battery charging and discharging on the DC-side, providing stable energy support for the AC side under varying grid conditions, environmental factors and application requirements.

We highly value the safety of energy storage systems. In 2024, we successively completed the world’s first large-scale combustion test on energy storage systems, as well as the world’s largest and longest-duration real-life combustion non-spreading test, the latter of which was certified by DNV demonstrating robust capabilities in explosion venting, flame resistance and impact resistance. Also in 2024, we launched ArcDefenderTM DC arc technology and the iSolarBPS cell pre-diagnosis system to increase safety level. In addition, we successfully conducted the first full-scenario solar-storage grid integration test with key partners, and our energy storage converter received the grid integration technology certification from the China Quality Certification Center. Our energy storage systems have a good safety record. During the Track Record Period and up to the Latest Practicable Date, our energy storage systems had not caused any material safety accidents.

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The following table sets forth a brief description of our major energy storage systems:

Product	Description
PowerTitan 3.0 AC Intelligent Energy Storage Platform. 	PowerTitan 3.0 is a next-generation energy storage system that continues the integrated design of direct current and battery systems with PCS in a single cabinet. PowerTitan 3.0 includes Flex, Classic and Plus versions, all of which incorporate the latest third-generation large-capacity battery cells and comprehensive intelligent technology upgrades, enabling full-scenario, all-round intelligent energy management. The Plus version offers a single-unit capacity of 3.125 MW/12.5 MWh, with an energy density of 500 kWh/m². It reduces the land use of GWh-level power stations by 32% and achieves a significant reduction in capital expenditures.
PowerTitan 2.0 Power Energy Storage System. 	As the new generation of energy storage system built with the “3-in-1” integration concept, PowerTitan 2.0 is equipped with embedded PCS to enable AC storage. This product can support a configuration capacity of 2.5 MW/5 MWh in a standard 20-foot energy storage cabinet, greatly improving the energy density of the system. Liquid cooling for the entire system, intelligent cluster-level management and Stem Cell Tech contribute to a product that is more efficient, user-friendly and safe. These features help next-generation power systems operate reliably in all scenarios.
PowerStack 255CS C&I Energy Storage System 	Carrying forward our tradition of “3-in-1” integration and “Independent development across all stacks,” PowerStack 255CS features deep integration of power electronics, electrochemistry and grid support technologies. Leveraging the use and integration of AI technology, the design employs an “intelligence and storage integrated” approach to deliver EMS, PCS and BMS functionalities, achieving a system capacity of up to 257 kWh. The product demonstrates leading advantages in generating revenue for users, low-maintenance use and comprehensive safety, which helps address three major pain points of users, namely revenue, operation and maintenance and safety, and eliminating the concerns in C&I power distribution and storage.

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Product	Description
SBH100-400 Residential Battery 	With the continued growth of the residential energy storage market, we upgraded our integrated residential storage solutions. Building on the original SBR series battery modules, the system has been comprehensively enhanced. The module capacity has been increased to 5 kWh per unit, supporting up to 8 modules in parallel for a maximum capacity of 40 kWh. The charging and discharging capability has been upgraded to support a 50 A ultra-high discharge current, enabling rapid full-power output. Safety features have also been enhanced, with electrical isolation design and module-level protection. The system is equipped with the latest SHT and SHRS technologies, allowing for flexible expansion and backup across the entire home, meeting diverse residential energy storage needs.

According to Frost & Sullivan, the cumulative shipment volume of our energy storage systems had reached over 93 GWh as of December 31, 2025, maintaining a leading position globally.

New Energy Investment and Development

We have engaged in new energy investment and development business globally, covering a wide range of scenarios including ground-mounted power stations, C&I PV power stations, residential PV power stations, wind power stations and energy storage power stations, committed to establishing a differentiated competitive advantage through power station technological development. We mainly adopt a development, build and transfer (“DBT”) business model for power station development, where we develop the power stations and subsequently transfer them to customers.

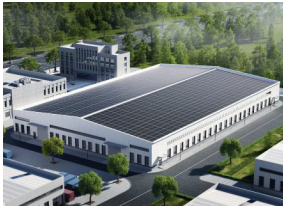
The following table sets forth a brief description of certain of our major power station projects:

Product	Description
Ground-mounted PV Power Station 	Utilizing our advanced technologies, we develop ground-mounted PV power station solutions tailored to diverse application scenarios, achieving optimal LCOE and return on investment, creating greater value for customers and setting integrated development examples for comprehensive environmental treatment and new energy industry applications.

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Product	Description
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BIPV Power Station	iBuilding — the BIPV power station integrates optimized module-tile design and patented tile profiles to accelerate installation and boost energy yield, featuring rapid deployment and high efficiency. The 360-degree rolled-edge waterproofing design does not require drilling and sealing efforts and ensures absolute safety. Our proprietary ECO cooling technology optimizes thermal pathways to reduce module temperature and ensure high power generation efficiency.
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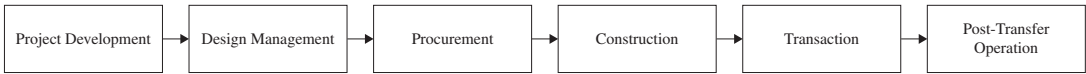


Home Energy Power Station	Home energy power station is an all-in-one green power station product exclusively designed for premium villas and residences in China. It features 24/7 storage response for optimal compatibility and multi-orientation roof adaptability. Its Home Energy Management System (“HEMS”) integrates “power generation, storage and consumption” through advanced intelligence.
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The primary stages of power station development encompass project development, project design, construction and acceptance handover stages. Upon contract signing, we will organize a dedicated project team to initiate planning activities, which include conceptual design, filing of records and environmental impact assessment applications, grid connection approval applications, project planning, procurement of materials, construction briefings and safety training. Once the procured equipment and materials arrive at the project site, the construction phase begins, with the contractor responsible for installation and system integration. Typically, the construction and building of power station projects are carried out by third-party contractors, with the supply chain management center overseeing the external bidding process for project construction. Upon completion of construction, we perform internal pre-acceptance, make grid connection application and complete final acceptance processes before ultimately handing the project over to the owner.

The following flowchart illustrates a simplified construction process of our stations under the new energy investment and development business segment:



The cumulative capacity of PV power stations and wind power stations we developed globally had reached 59 GW as of December 31, 2025.

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The salient terms of our typical agreements with our customers for new energy investment and development business are set forth as follow:

- **Duration.** We specify the duration in each EPC agreement according to the project requirements.
- **Service scope.** We are responsible for the engineering, procurement and construction of the power stations, including purchasing all required equipment, executing the construction and installation work, performing commissioning and delivering the power stations for commercial operation with grid connection in accordance with the agreement.
- **Pricing and payment arrangement.** Prices are determined based on the project specifications, considering the actual installed capacity of the power station and covering all costs and risks associated with the project. We usually require our customers to pay by schedule according to the agreement.
- **Rights and obligations.** We are responsible for completing the project within the schedule and meeting all the quality standards and other requirements specified in the agreement. We are entitled to receive payment after the inspection and delivery of the power station.
- **Termination.** The agreement will be terminated upon expiry or on breach of agreement by either party pursuant to the agreement.

The following table sets forth the backlog movements of our new energy investment and development projects in terms of the number of projects in the years or periods indicated:

	2023	2024	2025	Three months ended March 31, 2026
	(units)			
Number of projects at the beginning of the period	213	400	777	533
Number of newly added projects during the period	324	540	212	60
Number of completed projects during the period	<u>137</u>	<u>163</u>	<u>456</u>	<u>31</u>
Number of projects at the end of the period	400	777	533	562

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The following table sets forth the backlog movements of our new energy investment and development projects in terms of contract fulfillment costs, reflecting the value of such projects, in the years or periods indicated:

	2023	2024	2025	Three months ended March 31, 2026
	(RMB in thousands)			
Value of the total projects at the beginning of the period	6,790,639	10,073,970	14,024,943	6,630,817
Value of newly added projects during the period	23,977,574	20,879,388	6,764,321	235,803
Value of completed projects during the period	<u>20,694,243</u>	<u>16,928,416</u>	<u>14,158,447</u>	<u>490,107</u>
Value of total projects at the end of the period	10,073,970	14,024,943	6,630,817	6,376,512

During the Track Record Period, we had three major loss-making new energy investment and development projects. These projects were related to PV power stations and wind power station. During the Track Record Period, the total revenue and gross loss from these projects were RMB1,230.8 million and RMB81.0 million, respectively. The total contract value of these projects was RMB1,208.0 million. These losses were primarily due to (i) the relatively low project selling price, impacted by the declined market electricity prices; and (ii) the increased construction costs, resulting from project delays caused by the public health incidents.

Other Businesses

Power Generation at New Energy Power Stations

In addition to building and transferring power stations to customers, we also own and operate a few self-developed power stations and sell the electricity generated by such power stations to grid companies. As of December 31, 2025, we operated 9 self-developed new energy power stations with an aggregate installed capacity of 515 MW, 34 distributed PV power stations with an aggregate installed capacity of 146.5 MW in China.

Smart Energy Operation and Maintenance Services

We provide smart energy operation and maintenance services for photovoltaic, energy storage, wind power and other new energy power stations, grounded on our expertise in power electronics conversion and power station integration. Leveraging our independently developed and proprietary digital intelligence operation and maintenance platform for new energy power stations, SolarEye, which is equipped with station-level “digital smart all-round practitioner,” iSolarHealth, we can quickly identify full-link equipment anomalies, accurately pinpoint root causes and dynamically adjust power station operation and maintenance strategies. This ensures asset security while maximizing returns. As of December 31, 2025, we had provided O&M services for clean energy power stations, with our business covering 31 provinces and municipalities in China and extending to overseas markets.

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Floating PV System

We offer one-stop floating PV system solutions to global customers suitable for different water areas. Our floating PV system solutions are eco-friendly, reliable and efficient. We have established a dedicated and experienced R&D team for floating PV technologies and yielded considerable achievements. As of December 31, 2025, we had been granted over 300 patents with respect to key floating PV system technologies, including system design, materials, product structure and arrays and anchoring systems. We have also participated in the formulation of multiple standards related to floating systems, and our products have been certified and tested by a number of international certification bodies including TÜV, DNV, WRAS, SGS and CGC. We are the first GW-level floating PV system supplier globally and have maintained a leading position for seven consecutive years in terms of market share, according to S&P Global and Frost & Sullivan.

EV Charging Equipment

Based on our long-term R&D and application experience in outdoor high-performance power electronics products, we have been actively driving technological advancement in electric vehicle charging equipment and solutions. We are committed to improving our customer’s return on investment while securing their assets safety. Our product portfolio consisted of EV charging equipment, including DC and AC charging poles. Leveraging our proprietary “Isolated Air-Cooling” technology, our products feature superior protection, exceptional reliability, maintenance-free operation and extended lifespan. As of December 31, 2025, our products had been sold in volume to over 40 countries and regions worldwide, earning widespread acclaim from vehicle owners and operators. As of December 31, 2025, we have launched our 400 kW, 480 kW, 720 kW and MW-class ultra-fast charging product matrix for heavy truck, which comprehensively accommodate the demand from short-, medium- to long-range logistics applications.

