

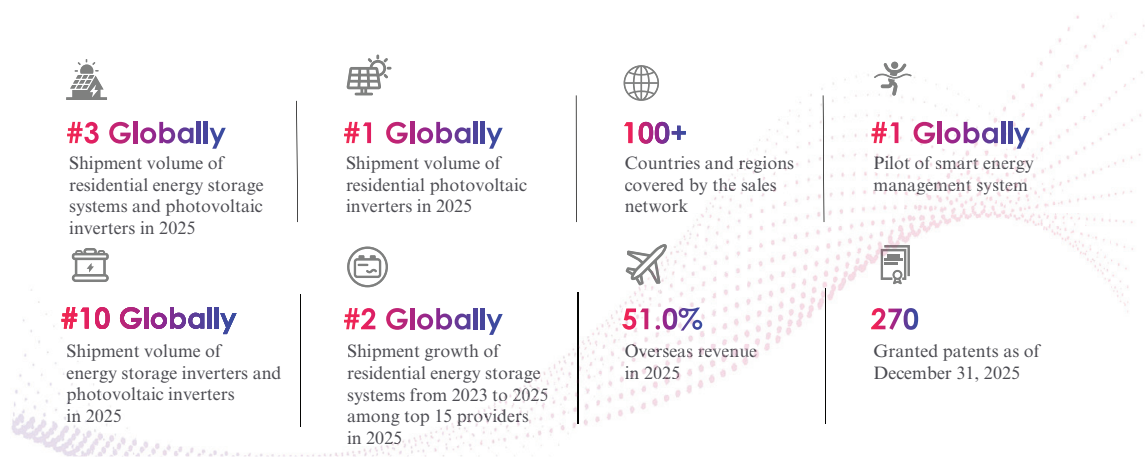
BUSINESS

OVERVIEW

We are a leading global smart energy solution provider. Our smart energy solutions are centered on our cloud-edge-terminal collaborative smart energy management system and realized through energy storage systems and photovoltaic inverters. We serve the needs of residential, commercial and industrial, and utility-scale users throughout the full-lifecycle energy management. Our smart energy management system, AI Mode, is the first of its kind in the world, according to Frost & Sullivan. AI Mode leverages our industry-leading power electronics capabilities and helps energy users achieve optimal experience while enjoying continued increase in value of their energy assets. As of December 31, 2025, our cumulative shipment volume of equipment exceeded 70 GW, or over 3.5 million units, serving over 100 countries and regions.

Our Market Position

According to Frost & Sullivan, we ranked third in the world in terms of shipment volume of residential energy storage systems and photovoltaic inverters in 2025, and ranked tenth in the world in terms of shipment volume of energy storage inverters and photovoltaic inverters in 2025.



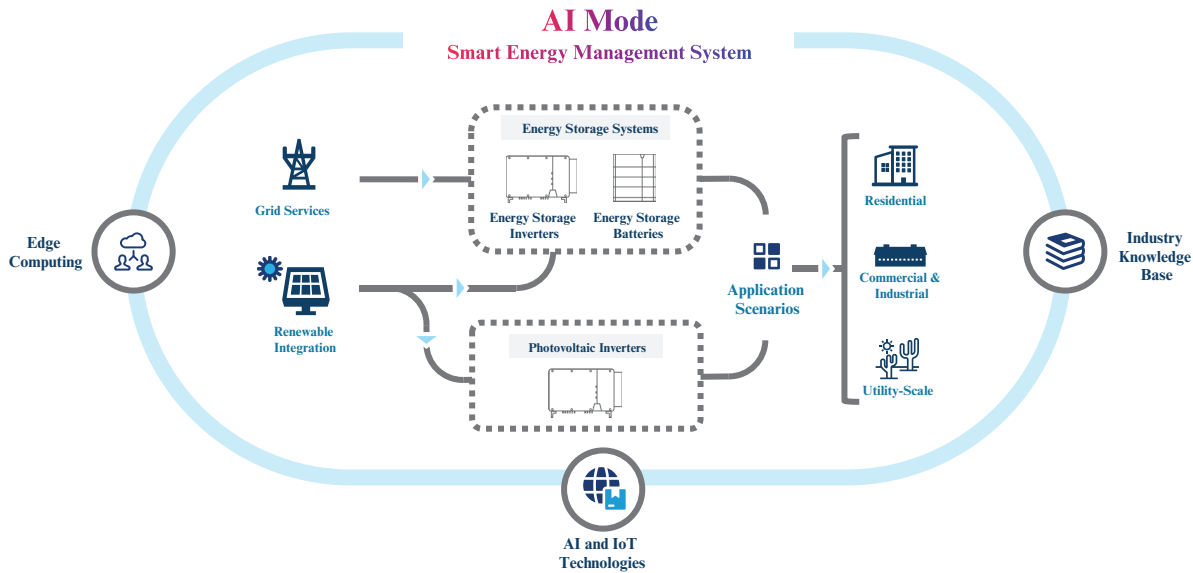
We are committed to a global business approach, continually increasing our international market penetration supported by an integrated system of research and development, production, and sales. Headquartered in Shanghai, China, we have set up four research and development centers, including three in China and one in Germany, and one production base in Jiangsu, China. We have established a sales and service network covering over 100 countries and regions across five continents. Our localized operations and services enable us to respond to varying energy needs in different regions flexibly. Our overseas revenue accounted for 51.0% in 2025.

Our Offerings

Our smart energy solutions primarily consist of (i) smart energy management system — AI Mode, (ii) energy storage systems, and (iii) photovoltaic inverters. Our energy storage systems and photovoltaic inverters can be connected with, and managed by, our smart energy management system. Our smart energy solutions are built on our solid power electronics technology and experience and deep understanding of AI algorithms and energy management. Built on AI and IoT technologies, our smart energy management system combines industry knowledge base, large models, and edge computing. The system integrates our proprietary Three Monks algorithm with our photovoltaic inverters and edge communication devices, supporting generation-storage-charging-use applications. Specifically, through real-time data analytics of electricity price, weather conditions, and power generated and consumed, the system is capable of power generation and use forecast, battery health management, dynamic grid adaptation, load balancing, user interactive feedback optimization, and distributed energy collaboration, all of which help optimize photovoltaic power generation, energy storage peak-shaving, charging scheduling, and load management. In sum, it enhances the efficiency, automation, and decision-making capabilities of energy storage systems,

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maximizes user benefits, and drives energy management toward intelligent and adaptive evolution. We are committed to providing global users with smart, high-quality, and sustainable energy solutions with integrated hardware and software.



- **Energy Storage Systems.** We offer hardware-software integrated smart energy storage systems, helping users achieve energy independence, cost reduction and efficiency improvement, and low-carbon transformation. In 2023, 2024, and 2025, our energy storage system revenue was RMB112.9 million, RMB449.4 million, and RMB860.8 million, representing 3.9%, 16.7%, and 34.6% of our total revenue, respectively. Our energy storage systems primarily consist of energy storage inverters and energy storage batteries.
 - o **Energy Storage Inverters.** As the core of our energy storage systems, energy storage inverters integrate power electronics technology with smart control algorithms, aiming to achieve efficient, stable, and safe bidirectional energy conversion. They adopt advanced topologies and digitalized control, covering both single-phase and three-phase systems, suitable for diverse application scenarios of residential, commercial and industrial, and utility-scale users. The product design considers the complex global power grid environments and diverse application scenarios. The wide voltage input range of our energy storage inverters not only provides strong grid adaptability but also allows power generators to start at lower voltage and thus increases power generated per day. Our advanced power conversion and control technologies, together with optimized system architecture, enhance system reliability while ensuring high conversion efficiency, significantly improving operating stability and power density under complex operating conditions.
 - o **Energy Storage Batteries.** Our energy storage batteries are equipped with our proprietary battery management system (BMS) prioritizing safety. The BMS provides precise, real-time protection and warning against risks relating to overcharge, overdischarge, and thermal runaway. It ensures the consistency of battery packs, which is key to achieving long lifespan and low failure rate targets. Meanwhile, our energy storage batteries support a wide operating temperature range, and their modular design allows flexible expansion, with a single system capacity expandable up to hundreds of kilowatt-hours. Therefore, our energy storage batteries could be applied to diverse scenarios ranging from residential generation-consumption, commercial and industrial peak shaving and valley filling, to large-scale power generation. Furthermore, as we master both core inverter and