The following table sets forth a brief description of our major new energy vehicle charging equipment:

Product	Description
European Standard ChargeStack 1000 MW Ultra-fast Charging System	Built on a 1+X modular architecture, our 1-3.5 MW European standard megawatt-class DC charging system supports scalable MCS (1500A) and CCS (600A), meeting the deployment and upgrade needs of heavy-duty trucks and high-power charging sites across different build-out stage.



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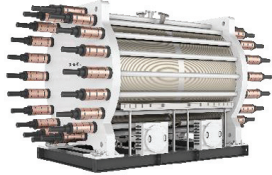
Product	Description
European standard 480 kW isolated air-cooled ultra-fast charger 	Designed for the European market, our compact all-in-one platform is built on our in-house air-cooled, isolated power modules. It supports on-demand scaling from 240 to 480 kW, enabling flexible deployment while maintaining high reliability and improving overall return on investment.
European standard 22 kW AC pole 	With high IP65 protection, The European standard AC pole is suitable for the slow charging needs of public field charging stations. It supports the integration of European household PV and storage systems, providing a one-stop solution.

Hydrogen Energy Equipment

As the pioneer of the hydrogen sector in China, we offer flexible hydrogen production systems and solutions powered by renewable energy, featuring efficiency, intelligence and safety. We offer integrated and systematic hydrogen production equipment, covering PWM hydrogen power supplies, ALK and PEM electrolysis cell, electrolysis cell digital management systems, gas-liquid separation and purification equipment and smart hydrogen management systems. We have also developed hydrogen production system solutions for off-grid, grid-connected and microgrid scenarios. We have secured certifications including ISO 9001/14001/45001, American Society of Mechanical Engineers (ASME) Certification, GC2, TÜV and CNAS. Our production center for hydrogen energy equipment has incorporated the first automated electrolysis cell assembly line in China, increasing the total production capacity of our production base by 3 GW and boosting the production efficiency by 60%. We have the first 30 MW electrolytic hydrogen production demonstration base in China, which has operated stably for over 15,000 hours, providing precise data to advance hydrogen production technologies. According to Frost & Sullivan, the market share of our hydrogen production equipment in terms of contract volume had achieved an industry-leading position in 2024.

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The following table sets forth a brief description of our major hydrogen production products:

Product	Description
PWM rectifier power supply 	The product leverages the IGBT full-control power devices and PWM control technology to rectify and convert AC into DC required for the electrolytic cell, which is suitable for large-scale renewable energy AC-coupling hydrogen production scenarios.
HyGrow 2,000+ Nm³/h series large-scale alkaline water electrolysis cell 	The product employs high-activity catalysts and reverse-current resistant electrodes, delivering high current density, low energy consumption, start-stop durability, and exceptional operational flexibility. Integrated with the smart management system, it provides three core functionalities safety management, status analysis and performance optimization to enhance hydrogen production efficiency, minimize operational degradation and ensure superior adaptability to fluctuating operating conditions.
PEM electrolyzed water hydrogen production equipment 	The product uses direct current to electrolyze pure water into hydrogen and oxygen, and obtains high-purity finished hydrogen after gas-liquid separation and purification. It consists of a PEM electrolysis cell, gas-liquid separation and purification equipment and utilities equipment.

RESEARCH AND DEVELOPMENT

Since our establishment in 1997, we have been focusing on the field of clean power and taking technological development along with market-oriented philosophy as the principal drivers for growth. Our R&D structure consisted of a Central Research Institute and dedicated R&D teams within each business unit. Our Central Research Institute conducts in-depth and advanced technological research to build high-value IP portfolios in the early stages and address critical technological issues. It is responsible for establishing management mechanisms to foster R&D activities throughout all business units. Each of our business units includes platform R&D teams and business R&D teams. Our platform R&D teams are responsible for developing general technologies and addressing technical challenges, while our business R&D teams apply the general technologies to develop customized and business-driven solutions. We have established six R&D centers, including four R&D centers in Hefei, Shanghai, Nanjing and

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Shenzhen in China, and two R&D centers in Germany and the Netherlands, with world-leading electromagnetic compatibility laboratories, high-performance and large-capacity low-voltage ride-through facilities, as well as various power supply and grid simulators that meet strict experiment and test requirements. Furthermore, we have established a professional R&D team with extensive experience and strong capabilities in independent research and development. As of December 31, 2025, our R&D team comprised 7,625 employees that accounted for 40.1% of our workforce, of whom 43.1% possessed a master’s degree or above. In addition, we engage in strategic collaborations with research institutes and universities. As of December 31, 2025, we had collaborated with many reputable universities and research institutions, and had participated in 33 important research and technological development projects. These collaborations focus on multiple cutting-edge technology fields, aiming to meet practical needs and continuously promote technological breakthroughs and commercialization.

In 2023, 2024 and 2025, our total R&D expenses amounted to RMB2,447.4 million, RMB3,163.5 million and RMB4,175.0 million.

Research and Development Model

We strive to achieve continuous technological improvement to meet market demands at optimal cost. We introduced an advanced IPD model in 2010 to enhance R&D management efficiency and optimize R&D processes. The IPD model enables us to shorten R&D cycles and lower product costs, securing high cost-effectiveness of our products and solutions.

We have established a collaborative R&D management system under the IPD model. We set up an integrated portfolio management team, comprising responsible members of strategy planning, finance and human resources at the company level, which is responsible for formulating our Group’s overall R&D strategic objectives. In addition, we have built an integrated technology management team to formulate our technology development strategies for the coming three to five years. The integrated technology management team is also responsible for providing technical guidance to the technology and product development teams, as well as managing the R&D teams in each business division.

We have adopted an advanced IPD model guiding us in technology reserves and product development based on comprehensive analysis of customer requirements, technological trends and competitive strategies. New products undergo a stringent process encompassing concept formulation, planning, development, validation, pilot production and, ultimately, mass production. We set clear and measurable quality benchmarks at each stage to ensure that all products launched are of superior quality and meet the stringent standards expected by our customers.

We have adopted the IPD framework as our core management process, integrating specific business requirements and combining the requirements of Advanced Product Quality Planning (“APQP”) and the Capability Maturity Model Integration (“CMMI”). By adopting tailored combination management models for different R&D projects, we enhanced the framework’s effectiveness in quality control, process standardization, risk management, cross-functional collaboration and resource integration throughout the R&D process.

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Major R&D Achievements

As of December 31, 2025, we had participated in the formulation of multiple industry standards and had applied 11,504 patents in China and overseas, becoming one of the few companies in the industry with mastery over numerous independent core technologies. See “—Intellectual Property.”

We set out below the details of certain major R&D projects:

- ***2,000V high-voltage technology project.*** 2,000V DC high voltage technology is applied in PV inverters and energy storage converters. This project addresses the challenges of 2,000V DC high-voltage technology across three dimensions: hardware, software and systems. Compared to the 1,500V DC system, the efficiency of the 2,000V PV system could be enhanced by 0.5% to 1%, while the efficiency of the energy storage system could be enhanced by 0.4% to 0.7%.
- ***High-efficiency, high power density inverter technology project.*** High-efficiency, high power density inverter technology is applied in PV inverters, energy storage converters and wind power converters. We have developed the high-efficiency, high power density PV inverter based on our significant breakthroughs achieved in the research and engineering applications of technologies such as silicon carbide hybrid three-level topology, new power semiconductor packaging, magnetic components with high saturation magnetic flux density, high-capacity large ripple capacitors, phase-change thermosiphon cooling and soft switching. The highest efficiency of this inverter has surpassed 99%, reaching a world-leading level.
- ***Voltage fault ride-through technology project.*** Voltage fault ride-through technology is used in PV inverters, wind power converters and energy storage inverters. This project addresses the continuous voltage fault ride-through issues in systems of wind power, solar power and energy storage under both strong and weak grid conditions. In response to grid requirements for low-voltage ride-through (“LVRT”) and high-voltage ride-through (“HVRT”) in grid-connected power generation systems, we have proposed several advanced strategies. These include an LVRT control strategy based on fast phase-locked loop, an HVRT control strategy based on virtual variable impedance, intelligent rapid regulation of bus voltage, impedance reshaping and a reactive current compensation method for three-phase grid-connected inverters during grid voltage unbalance.
- ***Grid-forming technology project.*** With the increasing integration of renewables such as wind and solar worldwide, traditional grid connection solutions are no longer sufficient to ensure grid stability. Grid-forming technology enables energy storage converters or renewable generation equipment to actively establish and maintain grid voltage and frequency, supporting stable grid operation even in weak grids or without a main power source. We are continuously upgrading our stem cell grid technology, pioneering a three-level collaborative architecture of “battery —

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converter — power station.” We have been conducting R&D in grid-forming technologies since 2006 and has accumulated core technologies, including flexible inertia support, wide-band oscillation suppression, enhanced continuous high or low voltage ride-through, microsecond-level voltage construction, adaptive harmonic suppression, rapid off-grid commissioning, grid-connected and off-grid transition and GW-level black start capacity.

We believe that the following technological advantages have enabled us to become a versatile expert in clean energy:

- In terms of power electronics technologies, we maintain a leading position in high-power devices by leveraging our technological synergies between the solar energy and wind power business sectors. In 2021, we launched the SG320HX string PV inverter, which boasts a maximum power output of 352 kW, pioneering string PV inverter technologies above 300 kW. In the field of wind power, we also developed the industry-leading three-level converters to solidify our advantages in high power rating technologies. In addition, we launched 1+X modular inverters in 2021, which feature flexible power station construction and convenient O&M by parallel connection of multiple inverter modules, combining the advantages of the traditional string and centralized PV inverters. Building on our first-generation modular inverter, we have launched the 1+X 2.0 modular inverter in 2025, featuring an upgraded single unit capacity of 800 kW, which enabled a flexible configuration of 0.8 MW to 9.6 MW. By incorporating AI technology for fault detection and leveraging our industry-leading grid-forming capabilities, our 1+X 2.0 modular inverters achieve further improvements in flexibility, reliability, efficiency and grid support, and are protected by multiple patented technologies.
- In terms of energy storage systems, we integrate power electronics, electrochemistry and electrical grid support technologies to develop our proprietary PCS, BMS and EMS, the three core hardware and software components of energy storage systems. We empower customers with our advanced system integration capabilities and launched the integral liquid-pooled energy storage system, PowerTitan and PowerStack series, each catering to ground-mounted and C&I scenarios. Our PowerTitan and PowerStack series prioritize full-lifecycle energy storage safety, while significantly extending the lifetime of lithium batteries, improving the charging and discharging efficiency and reducing the power loss, resulting in a significant reduction of LCOE over the full lifecycle. In particular, our newly launched PowerTitan 3.0 AC Intelligent Energy Storage Platform Plus version features an energy density exceeding 500 kWh/m³, the highest globally by the Latest Practicable Date according to Frost & Sullivan. With enhanced liquid cooling ensuring superior heat dissipation and system stability, PowerTitan 3.0 series has set an industry benchmark for efficient, high-density and safe energy storage.