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battery technologies, our energy storage batteries and inverters are coordinated in terms of communication protocols and management algorithms, further optimizing system efficiency and operating convenience for energy storage systems.

- **Photovoltaic Inverters.** Photovoltaic inverters are one of the core components of photovoltaic power generation systems. Our photovoltaic inverters cover power ranges from 0.6 kW to 360 kW, meeting the requirements of grid connection and various types of photovoltaic components, and are capable of stable and efficient operations in harsh environments such as high temperature, high humidity, high altitude, sand, salt spray, and low temperature. Our independently developed single-chip dual-core high-precision control arrangement and the high-frequency application of silicon carbide in inverters enhance system reliability while ensuring conversion efficiency, improving power generation stability and power density in complex environments. In 2023, 2024, and 2025, our photovoltaic inverter revenue was RMB2.68 billion, RMB2.21 billion, and RMB1.58 billion, representing 92.7%, 81.8%, and 63.7% of our total revenue, respectively.

Our smart energy solutions effectively achieve a seamless integration of on-grid power generation, smart energy storage and management, and grid interaction. More than a pack of equipment, our smart energy solutions can continually learn, optimize, and create value for users. We enable users to transition from energy consumers to energy producers and managers and provide paths to both economic benefits and environmental gains.

Our Market Opportunities

The global transition toward renewable energy and decarbonization continues to drive demand for photovoltaic and energy storage solutions. Supported by favorable government policies such as the Green Deal Industrial Plan by the European Commission, Clean Energy for America Act, and China’s Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality, increasing penetration of renewable energy, growing electricity demand, and ongoing grid modernization, the global renewable energy market is expected to continue to expand. According to Frost & Sullivan, in terms of the total primary energy supply, renewable energy accounted for 15% of the global primary energy supply in 2025, and it is projected that by 2050, guided by the goal of achieving global net-zero emissions, this proportion will exceed 30%. In addition, the increasing adoption of distributed energy storage systems and digital energy management technologies continues to create new market opportunities.

Demand for integrated photovoltaic and energy storage solutions has increased due to rising electricity prices, growing requirements for grid stability and energy efficiency, and increasing adoption of distributed energy storage systems. According to Frost & Sullivan, the global newly installed photovoltaic capacity increased from 170.1 GW in 2021 to 579.1 GW in 2025, and is expected to further increase to 1,043.1 GW by 2030. Meanwhile, the global shipment volume of energy storage systems increased from 33.9 GWh in 2021 to 324.0 GWh in 2025, and is projected to hit 1,072.1 GWh by 2030. Commercial and industrial energy storage, residential energy storage, and integrated photovoltaic-storage-charging solutions are gaining broader market acceptance across multiple regions. In addition, increasing demand for efficient power conversion, intelligent dispatch, and energy optimization continues to drive the adoption of high-performance photovoltaic and energy storage inverters.

The growing adoption of smart energy management systems also creates opportunities for integrated smart energy solution providers. Customers increasingly demand solutions capable of coordinated management of photovoltaic power generation, energy storage systems, charging facilities, and grid power to improve energy utilization efficiency, operating stability, and power management capabilities. The integration of cloud-based platforms, edge devices, and terminal systems is becoming increasingly important in smart energy management.

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These market trends are closely aligned with our business strategy and solution portfolio. Leveraging our cloud-edge-terminal collaborative smart energy management system, technological capabilities in photovoltaic and energy storage inverters, and global sales and service network, we believe that we are well poised to seize unprecedented growth opportunities.

OUR STRENGTHS

A leading comprehensive smart energy solution provider with diverse, collaborative businesses

We help our users achieve long-term cost savings and green development goals through diverse, collaborative businesses.

Our smart energy management system, AI Mode, drives generation-storage-charging-use smart energy solutions for users. Specifically, it can analyze weather data using its AI algorithms to predict the upcoming photovoltaic power generation; meanwhile, AI Mode continuously learns the usage habits; based on the foregoing analyses and real-time electricity price fluctuations, AI Mode determines the optimal direction for energy flow, such as storing, charging, or selling, to achieve smart energy scheduling and efficient energy use. This could result in user cost savings of 60% or more, according to our internal calculation analysis on the daily yield improvement of AI Mode conducted in April 2026, and is particularly attractive for users in high electricity cost regions such as Europe. In addition, AI Mode analyzes real-time operation data using its AI algorithms to enable predictive maintenance before an actual product failure, saving on after-sales maintenance costs while continuously ensuring the safety of operations.

Our energy storage system business experienced rapid growth during the Track Record Period. Our energy storage system revenue increased from RMB112.9 million in 2023 to RMB860.8 million in 2025, with its contribution to total revenue increasing from 3.9% in 2023 to 34.6% in 2025, while its contribution to gross profit increased from 6.9% in 2023 to 54.4% in 2025. Our main overseas markets for energy storage systems include Europe and Oceania. In addition, leveraging our deep industry expertise in photovoltaic inverters, we have developed some of our photovoltaic inverter customers into our energy storage system customers as well, aiming to replicate our success in photovoltaic inverters.

We have been a market leader in photovoltaic inverters. We have been engaging in the field of new energy power equipment since our establishment in 2009, and are one of the early movers in China to develop and manufacture photovoltaic inverters. According to Frost & Sullivan, we ranked first both in the world and in China in terms of shipment of residential photovoltaic inverters in 2025.

Reputable brands known for product quality and safety

The philosophy behind our brand is imbued with rigorous pursuit of engineering fineness, and the pursuit of excellent quality has been integrated into our management and delivery. Our core products have obtained over 300 domestic and international certifications, including China Quality Certification, International Electrotechnical Commission certification, CE certification for European Union, and VDE certification in Germany. We also are one of the first domestic Chinese companies to have obtained crucial certifications such as BDEW Medium-Voltage Grid Connection and VDE-AR-N4105. In addition, during each year of the Track Record Period, our product yield rate has consistently remained above 99.5%, ahead of the industry average according to Frost & Sullivan. Furthermore, we continually benchmark against the evolving quality and reliability requirements of industry standards. Our Yangzhong production base has been included in the list of companies under the Photovoltaic Manufacture Industry Standard Conditions, and we have participated in the formulation of multiple national standards and industry norms, including the Residential Rooftop Photovoltaic System Certification Standard by China Quality Certification Center.

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Safety is the cornerstone of our product design and technological innovation. We have built a comprehensive protection system to provide hardware electrical safety and software network security. Our products are equipped with multiple active and passive safety mechanisms, such as precise arc fault detection and shutdown, comprehensive insulation monitoring, and overload and short-circuit protection, safeguarding system operations under extreme conditions. We implement encrypted communication protocols and firmware digital signatures, and conduct routine penetration testing and vulnerability checking, thereby building a robust defense against cyberattacks. We continually explore and integrate next-generation security technologies, such as solid-state battery technology, and apply verified innovations in the iteration of our products, aiming for the data to remain within a controllable, manageable, and trustworthy security boundary.

Following our continued pursuit of product quality and safety, we believe that our AISWEI and Solplanet brands have become synonymous with high quality and reliability in the global photovoltaic and energy storage market. We have been honored with the title of Carbon Neutral Green Brand Influence Co-Creator and have received a series of accolades, including the Terawatt Diamond Award from the SNEC International Energy Storage Exhibition, the 2022 Customer Satisfaction Award from EUPD Research (China, Germany, Poland, and Turkey), Red Dot Design Award in Germany, and the All Quality Matters Award from TÜV Rheinland, among others. They demonstrate strong brand awareness and market recognition within the industry.