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- In terms of hydrogen production equipment, we are at the forefront of both ALK water electrolysis and PEM water electrolysis technologies, which allow our electrolyzers to further reduce the LCOE. We have also applied power electronics conversion technology to develop a PWM hydrogen production power supply. This PWM hydrogen power supply demonstrates excellent performance, is grid-friendly, and can significantly reduce the LCOH. In addition, with our advanced flexible hydrogen production capabilities, our systems can dynamically adjust the operating load in response to fluctuations in renewable energy sources such as solar and wind power. Compared with conventional hydrogen production methods, flexible hydrogen production can operate efficiently under variable or low-power conditions and maintain stable output even during intermittent energy supply. It enables real-time load adjustment and optimized cluster management, thereby better accommodating the fluctuating characteristics of renewable energy sources such as solar and wind power.

SALES, MARKETING AND CUSTOMER SERVICE

Geographical Coverage

As of December 31, 2025, we had established over 20 overseas branch offices, over 520 global service outlets and hundreds of key channel partners. As of December 31, 2025, we had sold our products and services to over 100 countries and regions worldwide. The following table sets forth our revenue by geographic regions for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousand except for percentages)</i>						
Mainland China	38,801,908	53.8	41,417,615	53.3	34,923,505	39.3
Other countries/regions	33,357,345	46.2	36,286,519	46.7	53,990,267	60.7
Total	72,159,253	100.0	77,704,134	100.0	88,913,772	100.0

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Sales Channels

During the Track Record Period, we adopted both direct sales and channel sales to address the requirements of different market segments. The following table sets forth a breakdown of our revenue by sales model in absolute amounts and as percentages of our total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
	<i>(RMB in thousand except for percentages)</i>					
Direct sales	64,811,594	89.8	71,557,495	92.1	79,895,020	89.9
Channel sales	7,347,659	10.2	6,146,639	7.9	9,018,752	10.1
Total	72,159,253	100.0	77,704,134	100.0	88,913,772	100.0

Direct Sales

We mainly adopt direct sale models to sell our products and solutions to customers. We primarily provide PV inverters, energy storage systems, wind power converter and transmission products, new energy vehicles’ electric control, power supply and charging equipment, and hydrogen energy equipment to direct sale customers, including PRC and overseas. As of December 31, 2025, we have established more than 520 service outlets worldwide to expand our sales channels. Our primary downstream customers of our PV inverters and energy storage systems are EPC contractors, project owners and project investors. We acquire customers through various channels including participating in industry exhibitions, customer referrals within the industry, engaging in tender processes and proactive customer visits. Over the years, we have developed a comprehensive global sales channel and established strong cooperative relationships with a number of well-known enterprises both in China and overseas. Our sales department initially approach customers for business negotiations, while our solutions department provides tailored professional solutions for the customers. We then secure contracts with our customers through processes including public tendering, competitive negotiation and commercial negotiation.

The salient terms of our typical direct sales agreements of our PV inverters and energy storage systems are set forth as follows:

- **Product specification.** We specify the type, specifications, model, quantity, unit price and detailed items in each direct sales framework agreement.
- **Credit terms.** The credit period we grant to customers is typically within 180 days.
- **Logistics.** We are typically responsible for the delivery of products to the designated locations of our customers at our own logistics costs.

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- **Warranty.** We typically provide no less than five-year warranty services for our PV inverters and energy storage systems.
- **Confidentiality.** Our customers are obligated to maintain confidentiality regarding our business, technical and other proprietary information.

Channel Sales

We collaborate with channel partners to sell our products and solutions, leveraging the channel partners’ established sales network to reach residential and C&I users. Our collaboration with channel partners is in line with industry norm, according to Frost & Sullivan. We primarily sell energy storage systems and PV inverters for residential and C&I scenarios through channel partners. As of December 31, 2023 and 2024 and 2025, we had 133, 194 and 191 channel partners, respectively.

The following table sets forth the number of our channel partners and their movements for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number at the beginning of the year	82	133	194
Number of channel partners newly engaged. .	63	90	87
Number of channel partners we terminated cooperation with	12	29	90
Net increase/(decrease) in the number of channel partners	<u>51</u>	<u>61</u>	<u>(3)</u>
Number of channel partners as at the end of year	<u>133</u>	<u>194</u>	<u>191</u>

As of December 31, 2025, we had established channel sales network covering Europe, the Americas, Australia, Middle East and Southeast Asia. We maintain a buyer-seller relationship with our channel partners. All of our contracts with channel partners are structured as outright sales, and channel partners are regarded as our end customers. We select our channel partners based on various factors, including their track record, company size, sales experience, reputation and logistic and transport capabilities. We also evaluate our distributors on a regular basis, including periodic assessments of their performance, operational status and future potential. For channel partners that do not meet our development objectives, we provide a reasonable remediation period, and if there is no significant improvement during such period, we will terminate the cooperation. The number of channel partners we terminated cooperation with was relatively high in 2025, primarily because we refined our channel network to phase out certain underperforming channel partners. To our best knowledge, all of our channel partners engaged during the Track Record Period were Independent Third Parties.

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We believe the risk of channel stuffing within our channel network is low, considering that (i) we maintained long-term collaboration relationship with channel partners; and (ii) we typically do not allow channel partners to return products to us unless there are product quality issues caused by us. We also believe that the risk of cannibalization within our channel network is low, considering that the product types and geographical coverages vary among our channel partners, who generally place orders on an as-needed basis.

The salient terms of our standard channel sales agreements are set forth as follows:

- ***Duration.*** The duration of our agreement is typically one year.
- ***Minimum purchase requirement.*** We do not have compulsory requirements for minimum purchase amount but we provide suggested minimum shipment volume per order.
- ***Designated channel sales area.*** We generally allocate specific sales areas to channel partners, who are not allowed to conduct sales outside the designated areas.
- ***Payment and credit term.*** Channel partners are generally required to settle the full amount through bank transfer: (i) within ten working days after shipment for agreements in China; or (ii) within 30 days after the date of the commercial invoice issued by us for agreements in other regions.
- ***Logistics.*** Products are typically sold in accordance with Incoterms 2020 and the agreed standard terms.
- ***Warranty.*** Channel partners are primarily responsible for providing after-sales services and warranties to their downstream buyers and end users. We provide warranties directly to channel partners. We only provide warranties to end users under expressly specified terms in our sales agreement.
- ***Confidentiality.*** Channel partners are obligated to maintain confidentiality and prohibited from disclosing commercial information or trade secrets to third parties without our prior consent.
- ***Product return.*** We typically do not allow product return from our channel partners.

During the Track Record Period and up to the Latest Practicable Date, we did not materially breach any channel sales agreement with our channel partners. During the Track Record Period and up to the Latest Practicable Date, we did not have any material breaches or disputes with our channel partners.

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Branding

We promote our “SUNGROW” brand for all our business segments in order to generate strong market synergies. We formulate diversified marketing strategies for different business sectors tailored to market competition and customer features in the industry. Historically, by leveraging our established brand recognition in the global clean energy industry, we were able to effectively drive up sales of our new products and solutions, rapidly extend our reach to potential customer bases and scale up our new businesses under the brand “SUNGROW.” According to BNEF, our PV inverters ranked first globally in terms of bankability in 2024, and “SUNGROW” became the only renewable energy brand to achieve the top position five times. Our energy storage systems and PCS also ranked first globally in terms of bankability. Moreover, according to the 2025 “Top 500 Most Valuable Chinese Brands” published by World Brand Lab, our brand value reached RMB116.14 billion, securing its place among top 100 most valuable Chinese brands, with both brand value and ranking having risen for six consecutive years.

Pricing Strategy

The pricing of our products and services are based on a comprehensive evaluation of production costs, sales objectives and market demand. Our prices vary across PRC markets and overseas markets as we take into consideration the local pricing trends for each market. In specific, the prices of our PV inverters and energy storage systems are determined by our brand positioning, prevailing market competition and after-sales service costs across different regions. We also consider fluctuations in key raw material costs. See “Industry Overview — Raw Material Cost Analysis.” Under direct sales, we determine our prices with reference to public tenders and commercial negotiations. Under channel sales model, we determine our prices with reference to competition in local markets and the profitability for our channel partners.

Customer Services

Leveraging our extensive global marketing and service network, we provide customer-centric services to continuously enhance customer satisfaction. As of December 31, 2025, we had over 520 global service outlets. Our customer services primarily include consultations, localized technical support, installation and testing of equipment, as well as requisite training and operational guidance. Additionally, we offer in-depth after-sales services covering the full lifecycle of our products and solutions, such as evaluation and optimization of power generation efficiency, inspection and upgrades of equipment and cloud platform-based services. We place a high priority in responding promptly to customer requests and guarantee a response time of less than 24 hours for our customers in China and less than 48 hours for overseas customers. Moreover, we have implemented comprehensive procedures for handling customer complaints efficiently and actively seek feedback to understand customer experiences and enhance our services accordingly.

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PRODUCTION

We have established production footprint both in China and overseas. As of December 31, 2025, the total construction area of our production base that has completed construction in China was approximately 441.1 thousands sq.m., primarily producing PV inverters and energy storage systems. The total construction area of our overseas production bases that have completed construction was approximately 180.8 thousands sq.m., primarily producing PV inverters. Our relevant legal advisors are of the view that the level of production and levels of exhaust gas, wastewater and other pollutants emitted during our production process were in compliance of relevant laws and regulations during the Track Record Period. The following table sets forth our design production capacity condition as of December 31, 2025:

Geographical locations	Production Bases	Construction Area (thousands sq.m.)	Products	Design Production Capacity ⁽¹⁾
China	Hefei	441.1	PV inverters	200.8 GW
			Energy storage systems	49.8 GWh
Overseas . . .	Thailand	142.8	PV inverters	41.0 GW
	India	38.0	PV inverters	9.0 GW

Note:

- (1) Production capacity of our production base in China is calculated based on the following assumptions: (i) our production facilities run for 8 hours per day; and (ii) we operate for 300 working days per year. Production capacity of our production bases in overseas countries is calculated based on the number of operational days per year, the number of shifts per day, the duration of each shift, the cycle time and the overall equipment effectiveness. Our actual capacity can be flexibly increased through measures such as adding shifts and optimizing scheduling.

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The following table sets forth the production capacity, production volume and utilization rate of our major products by production bases for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Production Capacity	Actual Production Volume	Utilization Rate	Production Capacity	Actual Production Volume	Utilization Rate	Production Capacity	Actual Production Volume	Utilization Rate
			(%)			(%)			(%)
- PV inverters (GW)	71.0	151.0	212.6	102.4	167.0	163.1	164.7	140.0	85.0
- Energy storage systems (GW/h)	11.0	9.0	81.8	14.6	31.7	216.6	40.0	47.1	117.8

Notes:

- (1) Production capacity of our production base in China is calculated based on the following assumptions: (i) our production facilities run for 8 hours per day; and (ii) we operate for 300 working days per year. Production capacity of our production bases in overseas countries is calculated based on the number of operational days per year, the number of shifts per day, the duration of each shift, the cycle time and the overall equipment effectiveness.
- (2) The utilization rate is calculated by dividing the actual production volume for the periods indicated by the designed production capacity for the periods indicated.

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Production Process

We have formed an integrated production process. Through our relentless efforts in production automation and production process refinement, we have effectively enhanced our product quality and production efficiency.

PV inverters. Our production process of PV inverters primarily includes component pre-processing, PCBA processing, wire processing, assembly and testing. The details of the production processes of our PV inverters are set forth as follow:

- *Component pre-processing.* We conduct inspections and pre-processing on all incoming raw materials to ensure the fulfillment of quality standards and prepare for further processing or assembly.
- *PCBA processing.* Electronic components are mounted onto printed circuit board (“PCB”) through surface mount technology and through-hole technology to create functional circuit board assemblies.
- *Wire processing.* Wires are precisely cut and stripped, fitted with the correct terminals or connectors and then systematically routed and bundled into harnesses for subsequent assembly.
- *Assembly.* We integrate the prepared components, including AC membrane capacitors, DC load switches, resistors, capacitors, printed circuit boards and transformers of the PV inverters, into the final product.
- *Testing.* Upon the completion of assembly, we connect wires to the products and conduct several rounds of functional testing and inspection on the PV inverter products.

Energy storage systems. Our production process of energy storage systems includes component pre-processing and installation, preliminary examination, assembly and testing. The details of the production process of our energy storage products are set forth as follow:

- *Component pre-processing and installation.* We conduct inspections and pre-processing on all incoming raw materials to ensure the fulfillment of quality standards. We pre-process the wires first and then assemble the power distribution cabinet, DC-DC converters and battery packs to generate the semi-finished products.
- *Preliminary examination.* We conduct preliminary examinations on the semi-finished products to ensure the safety and functionality.
- *Assembly.* After preliminary examining of the semi-finished products, we proceed to assemble the semi-finished products into containers to generate the final product.
- *Testing.* We conduct multiple rounds of functional testing and inspection on the final products. Our comprehensive testing includes visual inspections, safety tests, battery detections, temperature control tests and complete machine function tests.

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Smart Production

Our production capabilities have been enhanced by AI and automation, culminating in an intelligent production system that covers everything from precision circuit manufacturing to final system assembly. We leverage advanced manufacturing technologies, such as AI vision and automated production equipment, to improve product quality and production efficiency. In particular, our smart production equipment for our major products is set forth as follows:

- ***PV inverters.*** We employed automated production lines for the production of PCBA and the assembly of string and residential inverters. For example, our high-speed SMT placement machines (高速貼片機) utilize AI vision spotting technologies to precisely control the quality of our PCBA. Our PV inverter assembly lines are equipped with automated screw locking machines (自動鎖螺絲機), automated dispensing machines (自動點膠機) and flexible AGV transportation systems, (柔性AGV輸送系統), enabling automated production, smart monitoring and flexible production capabilities.
- ***Energy storage systems.*** We employed automated production lines for the production of battery packs and the assembly of energy storage systems. For example, our production lines of battery packs employ advanced equipment, including automated cell feeding systems, (電芯自動上料系統), automated module stacking machines (模組自動堆疊機), automated encapsulation gluing machines (箱體自動塗膠) and automated assembly and locking systems (自動裝配鎖附系統). This technological foundation ensures precision processing, full traceability and automated production capabilities. In addition, our skid-type assembly line (儲能系統滑橇式總裝線) for energy storage systems is equipped with heavy-duty skid conveying systems (重載滑橇輸送線), compatible lifting equipment (兼容性吊裝設備) and automated battery packs insertion mechanisms (電池包自動入箱裝置), enabling automated assembly of heavy-duty units, significantly enhancing production efficiency and safety.

Production Expansion Plan

To meet the product delivery requirements from customers globally, we plan to further expand our production capacity by establishing several new production bases abroad. Our overseas production bases will enhance our service efficiency, reduce logistics fees, improve delivery flexibility and certainty, and strengthen localized supply capabilities, thereby ensuring a stable supply chain for our customers. We intend to fund this capacity expansion plan through a combination of the net [REDACTED] from the [REDACTED] and our funds generated from ongoing operations. See “Future Plans and Use of [REDACTED].”

BUSINESS

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Procurement

We have formulated a comprehensive supplier management system that covers supplier selection, certification and evaluation. Our Purchasing Center is responsible for the procurement of raw materials. We meticulously select qualified suppliers based on their technological advantages, qualification and market reputation. Approved suppliers will be included in the list of qualified suppliers. Qualified suppliers that fulfilled our selection requirements are required to undergo a certification process, including sample testing and contract signing. We sign a procurement framework agreement and place orders with these suppliers, and the orders specify the categories of products to be purchased, warranty for product quality, settlement methods and delivery plans. We also carry out stringent inspections on incoming supplies and conduct regular performance evaluations of suppliers, taking into account their product quality, delivery timeliness and pricing. We have established a qualified supplier management system with regular assessments of supplier product quality and delivery time. Our Purchasing Center closely coordinates with our production bases, quality management center and quality inspection center to implement our supplier selection, certification and evaluation procedures. Over the years, we have formed stable and positive relationships with our key suppliers. We continue to build a resilient and cost-effective global supply chain that is responsive to evolving global customer needs. During the Track Record Period, we primarily procured (i) transformers, IGBTs, inductive magnetic components, resistors and other electronic components and structural parts for production of our PV inverters; (ii) battery cells, structural components and electrical parts for production of our energy storage systems; and (iii) equipment (such as PV modules), materials and construction service for new energy investment and development. To secure stable and sufficient supplies of raw materials, we have established long-term and in-depth collaborations with reputable suppliers to ensure timely supply of key materials. In addition, we stock up on certain core raw materials and closely monitor the relevant market conditions and price fluctuations to optimize our procurement plan and reduce procurement costs.

Inventory Management

We determine our production targets based on the sales plans. As such, we emphasize a flexible and demand-driven inventory management approach. Production is planned based on rolling sales forecasts and actual order contracts, allowing for adjustments according to delivery requirements. By integrating sales forecasts, current inventory levels and production equipment status, we ensure that inventory is managed effectively to support our production schedule and meet customer demand without overstocking. As of December 31, 2023, 2024 and 2025, we had inventories of RMB21,441.5 million, RMB29,027.6 million and RMB27,255.4 million, respectively. See “Financial Information — Discussion of Selected Items from the Consolidated Statements of Financial Position — Inventories.”

BUSINESS

Warehousing and Logistics

Warehousing

We have warehouses both in China and overseas. We primarily adopted an intelligent warehousing system to ensure efficient material flow from procurement through production to delivery. Our dedicated warehouse units are responsible for managing the receipt, storage and dispatch of materials, semi-finished goods and finished products across different business lines. Our intelligent warehousing system consisted of warehouse management system (WMS) and smart storage. In addition, our intelligent warehousing system integrated with other digital system, including Enterprise Resource Planning (ERP) and Manufacturing Operations Management (MOM) system, to manage material receipt, dispatch, inventory and production distribution tasks. We are also implementing digital systems in our overseas warehouses. See “— Information Technology.” Upon the receipt of raw materials, we perform verification, complete storage and synchronize quality inspection results. The qualified items are shelved, while defective ones are isolated. Our inventories are categorized by type and usage frequency. Our inventories are stored in a controlled environment, subject to regular counting and inspection to ensure product integrity. When the stored items are required for production, our system automatically generates picking instructions and the optimized routes for item pick-up.

Logistics

We engaged third-party providers for logistics services to ensure efficient and high-quality delivery of our products to a wide range of markets and customers. We meticulously select service providers with prompt delivery capabilities, sufficient delivery capacity and reasonable prices. To integrate with our in-house warehousing and logistics system effectively, we assign dedicated work groups and leverage our information technology systems to enable transparent management and timely issue spotting to ensure efficient logistics operations.

QUALITY CONTROL

We attach great importance to the quality control of our products and have instituted multiple quality control systems, including ISO9001:2015, ISO14001 and ISO45001, to comprehensively control our production quality. We have formulated a full-lifecycle quality control system covering R&D, raw materials, production processes and customer services. Our quality control system allows for consistent control of materials, quality and testing standards to ensure that all products are produced to the same standard and quality at all our production bases.

- ***R&D Control.*** We have introduced the IPD model and adopted the advanced product quality plan to prevent the design and quality issue during the R&D phase. We designate dedicated personnel to supervise and inspect over the completeness of the R&D process, validity of review and quality of deliverables at each R&D stage for an R&D program.

BUSINESS

- **Raw Material Control.** We meticulously select qualified suppliers based on quality requirements and technical standards of the raw materials. We selectively purchase raw materials from qualified suppliers and carry out stringent incoming inspections on supplies to ensure the quality of raw materials for production.
- **Production Process Control.** We strictly follow the process standards to reduce and avoid the occurrence of unqualified products, and take timely measures to deal with the relevant problems in production. We supervise and inspect the various production processes, correct the non-conforming factors in a timely manner and prevent unqualified products in volume.
- **Customer Services.** We have established a global marketing and service network to provide localized technical support and services covering the full lifecycle of our products and services. In addition, we have implemented customer complaint handling procedures to handle customer complaints in a timely manner and actively seek feedback from customers and improve our services correspondingly.

Benefiting from our stringent quality control system, our products have passed a number of authoritative international certifications, including UL, TÜV, CE, Enel-GUIDA, AS4777, CEC, CSA and VDE.

EXPORT CONTROL, ECONOMICS SANCTIONS AND TARIFF IMPLICATIONS

We are of the view that the impact of the latest tariffs, export controls and other trade restrictions imposed by the U.S. and other jurisdictions on our business operations and financial performance is minimal.

Export Control

We produce our products mainly in China and Thailand. Based on our Export Control and Sanctions Counsel’s due diligence and analysis, our products are not dual-use items and are not subject to U.S. export control laws. Specifically, our products are not listed in the PRC or EU control lists for dual-use items and are not subject to catch-all controls due to their general civil end-uses. In addition, the total value of “U.S.-origin controlled content” incorporated in our products is below the 10% de-minimis threshold, and our products are not subject to any “Foreign Direct Product Rules”. Accordingly, our products are not subject to the EAR. With respect to procurement activities, we sourced U.S.-origin items which did not require licenses for exports to China during the Track Record Period. Our Export Control and Sanctions Counsel is of the view that it is unlikely that we have violated applicable export control laws and regulations in connection with our sales and procurement activities.

BUSINESS

Sanctions

Based on screening of the supplier and customer lists, we have engaged in procurement transactions from a limited number of entities subject to certain U.S. economic sanctions and we did not engage in any sales transactions to entities subject to certain U.S. economic sanctions. However, following our Export Control and Sanctions Counsel's analysis, these transactions had no U.S. nexus and did not fall within the scope of restricted activities. In addition, the volume of such transactions was very small. Accordingly, our Export Control and Sanctions Counsel is of the view that there is no risk related to Primary Sanctioned Activity and the risk related to Secondary Sanctionable Activity is remote.

Tariffs

In 2025, the U.S. implemented a series of tariff measures, including reciprocal tariffs on global trading partners. In response, countries such as China adopted retaliatory measures. As for U.S.-China tariff policies, following a period of escalated tensions, including temporary reciprocal tariff rates as high as 125% on Chinese goods, the U.S. and China announced a 90-day suspension of certain tariff measures in May 2025, which was extended in August 2025. These agreements resulted in a reduction of the aggregate additional U.S. tariffs on Chinese goods from approximately 145% (comprising 125% reciprocal tariffs and 20% fentanyl-related tariffs) to a combined rate of 30% (comprising 10% reciprocal tariffs and 20% fentanyl-related tariffs). On November 4, 2025, the U.S. further reduced fentanyl-related tariffs from 20% to 10% and extended the suspension of heightened reciprocal tariffs on imports from the PRC until November 10, 2026. Correspondingly, China reduced its additional tariff rates on U.S. imports to 10%.