Global sales and service network with localized support for rapid response

We follow a concurrent globalization and localization approach to build our global sales and services. Our sales and service network covers major global photovoltaic and energy storage markets, where we have deployed localized professional technical support and customer service teams. We provide 24/7 rapid response and leverage AI Mode to enable remote diagnostics and operational support, significantly enhancing customer satisfaction and loyalty.

In China, in addition to our headquarters, research and development centers, and production bases located in various regions, our domestic sales and service network extends across over 500 cities in China. This high-density sales and service network allows us to achieve comprehensive response to the China market.

Overseas, we have been cultivating key markets such as Europe, Oceania, the Americas, and South Asia, while actively exploring other markets such as Southeast Asia, South Korea, and Japan. We have established subsidiaries in countries and regions, including Germany, the Netherlands, France, Spain, Singapore, South Korea, Brazil, and Australia. We have formed long-term strategic partnerships with numerous well-established local distributors, installers, and system integrators. As of December 31, 2025, we had over 300 overseas distributors; our sales and service network covered over 100 countries and regions. We have maintenance and repair service centers in Germany, Poland, and Pakistan, and have a warehousing center in Reutlingen, Germany. Germany is an important outpost for us to reach the European market.

Thanks to our global sales and service network, our customer base has expanded to include leading Chinese manufacturers and new energy companies and international giants. Our customer base and business partnerships represent a strong endorsement of our technological capabilities and product quality.

Strong research and development capabilities driving business development

We possess strong research and development capabilities and advanced technological expertise, with a dedicated team engaging in the field of new energy power systems, demonstrating outstanding technological innovation capacity. During the Track Record Period, our aggregate research and development expenditures amounted to RMB497.1 million; excluding capitalized portions, our aggregate research and development expenses amounted to RMB405.1 million. As of December 31, 2025, we had 270 granted patents.

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We emphasize the close integration of innovation, process control, and quality management. By refining the organizational structure of product development, we have established a comprehensive research and development system and standardized research and development procedures.

Our research and development team continues to grow. As of December 31, 2025, we had 198 research and development personnel, accounting for 25.7% of our total employees, and those with a master’s degree or higher accounting for 34.8% of our total research and development personnel. The core members of our research and development team have an average of over 10 years of experience in fields relating to new energy, power electronics, circuit design, and electronic components, and have obtained awards such as the Jiangsu Science and Technology Award.

Our research and development has driven our business growth. Our proprietary Three Monks algorithm, which relates to photovoltaic and energy storage control, commands our photovoltaic inverters and edge communication devices to support generation-storage-charging-use applications. Our continued technological improvements, including fault ride-through, energy storage parallelization technology, inverter explosion-proof solutions, and insulation impedance detection, have significantly increased product yield. Furthermore, by capturing dynamic thermal-electric-mechanical-acoustic-chemical signals of batteries at the cell-level on a real-time basis through cloud-edge-terminal collaborative monitoring, we have achieved active warning and safety operations of battery systems.

Internationally experienced management team with shareholder support, prioritizing ESG initiatives and employee growth

Core members of our management team are professionals with an average of over 15 years of experience in the new energy and energy storage sectors. Our relatively stable equity structure and governance system ensure continuity in corporate strategies and decision-making, laying a solid foundation for our sustainable development.

Our direct and indirect shareholders include strategic industry players and financial investors. They provide us with increasing credibility and brand image.

Our management team consistently regards ESG as a strategic core and intrinsic driver for our sustainable growth. In 2025, our first-phase 30 MW mine photovoltaic project in Daye, Hubei Province generated 12.0 million kWh annually and cumulatively reduced CO₂ emission by over 10,000 tons, which sets a model for the transformation of resource-based cities in China. In addition, we have obtained excellent ESG ratings and, in 2025, ranked among the top 10% of global companies evaluated in the EcoVadis corporate social responsibility assessment and received the Group-level Silver Award.