With respect to tariffs imposed by China, during the Track Record Period, most of our imported products benefited from most-favoured-nation tariff rates and were not subject to high additional tariffs.

With respect to sales to our EU subsidiaries, our products were not subject to material changes in tariff treatment, nor were there any new trade remedy measures. Therefore, tariffs imposed by the EU had a limited impact on our operations.

With respect to products exported to the U.S., the volume exported to the U.S. during the peak periods of reciprocal tariffs was minimal. Most products exported to the U.S. continued to be subject to lower reciprocal tariff rates. As a result, the operational impact of these tariffs was limited. In response to the evolving tariff landscape, we have optimized our market mix and established production facilities in overseas countries to mitigate the impact of U.S. tariffs. As a global enterprise, our reliance on any single market is limited, which further helps reduce the overall impact of fluctuations in U.S. tariff costs. Furthermore, on February 20, 2026, the U.S. Supreme Court ruled that the U.S. reciprocal tariffs are unconstitutional. On March 4, 2026, a court order further required U.S. Customs and Border Protection ("CBP") to liquidate entries without regard to the IEEPA duties. The CAPE functionality within the ACE developed by CBP for IEEPA duties refund will launch the first phase on April 20, 2026. We are continuously monitoring changes in U.S. tariff policies and apply for duty refunds from CBP whenever feasible.

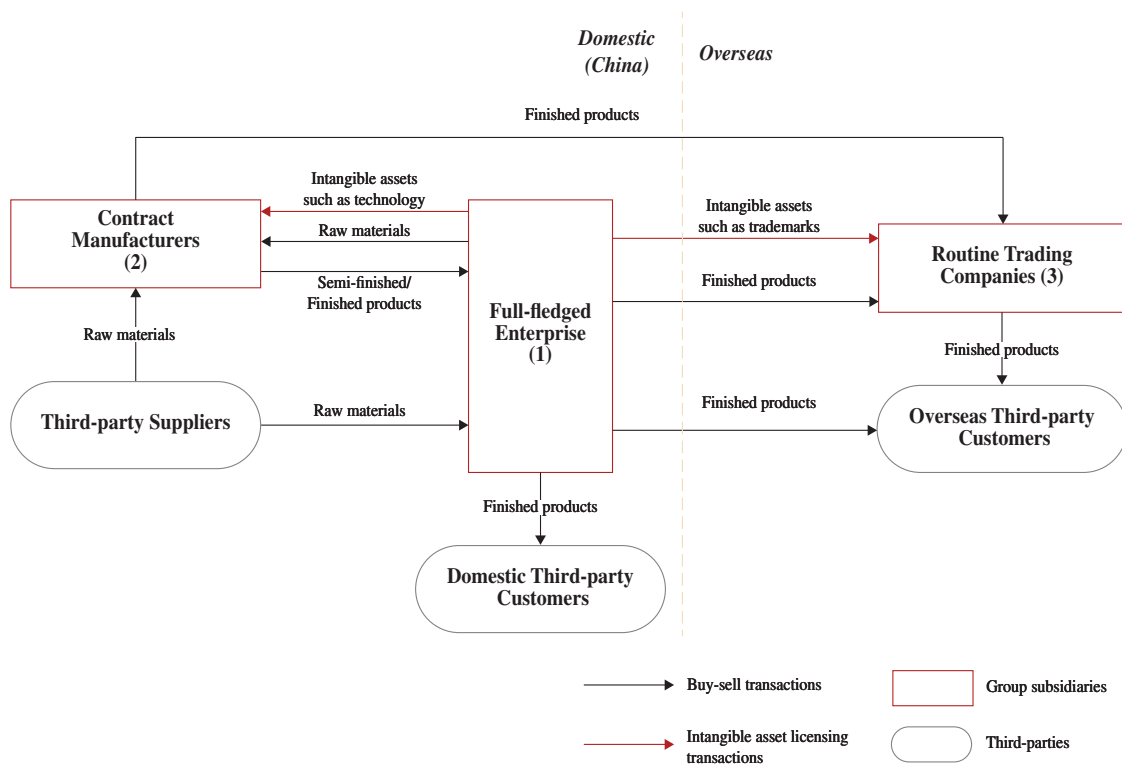
BUSINESS

TRANSFER PRICING ARRANGEMENT

Overview

In 2023, 2024 and 2025, our intra-group transactions primarily included: (i) sales of products, mainly including PV inverters and energy storage systems; (ii) provision of services, mainly including sales and marketing, R&D, supply chain management and processing services; (iii) licensing of intangible assets, mainly including trademark and IP; (iv) financing activities; and (v) leasing of properties, mainly including production facilities and office premises.

The follow diagram sets forth the transaction flow of our intra-group transactions related to our PV inverters and energy storage systems business.



Notes:

- (1) Full-fledged Enterprise primarily performs functions such as R&D, procurement, production, quality control, logistics and inventory management, as well as sales and marketing. Such enterprise possesses significant and core intangible assets and bears major R&D, production, and market risks.
- (2) Contract Manufacturers typically perform functions such as raw material procurement, product production and quality control, along with certain logistics and inventory management functions. However, Contract Manufacturers do not undertake any marketing functions and generally do not possess significant intangible assets. Such entities typically do not bear major R&D or market risks and mainly assume production risks, inventory risks and product liability risks related to production activities.
- (3) Routine Trading Companies (can be referred to as Routine Distributors from a transfer pricing professional perspective) typically perform sales functions, warehousing and logistics, quality control and after-sales service functions. Routine Distributors possess certain marketing-related intangible assets. Such enterprises generally do not bear R&D or production risks but assume certain market risks.

BUSINESS

In determining the pricing of our intra-group transactions, we take into account the function and risk profiles of the respective group entities in order to ensure the arm’s length nature of these transactions and compliance with transfer pricing laws and regulations of the jurisdictions in which such transactions are consummated. Each entity involved in such intra-group transactions is generally compensated in a manner which is in line with its respective economic values and contribution. Specifically, the prices paid to the intra-group sellers of tangible goods are determined based on the functional characterization of the involved parties to ensure that entities with routine functions and risks receive routine profit returns, while full-fledged enterprises obtain residual profits or bear residual losses. The prices paid to the intra-group providers of services are determined at the costs of providing services plus a markup in line with the arm’s length principle or fixed at the market price. The intra-group financing arrangements are fixed at the market interest rates.

Ongoing Compliance

As a part of our Group’s wide practice to comply with applicable transfer pricing laws and regulations, we have been monitoring and managing our intra-group transactions to ensure that these transactions are conducted on an arm’s length basis. On an annual basis, we have engaged independent tax advisors who are reputable and qualified in their local jurisdictions to offer relevant advice, perform transfer pricing analysis and review and evaluate our Group’s transfer pricing arrangements. The transfer pricing compliance review advisors prepare compliance reports in accordance with the transfer pricing guidelines of the Organization for Economic Cooperation and Development (“OECD”) and local transfer pricing regulations. The transfer pricing guidelines of the OECD provide guidance on the application of the “arm’s length principle” for the evaluation of intra-group transactions between associated enterprises for tax purposes.

To determine whether our intra-group arrangements were conducted on an arm’s length basis pursuant to the transfer pricing guidelines of the OECD, we utilized a variety of methods, primarily including: (i) comparable uncontrolled price method on certain software developer, royalty and related-party financing, under which the assessment is conducted by comparing the arrangements for the sales of products in the transfer pricing arrangements to the arrangements of transactions between independent parties under similar and comparable circumstances; (ii) transactional net margin method on certain full-fledged enterprises, contract manufacturers and routine trading companies, under which the assessment is conducted by referencing to markups charged by unrelated companies in a comparable circumstance; and (iii) benchmarking against peer companies in similar markets.

BUSINESS

In 2023, 2024 and 2025, we had not received any reports or findings from the transfer pricing compliance review advisor that indicate unfair intra-group transactions or transactions not conducted on an arm’s length basis. Based on the foregoing and upon consideration of the analysis conducted by the transfer pricing compliance review advisor, we are of the view that we have observed the transfer pricing laws and regulations of the relevant jurisdictions and our intra-group transactions complied with the arm’s length principle under the transfer pricing guidelines of the OECD in 2023, 2024 and 2025. In addition, our transfer pricing compliance review advisor is of the view that our intra-group transactions complied with all applicable transfer pricing laws and regulations in the relevant jurisdictions in 2023, 2024 and 2025.

According to our transfer pricing compliance review advisor, in addition to preparing and submitting compliance documents such as transfer pricing contemporaneous documentation in accordance with relevant tax regulations, we do not have the obligation to actively notify the tax authorities of the relevant jurisdictions where the Group’s subsidiaries are located regarding the transfer pricing arrangements. See “Risk Factors — Risks Relating to Our Business and Industry — Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.”

OUR CUSTOMERS

We offer our products and services globally. The downstream customers of PV inverters and other power conversion devices and energy storage system businesses are primarily EPC contractors, project owners and project investors. Most of these customers are private enterprises located in oversea countries. The customers of our new energy investment and development business are primarily project owners and project investors. Most of these customers are state-owned enterprises located in Mainland China. In addition, the downstream customers of smart energy operation and maintenance services, floating PV system and EV charging equipment are primarily private enterprises located in Mainland China. In 2023, 2024 and 2025, our revenue from our five largest customers in each year during the Track Record Period amounted to RMB24,840.1 million, RMB15,405.9 million and RMB15,123.4 million, which accounted for 34.4%, 19.8% and 17.0%, respectively, of our total sales in the respective year.

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

For year ended December 31, 2023

No.	Customers	Major business background	Location of headquarters	Listing status	Major products and services sold	Credit terms	Revenue <i>(RMB in thousands)</i>	% of our total revenue
1.	Customer A	Power development, investment, construction, operation and related business	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	9,404,503	13.0
2.	Customer B	Power generation and sales	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	7,641,727	10.6
3.	Customer F	Energy storage power station-related procurement and management business	Overseas	Not listed	Energy storage systems	30 days	3,449,133	4.8
4.	Customer G	PV system technology solutions	Overseas	Listed	PV inverters	90 days	2,301,722	3.2
5.	Customer H	Development, construction and operation of clean power industry, such as wind power and PV power industries	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	2,042,972	2.8
Total							24,840,057	34.4

BUSINESS

For year ended December 31, 2024

No.	Customers	Major business background	Location of headquarters	Listing status	Major products and services sold	Credit terms	Revenue <i>(RMB in thousands)</i>	% of our total revenue
1.	Customer B	Power generation and sales	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	4,083,405	5.3
2.	Customer H	Development, construction and operation of clean power industry, such as wind power and PV power industries	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	3,711,168	4.8
3.	Customer A	Power development, investment, construction, operation and related business	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	3,698,951	4.8
4.	Customer I	Power construction-related business	PRC	Not listed	PV inverters and energy storage systems	30 to 90 days	2,146,946	2.8
5.	Customer C	Power investment, construction and operation business	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	1,765,448	2.3
Total							15,405,918	19.8

BUSINESS

For the year ended December 31, 2025

No.	Customers	Major business background	Location of headquarters	Listing status	Major products and services sold	Credit terms	Revenue (RMB in thousands)	% of our total revenue
1.	Customer J	New energy power stations engineering, procurement and construction business	Overseas	Not listed	Energy storage systems	60 to 90 days	4,010,036	4.5
2.	Customer K	Global power industry integrated solutions	PRC	Not listed	PV inverters and energy storage systems	30 to 60 days	3,133,291	3.5
3.	Customer L	Financial leasing services	PRC	Not listed	New energy investment and development	5 to 10 business days	3,035,993	3.4
4.	Customer M	Urban renewal, engineering construction, mineral resource development and utilization, and new energy investment and development business	PRC	Not listed	New energy investment and development	Payment by schedule according to the contract	2,574,124	2.9
5.	Customer N	Engineering design, equipment supply and project management services for energy, oil and gas, and infrastructure projects	Overseas	Not listed	Energy storage systems	90 days	2,369,947	2.7
Total							15,123,391	17.0

To the best of our knowledge, each of our five largest customers in each year during the Track Record Period was an Independent Third Party. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company’s issued share capital, had any interest in any of our five largest customers in each year during the Track Record Period.

BUSINESS

OUR SUPPLIERS

We source our raw materials from suppliers globally. During the Track Record Period, we primarily procured (i) transformers, IGBTs, inductive magnetic components, resistors and other electronic components and structural parts for production of our PV inverters; (ii) battery cells, structural components and electrical parts for production of our energy storage systems; and (iii) equipment (such as PV modules), materials and construction service for new energy investment and development. Our suppliers were primarily located in Mainland China. In 2023, 2024 and 2025, our purchase from our five largest suppliers in each year during the Track Record Period amounted to RMB8,462.3 million, RMB11,891.6 million and RMB11,924.0 million, which accounted for 16.8%, 22.0% and 25.1%, respectively, of our total purchases in the respective year.

The salient terms of our typical procurement framework agreements with suppliers are set forth as follows:

- ***Product specification.*** We specify the type, specifications, model, quantity and detailed items in each purchase order of required materials.
- ***Price.*** We typically determine the prices in our procurement agreements. We only allow price adjustment when material changes in market situations occur.
- ***Payment and credit terms.*** We can settle our payments with suppliers through bank accepted bills or bank transfers. The credit period granted by suppliers to us is typically within 180 days.
- ***Inception and returns.*** We carry out product inception upon product delivery. We have the rights to return the defective materials that fail to meet the agreed quantity and quality standards. Our suppliers shall provide remedies, including product exchange and return.
- ***Logistics.*** Our suppliers are typically responsible for the delivery of products to our designated location.
- ***Termination.*** Our procurement agreement typically terminates automatically upon the expiration of the agreed term. We can terminate the agreements early under certain conditions.

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The following tables set forth the details of our five largest suppliers by purchase amount in each year during the Track Record Period:

For year ended December 31, 2023

No.	Suppliers	Major business background	Location of headquarters	Listing status	Major products and services provided	Credit terms	Purchase amount <i>(RMB in thousands)</i>	% of our total purchase amount
1.	Supplier A	Research, development, production and sales of EV batteries and ESS batteries	PRC	Listed	Battery Cells	30 to 90 days	2,545,698	5.1
2.	Supplier F	Research, development, production and sales of power supplies and power supply components for industrial and consumer applications	PRC	Listed	Transformers	30 to 60 days	1,610,218	3.2
3.	Supplier G	Research, development, production and sales of PV modules	PRC	Not listed	PV modules	30 to 60 days	1,595,780	3.2
4.	Supplier H	Electric component trading	PRC	Not listed	Electric components	30 to 90 days	1,378,478	2.7
5.	Supplier C	Production and sales of PV modules	PRC	Not listed	PV modules	120 to 180 days	1,332,138	2.6
Total							8,462,312	16.8

BUSINESS

For year ended December 31, 2024

No.	Suppliers	Major business background	Location of headquarters	Listing status	Major products and services provided	Credit terms	Purchase amount <i>(RMB in thousands)</i>	% of our total purchase amount
1.	Supplier A	Research, development, production and sales of EV batteries and ESS batteries	PRC	Listed	Battery Cells	0 to 90 days	4,231,105	7.8
2.	Supplier I	Research, development, production, and sales of lithium-ion power batteries, energy storage batteries, and battery management systems	PRC	Listed	Battery Cells	30 to 60 days	3,493,925	6.5
3.	Supplier F	Research, development, production and sales of power supplies and power supply components for industrial and consumer applications	PRC	Listed	Transformers	120 to 180 days	1,597,958	3.0
4.	Supplier J	Research, development, production and sales of PV silicon materials, PV cells and PV modules	PRC	Listed	PV modules	60 days	1,294,460	2.4
5.	Supplier K	Research, development, production and sales of PV modules, PV power stations and system products, as well as O&M services for PV power stations	PRC	Listed	PV modules	60 days	1,274,175	2.3
Total							11,891,623	22.0

BUSINESS

For the year ended December 31, 2025

No.	Suppliers	Major business background	Location of headquarters	Listing status	Major products and services provided	Credit terms	Purchase amount (RMB in thousands)	% of our total purchase amount
1.	Supplier I	Research, development, production, and sales of lithium-ion power batteries, energy storage batteries, and battery management systems	PRC	Listed	Battery Cells	30 to 60 days	6,928,853	14.6
2.	Supplier L	Research, development, production and sales of power transmission and distribution and power control equipment, wind turbines and related core components	PRC	Not Listed	Transformers	90 to 180 days	1,343,123	2.8
3.	Supplier A	Research, development, production and sales of EV batteries and ESS batteries	PRC	Listed	Battery Cells	30 to 90 days	1,236,057	2.6
4.	Supplier M	Research, development, design, production and sales of lithium-ion batteries	PRC	Listed	Battery Cells	30 to 90 days	1,210,831	2.6
5.	Supplier B	Research, development, production and sales of lithium-ion power batteries and energy storage batteries	PRC	Listed	Battery Cells	30 to 90 days	1,205,109	2.5
Total							11,923,973	25.1

To the best of our knowledge, each of our five largest suppliers in each year during the Track Record Period was an Independent Third Party. To the best of our knowledge, none of our Directors, their close associates or any Shareholders of our Company, who or which to the knowledge of the Directors owned more than 5% of our Company’s issued share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

BUSINESS

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, Customer A, Customer B, Customer G, Customer I, Customer K and Customer M were also our suppliers. Our purchases from each of these companies accounted for less than 0.3% of our total purchase amount in each year during the Track Record Period.

During the Track Record Period, Supplier A, Supplier F, Supplier J, Supplier K, Supplier L and Supplier M were also our customers. Our sales to each of these companies accounted for less than 0.7% of our total revenue in each year during the Track Record Period.

Our sales and purchases with these overlapping customers and suppliers were not inter-conditional with each other. All of our sales to and purchases from these companies were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis. The general terms with these companies were comparable to those with other suppliers and customers. Save as disclosed above, to the best of our knowledge, none of our five largest customers/suppliers in each year during the Track Record Period was a supplier/customer of us.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ESG is not only essential for our own development, but also represents our commitment and responsibility to stakeholders, including customers, partners, employees and society at large. Guided by our sustainable development philosophy of “Green Mission, Better Life,” we consistently honor our commitments through concrete actions, systematically integrating sustainable development principles into our corporate strategy and daily operations, with a sustained focus on key areas such as governance, net-zero transition and industry chain collaboration. Through continuous optimization of our ESG management, we have achieved strong performance across multiple mainstream ESG ratings, including the MSCI ESG AAA rating for 2025.

Corporate Governance

We have established an ESG governance framework that integrates ESG management into our strategic decision-making and daily operations to support sustainable long-term development. At the governance level, our Board-level Strategy and Sustainability Committee oversees and approves ESG strategies, goals and key performance indicators and monitors their implementation. At the management level, our Sustainability Management Office coordinates ESG initiatives, monitors performance and reports regularly, while our ESG Development Center leads strategic planning, target setting and ESG risk and opportunity assessments. At the implementation level, a cross-functional working group executes ESG initiatives within each business unit, manages related risks and collects and reports ESG performance data on an ongoing basis.

BUSINESS

Potential Climate Risks on Our Business Operations and Financial Results

We have integrated climate change considerations into our strategy and established processes to identify, assess and monitor climate-related risks and opportunities. Physical risks, including floods, heatwaves and other extreme weather events, may disrupt production and logistics, damage facilities and equipment, increase energy demand and costs, and lead to delays or temporary suspension of operations. Policy and regulatory developments, such as rising carbon prices, carbon tariffs and more stringent emissions requirements, may increase supply chain and compliance costs and adversely affect the competitiveness of our products. To mitigate these risks, we enhance supply chain flexibility and operational resilience, optimize product design and manufacturing processes, implement contingency and emergency measures, and maintain appropriate insurance coverage. We also conduct carbon inventory assessments, improve energy efficiency, reduce operational emissions and strengthen carbon management across our value chain to support regulatory compliance and long-term stability.

Environmental Protections

We actively identify and comply with industry standards as well as environmental protection laws and regulations in the jurisdictions where we operate. See “Regulatory Overview — Laws and Regulations Relating to Environmental Protection.”

We have established and issued several policy documents, including our Environmental Management Policy, Pollutant Environmental Protection Regulations, Resource Conservation Management Guidelines and Management Regulations for Non-Value and Obsolete Materials, integrating environmental management into all aspects of our operations. Through robust management strategies, we continuously fulfill our environmental responsibilities. Our Environmental Management Policy clearly sets out our commitment to environmental protection, including reducing pollution, conserving resources, improving energy efficiency and enhancing environmental management across the entire supply chain. During the Track Record Period and up to the Latest Practicable Date, we achieved 100% coverage of ISO 14001 Environmental Management System certification across our global production bases. During the Track Record Period and up to the Latest Practicable Date, we did not incur any administrative penalties or lawsuits for violations of environmental laws and regulations and there were zero major environmental pollution incidents. We did not receive any administrative penalties from environmental regulatory authorities, and we maintain a 100% compliance rate for pollutant emissions.

Metrics and Targets

We consume water, electricity and raw materials during the production process. We closely monitor the metrics indicative of the environmental effects of our business operations and strictly adhere to the standards and targets established by our management and relevant authorities.

BUSINESS

The following table presents our GHG emissions and use of resources in 2023, 2024 and 2025:

		Year ended December 31,		
	Unit	2023	2024	2025
GHG Emissions				
Scope 1 Emissions ⁽¹⁾	tCO ₂ e	3,806	6,426	9,756
Scope 2 Emissions ⁽²⁾	tCO ₂ e	42,996	117,487	134,497
			(location-based)/	(location-based)/
			40,061	36,061
			(market-based)	(market-based)
Scope 3 Emissions ⁽³⁾	tCO ₂ e	8,953,862	9,062,835	9,863,922
Exhaust Gas Management				
Particulate matter emissions				
per unit product ⁽⁴⁾	kg/GW	12.89	12.28	20.18
VOC emissions per unit				
product ⁽⁵⁾	kg/GW	42.79	42.08	30.27
Water consumption per unit				
product	kg/kW	0.47	0.48	0.53

Notes:

- (1) Scope 1 GHG emissions refer to direct emissions from equipment and operations that are owned or controlled by our Company.
- (2) Scope 2 GHG emissions refer to indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within our Company.
- (3) Scope 3 GHG emissions refer to all indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions.
- (4) Particulate matter emission intensity is calculated by dividing the total particulate matter emissions by the electricity generated for the same year.
- (5) VOC emission intensity is calculated by dividing the total volatile organic compound emissions by the electricity generated for the same year.

GHG Emissions

We have revised our climate targets in line with ISO 14068-1:2023 and conduct carbon assessments in accordance with ISO 14064-1:2018 and the Greenhouse Gas Protocol. Our GHG emissions primarily arise from direct emissions in production operations, indirect emissions from purchased electricity and value-chain activities. We have established a clear pathway towards net zero: achieving operational carbon neutrality by 2028, supply-chain carbon neutrality by 2038 and supply-chain net-zero emissions by 2048.

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To achieve these targets, we are implementing comprehensive measures across all scopes. For Scope 1, we are phasing out fuel-powered vehicles and forklifts in favor of electric alternatives, converting canteens from gas to electricity and eliminating SF₆-containing ring main units. For Scope 2, we are increasing the proportion of renewable electricity and upgrading facilities to reduce energy consumption per unit of product. For Scope 3, we require suppliers to provide carbon inventories and material carbon-footprint data, conduct ESG audits and promote green packaging. Downstream, we optimize logistics routes, increase the share of electric and hybrid vehicles and promote low-carbon products. For unavoidable emissions, we purchase carbon credits to offset residual emissions and ensure progress towards our carbon-neutrality commitments.

Exhaust Gas Management

We have established control measures with defined responsibilities under our Pollutant Environmental Protection Management Regulations and implemented systems and procedures to strengthen exhaust-gas management, supported by a monitoring plan involving regular testing. We targeted a 10% reduction in particulate-matter emissions intensity by 2030 versus 2025 and a 10% reduction in VOC emissions intensity by 2030 versus 2025.

Through our production bases, we reduce exhaust gas emissions through source substitution and optimization of treatment facilities. We are expanding the use of UV-cured coating materials, with VOC content of 22 g/L, to replace polyurethane solvent-based three-proof coatings, with VOC content of 529 g/L, achieving a substitution rate of 78%. We have also optimized and upgraded exhaust-gas pipelines to improve overall collection efficiency, enhanced dust-removal processes and filtration efficiency, and lowered particulate-matter emission concentrations.

Water Management

Our operations mainly use domestic water for offices, cafeterias, landscaping and dormitories, sourced from municipal supplies. Some water is also used for spray tests during material and product inspections. We comply with the relevant laws and regulations, and have introduced internal water management rules. We set a goal to reduce water consumption per unit of product by 10% from 2025 levels by 2030. We monitor and disclose water usage regularly and implement measures to conserve resources. These include prioritizing low-water-consumption equipment, integrating rainwater collection in new projects and upgrading facilities with sensor faucets, centralized cooling towers, water-saving chillers and efficient sprinklers.

Social Responsibility

We believe that our continued growth rests on integrating social values into our business and serving the community at large.

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Occupational Safety and Employee Welfare

We emphasize the importance of occupational health and safety and comply with applicable safety laws and regulations in the jurisdictions where we operate. Safety representatives are appointed within departments to assist in audits, hazard inspections and the implementation of safety measures. We have adopted a tiered safety management grid to ensure full coverage of responsibilities at all operational levels. We have established a human rights management system and obtained SA8000®:2014 certification. Our policies prohibit discrimination and forced labor, ensuring a fair and inclusive workplace. In 2024, we launched social responsibility training via the Sungrow e-Learning Platform, covering topics such as freedom of employment, working hours and child labor. Such training recorded over 4,584 training hours in 2025. In addition, we launched the “ESG Development Workshop” program, covering approximately 700 core members, with total learning hours of over 1,050 hours. We also issued a Global Human Rights Policy and an Equity, Inclusion & Diversity Policy for mandatory learning. We strictly comply with labor laws and regulations in the PRC and overseas jurisdictions, ensuring salary compliance through benchmarking and monitoring.

We comply with domestic and international EHS-related laws and regulations. We monitor policy developments through official channels and third-party databases and conduct compliance risk assessments to ensure adherence to legal requirements. Internally, we have issued 32 management procedures, including the Occupational Health and Safety Operation Control Procedure and the EHS Incident Reporting and Handling Procedure and publicly released our Health and Safety Management Policy. In 2025, we issued the ESG and EHS Management System Audit Procedures. During the Track Record Period, we did not have any general or major work safety incidents occurred and 80% of our global production sites have obtained ISO 45001 certification.

During the Track Record Period and up to the Latest Practicable Date, we had complied with the applicable laws and regulations on health and work safety in all material respects, and we did not encounter any safety-related accidents that may materially affect our operations.

Sustainable Supply Chain

Our supply chain sustainability is primarily managed by the Purchasing Center, which is responsible for planning, implementation, supervision, risk assessment and performance evaluation across the supplier lifecycle. To align with our sustainability strategy, a dedicated Supplier Management Team has been established to oversee supplier management and sustainability matters, maintain communication with the ESG Development Center and Legal and Compliance Department and report progress to the Strategy and Sustainability Committee.

We have established and implemented comprehensive regulations and agreements, including the Procedure of Supplier Management, Supplier Sustainability Management Regulations and the Supplier Code of Conduct, which is based on international standards such as International Labor Organization (ILO) Labor Standards, the United Nations (UN) Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance.

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Sustainability requirements are embedded in supplier admission, selection, audits and daily management, covering human rights, health and safety, environmental protection, business ethics and management systems. We regularly review procurement practices to ensure compliance, support suppliers in meeting sustainability requirements and avoid conflicts between procurement practices and sustainability goals, thereby promoting a responsible and resilient supply chain.

Charity

In terms of social initiatives, we are committed to giving back to society and have established the Sungrow Public Welfare Foundation. Leveraging our professional expertise, we strive to provide broad support in areas such as ecological improvement, community development, science education and disaster relief. As of December 31, 2025, the cumulative charitable donations of Sungrow Power and its employees had reached over RMB200 million.

For example, in October 2024, together with the Nature Conservancy and the Deyang Management Branch of Giant Panda National Park, we launched Phase III of the “Sun Forest Program,” piloting restoration in the Jiudingshan — Tudiling Corridor: we formulated a nature-based restoration plan, carried out habitat restoration and monitoring on 100 mu of key habitat and built six artificial nests, with a five-year plan to plant 500 mu of suitable trees and edible bamboo to rebuild the life corridor. On community development, the “Sungrow Positive Energy Public Welfare Action” supports rural revitalization — education, elderly care and medical aid — with projects such as Smart Classrooms, Sungrow Elderly Care and Blue Wealthy Village Project in areas such as Qinghai, Guangxi and Gansu. In January 2025, we initiated the “Sungrow Action” community public welfare project through our charity fund, providing assistance to 50 families in communities including Xingyuan Center, Tianle Center and Shulu Center in Hefei City.

INFORMATION TECHNOLOGY

Our IT infrastructure mainly covers production, quality control, asset and energy management, and data and artificial intelligence applications, enabling standardized workflows, real-time monitoring, centralized data management and informed decision-making. Core systems include (i) product lifecycle management and manufacturing operations management platforms to support end-to-end production planning and execution; (ii) an integrated quality management system to standardize quality control; (iii) enterprise resource planning and asset management systems to optimize resource allocation and equipment efficiency; (iv) energy management tools to monitor and reduce energy consumption; and (v) a centralized data and AI platform to enable reporting, analytics and intelligent applications across functions. During the Track Record Period and up to the Latest Practicable Date, we did not experience any IT system failure or downtime that had a material adverse effect on our operations.

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DATA PRIVACY AND PROTECTION

In providing our products, we may come into contact with certain demographic and transactional information of our end consumers. We are committed to complying with data protection and privacy laws and protecting data security.

We have devised a number of strict data protection policies and measures to ensure that our personal information protection and the sourcing, processing, storage and usage of data are in compliance with applicable laws and with prevalent industry practice. These policies and measures include:

- **Data sourcing.** We conduct compliance assessments when collecting data and keep records of the collection process.
- **Data processing.** We strictly process data in a manner that protects the legitimate rights of data subjects. We process data for specific and reasonable purposes and limit our data processing activities to the minimum scope for achieving the purpose.
- **Data storage.** We store data in encrypted form and strictly manage account privileges. We have established data backup and recovery management practices to ensure timely recovery of critical information.
- **Data usage.** Our data classification and classification management system establish authorization and approval procedures and security assessment mechanisms for different types and levels of data usage.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material violation of any mandatory requirements under applicable laws and regulations in respect of the collection, storage, use and protection of personal data.

RISK MANAGEMENT AND INTERNAL CONTROL

We have put in place a set of internal control and risk management policies and procedures to address potential operational, financial, legal and market risks identified in relation to our operations. We also periodically review these procedures to ensure their effectiveness.

To monitor the ongoing implementation of our risk management policies and corporate governance measures, we have adopted the following major risk management measures:

- Our Board is responsible for monitoring our internal control system, assessing its effectiveness and maintaining suitable and effective risk tolerance levels.

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- Our audit department assists our management with developing risk management policies and reviewing major risk management matters, providing guidance to relevant departments on risk management measures and overseeing the implementation of risk management policies.
- Our financial center, legal and compliance department, HR center and other relevant departments are responsible for implementing our risk management policies and conducting daily risk management activities.

We have engaged an internal control consultant to conduct a general internal control review, which is associated with our major business processes, identifies deficiencies and areas for improvement, provides recommendations, and reviews the implementation status of these remedial actions. To ensure that the above compliance culture is embedded into everyday workflow and sets the expectations for individual behavior across the organization, we regularly review our risk management policies and internal management procedures, adopt strict accountability internally, and conduct compliance training. We are of the view that our enhanced internal control system is adequate and effective for our current operations.

EMPLOYEES

As of December 31, 2025, we had 19,006 full-time employees, with 16,798 located in China and 2,208 overseas. The following table sets forth the number of our employees by business function as of the same date:

Function	As of December 31, 2025	
	Number of Employees	Percentage
	(%)	
R&D and Technology	7,625	40.1
Production	6,120	32.2
Sales	2,463	13.0
Administration	2,521	13.3
Finance	277	1.4
Total	19,006	100.0

We believe that our success depends on a team of experienced and well-trained employees at all levels. We provide structured training programs for our employees from entry-level to management to meet different job requirements and foster the career development of our employees. We have established the online “Sungrow e-Learning (陽光e起學)” platform to facilitate knowledge sharing between different departments and upskill our employees. We believe our workforce has sufficient experience to face the challenges that may arise in our day-to-day operations and that our training programs have contributed to increased employee productivity.

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We are committed to establishing a competitive remuneration mechanism based on different job positions and duties. To effectively motivate our employees, we continually refine our remuneration and incentive policies. We conduct performance evaluation for our employees periodically, considering the operating characteristics of our business, to provide feedback on their performance. Compensation for our employees typically consists of basic salary and a performance-based bonus.

We have maintained strong, positive relationships with our workforce and did not have any material labor disputes during the Track Record Period and up to the Latest Practicable Date. We had complied with all labor laws and regulations, including the social insurance and housing provident fund contributions, in the PRC and overseas jurisdictions in all material respects during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We maintain a wide range of insurance, including property insurance, public liability insurance, commercial general liability insurance, professional liability insurance, export credit insurance, transportation insurance and installation engineering insurance, which we believe cover the major risks in our daily operations. However, there can be no guarantee that our insurance coverage is sufficient to cover all our potential losses. See “Risk Factors — Risks Related to Our Business and Industry — We may have limited insurance coverage, which could expose us to additional costs.” We will continue to review and assess our risk portfolio and make the necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. According to Frost & Sullivan, our insurance coverage during the Track Record Period and up to the Latest Practicable Date was in line with industry practices. During the Track Record Period and up to the Latest Practicable Date, we did not make any material insurance claims in relation to our business.

PROPERTIES

Our headquarters are located in Hefei, Anhui. We own and lease properties in the PRC. As of December 31, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to Chapter 5 of the Hong Kong Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

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Owned Properties

As of December 31, 2025, our Company and Major Subsidiaries owned 59 properties that exceed 2,000 sq.m. in the PRC with an aggregate GFA of approximately 1,055,741 sq.m., primarily used for production, R&D, offices and warehousing. As of December 31, 2025, we had two properties that exceed 2,000 sq.m. and are mainly used as our office space and production, which had not obtained the property ownership certificates in the PRC. While we had not yet obtained the property ownership certificates for certain buildings that we owned as of December 31, 2025 (the “Buildings without Property Ownership Certificates”), considering that (i) for the two Buildings without Property Ownership Certificates, we had received written confirmation from relevant government authorities, which recognized our use of the Buildings without Property Ownership Certificates; and (ii) the GFA of the remaining Buildings without Property Ownership Certificates only accounted for a relatively small percentage of the aggregate GFA of the buildings we owned, our PRC Legal Advisors are of the view that the lack of property ownership certificates for the abovementioned buildings that we owned would not have any material adverse effect on our business, financial condition and results of operations. In addition, as of December 31, 2025, we had properties in overseas countries and regions, such as Thailand, primarily used for production, offices and warehousing. During the Track Record Period, our owned properties located in overseas jurisdictions are not subject to any non-compliance issues in all material respects.

Leased Properties

As of December 31, 2025, our Company and Major Subsidiaries leased four properties that exceed 2,000 sq.m. in the PRC, with an aggregate GFA of approximately 16,251 sq.m., primarily used for production, R&D and offices. As of December 31, 2025, we had not obtained valid title certificate from the relevant landlords for one leased property with approximately 7,375 sq.m. Considering that (i) the GFA of the such property only accounted for a relatively small percentage of the aggregate GFA of the properties we owned and leased; (ii) no property ownership disputes have arisen during the lease term that would affect our use of the premises; and (iii) we had obtained written confirmation from the competent government authority, stating that the lack of valid title certificate does not constitute an illegal or non-compliant incident and it will not compel us to cease operations and vacate such properties. Our PRC Legal Advisors are of the view that the aforementioned situation would not have any material adverse effect on our business, financial condition and results of operations. As advised by our PRC Legal Advisor, we will not be subject to any administrative penalties arising from the defective leased property, given that (i) administrative penalties may only be imposed when expressly provided for in laws, regulations or rules; and (ii) no applicable laws, regulations or rules provide for penalties on tenants simply on the basis of a landlord’s failure to hold valid title certificates. Given these circumstances, we have not made provision in relation to the leased property during the Track Record Period. In addition, as of December 31, 2025, we had leased properties in overseas countries and regions, such as Thailand and India, primarily used for production, offices and warehousing. During the Track Record Period, our leased properties located in overseas jurisdictions are not subject to any non-compliance issues in all material respects.

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COMPETITION

We operate in a rapidly changing industry resulting from technological iteration. The industry is becoming increasingly competitive as more competitors are enhancing their international penetration and competitiveness. Moreover, as the application scenarios for clean energy technologies become more extended, we may face competition from competitors across different industries. We have invested substantially in building up our R&D capabilities, supply chain management capabilities, production capabilities, sales and service capabilities, as well as financial management capabilities. We believe that our robust operating capabilities and extensive industry experience and expertise could solidify our current competitive edge and sustain our long-term development. See “Industry Overview.”

INTELLECTUAL PROPERTY

Intellectual property rights are critical to our business. We rely on a combination of patent, trademark, trade secret and other intellectual property protection laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions with our employees, suppliers, customers and others to protect our intellectual property. As of December 31, 2025, we had applied 11,504 patents in China and overseas. See “Appendix VI — Statutory and General Information.”

We have in place various measures and tools to minimize our risk exposure to intellectual property rights infringement. We have established a series of intellectual property management measures based on the relevant laws and regulations. We have introduced an authoritative patent database that allows for searches on patents in relation to products to be designed and developed, providing early warnings on potential patent-related risks. In addition, we incorporate intellectual property search and analysis into the evaluation of new product designs to prevent our infringement of intellectual property rights. If the intellectual property search results indicate potential risks in relation to a product design specified by customers, we will promptly inform the customers of such risks. We also have an experienced in-house intellectual property team and have established an expert committee for intellectual property review within the Group. If the intellectual property search results identify potential risks from the supplier side, we will ask the supplier to provide a commitment of non-infringement to minimize our risk exposure to infringement of intellectual property rights.

LICENSES, PERMITS AND APPROVALS

We are required to obtain a number of licenses, permits, approvals and certificates for our business. We have duly obtained the requisite licenses, permits, approvals and certificates from the applicable authorities that are material to our operations, which primarily include electric power business license, construction enterprise qualification license and pollutant discharge permit, from applicable authorities, and such licenses, permits, approvals and certificates were valid and subsisting during the Track Record Period and up to the Latest Practicable Date. We renew the licenses, permits, approvals and certificates from time to time to comply with the

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relevant laws and regulations. There is no material legal impediment to renewing our licenses, permits, approvals and certificates required for our operations. The table below sets forth the material licenses/permits obtained by our Group as of the Latest Practicable Date:

Holding Entity	Licenses and Permits	Approval Date	Expiry Date
Our Company	Construction Enterprise Qualification Certificate (建築業企業資質證書)	September 16, 2025	May 19, 2028
Our Company	Engineering Design Qualification Certificate (工程設計資質證書)	January 9, 2025	December 14, 2029
Our Company	Permit for Installation, Repair, and Testing of Power Facilities (承裝(修、試)電力設施許可證)	December 28, 2023	January 3, 2030
Our Company	Work Safety License (安全生產許可證)	April 1, 2025	April 23, 2028
Our Company	Fixed Pollution Source Emission Registration Receipt (固定污染源排污登記回執)	December 13, 2021	December 12, 2026
Our Company	Pollutant Discharge Permit (排污許可證)	October 16, 2025	October 15, 2030
Our Company	Registration of Import and Export Consignors and Consignees (進出口貨物收發貨人備案)	September 18, 2007	No expiry date
Sungrow Energy Storage Technology Co., Ltd.	Pollutant Discharge Permit (排污許可證)	March 24, 2025	March 23, 2030
Sungrow Energy Storage Technology Co., Ltd.	Registration of Import and Export Consignors and Consignees (進出口貨物收發貨人備案)	August 18, 2015	No expiry date
Sungrow Renewables Development Co., Ltd.	Construction Enterprise Qualification Certificate (建築業企業資質證書)	November 19, 2025	November 19, 2030

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Holding Entity	Licenses and Permits	Approval Date	Expiry Date
Sungrow Renewables Development Co., Ltd.	Construction Enterprise Qualification Certificate (建築業企業資質證書)	September 23, 2025	September 23, 2030
Sungrow Renewables Development Co., Ltd.	Engineering Design Qualification Certificate (工程設計資質證書)	November 16, 2024	November 14, 2029
Sungrow Renewables Development Co., Ltd.	Permit for Installation, Repair, and Testing of Power Facilities (承裝(修、試)電力設施許可證)	August 19, 2024	August 20, 2030
Sungrow Renewables Development Co., Ltd.	Work Safety License (安全生產許可證)	January 10, 2024	March 29, 2027
Sungrow Renewables Development Co., Ltd.	Fixed Pollution Source Emission Registration Receipt (固定污染源排污登記回執)	September 9, 2025	September 8, 2030
Sungrow Renewables Development Co., Ltd.	Registration of Import and Export Consignors and Consignees (進出口貨物收發貨人備案)	November 5, 2020	No expiry date
Sungrow USA Corporation	Retail License/Registration as Retailer ⁽¹⁾	December 1, 2019, and September 1, 2020	No expiry date
Sungrow Power (Hong Kong) Co., Limited . .	Certificate of Incorporation	March 20, 2014	No expiry date
Sungrow Power (Hong Kong) Co., Limited . .	Business Registration Certificate	March 20, 2026	March 19, 2027
Sungrow Deutschland GmbH	Trade registration (Gewerbe-Ummeldung) for registered office/business premises	February 24, 2023	No expiry date

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Holding Entity	Licenses and Permits	Approval Date	Expiry Date
Sungrow Deutschland GmbH	Trade registration (Gewerbe-Anmeldung) for branch/operating site ⁽²⁾	June 18, 2021, June 6, 2024, and November 18, 2024	No expiry date

Notes:

- (1) Sungrow USA Corporation obtained the Retail License from the Department of Revenue of State of South Carolina on December 1, 2019 and the Registration as Retailer from the Maine Revenue Services of State of Maine on September 1, 2020.
- (2) Sungrow Deutschland GmbH obtained the trade registration for branch/operating site in Eching on June 18, 2021, the trade registration for branch/operating site in Oberschleißheim on June 6, 2024 and the trade registration for branch/operating site in Hallbergmoos on November 18, 2024.

Our relevant legal advisors are of the view that all material requisite licenses, permits and approvals that we obtained had remained in full effect during the Track Record Period. Our relevant legal advisors are of the view that there is no legal impediment in renewal of the expiring licenses, permits and certificates.

LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. We are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions in which we operate during the Track Record Period and up to the Latest Practicable Date.

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AWARDS AND RECOGNITIONS

We have received a number of awards and accolades in recognition of our brand and products since our inception. The following table sets forth a summary of significant awards and recognitions that we have received during the Track Record Period and up to the Latest Practicable Date:

Year	Awards/Certificate	Awarding/Certification Body
2025 . . .	Forbes China Best Employer	Forbes China
2025 . . .	ESG AAA Rating	MSCI
2024 . . .	Most Influential Company Award	Electrical Energy Storage Alliance (EESA)
2024 . . .	China’s Top 30 Multinational Companies	Forbes
2024 . . .	China’s Top 50 Tech Companies	Fortune
2024 . . .	China 500 (ranked 263rd)	Fortune
2024 . . .	Best Managed Companies in China	Deloitte
2024 . . .	China Globalization Future Rising Stars	Fortune
2023 . . .	“Solar Energy Cup” Photovoltaic Industry Awards 2023 — Most Influential Photovoltaic Storage Solution Company	“Solar Energy Cup” Photovoltaic Industry Appraisal Committee
2023 . . .	China’s Top 50 Most Innovative Companies	Forbes
2023 . . .	Most Influential Company Award	10th China International Photovoltaic Energy Storage and Charging Conference Organizing Committee
2023 . . .	China 500 (ranked 344th)	Fortune
2022 . . .	2022 China Energy Storage Industry Awards — Best System Integration Solution Award	Solarbe, “Solar Energy Cup” Appraisal Committee
2022 . . .	China’s Most Innovative Companies List	Forbes China