Our corporate culture focuses on shared success to attract and retain talents. We have implemented employee equity incentive plans to incentivize mid-level and senior management teams and core technical talents.

OUR STRATEGIES

Enhance the application of AI technology in smart energy management system with integrated hardware and software

We will strengthen our technology roadmap on the cloud-edge-terminal collaborative approach, focusing on key scenarios such as dynamic electricity pricing, load forecasting, energy storage scheduling, and virtual power plant (VPP) aggregation control. We plan to continually enhance the usability, real-time performance, and reliability of large models and related AI capabilities when applied in energy solutions. In the future, we plan to monetize our smart energy management system when market conditions are ripe.

- *Enhance our foundational AI application capabilities, promoting integration of AI with product matrix.* We will (i) build industry-specific small models and optimize algorithms, providing foundational support for smart energy dispatch, forecast analysis, and strategy

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optimization; (ii) upgrade energy dispatch capabilities, increasing intelligentization in multi-energy coordination, energy storage scheduling, load management, and income optimization, while strengthening integration between AI Mode, photovoltaic inverters, and energy storage systems; (iii) invest in the design, research and development, and testing of next-generation edge hardware for smart energy management, supporting collaborative operations between edge hardware and cloud-based systems, thereby improving the overall real-time performance, reliability, and scalability; and (iv) enhance user interaction experience, data visualization, and smart decision-making support capabilities, strengthen cloud-based data processing, open interface, and access control capabilities, and support the further commercialization of the smart energy management system.

- *Strengthen AI data recognition and training system to achieve more accurate predictions and continued high-frequency optimization.* We will combine data governance, model training, online evaluation, and continued iteration as one integrated approach. We then imbue energy sector adaptation into foundation model capabilities. We will train, learn from, and optimize models using multi-source data such as historical electricity prices, loads, weather conditions, and equipment operating statistics, thereby enhancing the accuracy of large models in smart energy management.

Continue technology and solution iteration, focusing on user pain points and industry trends

We will continue to invest in research and development and iteration of our existing solutions to meet the diverse needs of users worldwide. We will remain focusing on positioning ourselves as a provider of safe and reliable integrated generation-storage-charging solutions. We will continually explore global user needs, keep pace with industry development trends, and iterate our existing energy storage systems and photovoltaic inverters.

We will develop power conversion system (PCS) for commercial and industrial and utility-scale users. We will invest in the research and development of 300 kW commercial and industrial energy storage products, 430 kW large utility-scale energy storage products, and 460 kW photovoltaic inverters, particularly focusing on the development of PCS to meet the needs of these users.

We will continue to track emerging businesses, such as AI data centers (AIDC) power supply and solid-state transformers (SST), and develop new solutions to establish a second growth curve. The exponential growth in AI computing demand has correspondingly led to a significant increase in the power consumption of AIDC. The lag in overseas power grid expansion, coupled with the rigid load growth driven by AI development, has generated a strong demand for AIDC energy storage solutions. We will leverage our business experience in renewable energy grid integration and energy storage to explore the collaborative operation of energy storage systems in scenarios such as AIDC power supply and SST applications.

Comprehensively enhance our management processes to drive the intelligentization of our internal operations

We will optimize production processes and build smart production lines. We plan to introduce multiple automated testing lines and automated assembly lines, integrated with the MES, to create smart production lines. This will help improve our production efficiency, fully leverage economies of scale to reduce costs and increase efficiency, and enhance profitability. In addition, we plan to further optimize production processes and enhance the intelligentization of each production stage by introducing a series of automated production equipment, additional collaborative robots, AI-based smart production scheduling, and modular material preparation.

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We will build a digital business platform to enhance management quality and efficiency. To support our high-quality and sustainable development, we will advance digitalization and intelligentization in key processes such as research and development, sales, and procurement. We will invest in advanced productivity through data and AI, transforming us into an agile organization that is online, shared, and efficient across all processes.

We will enhance our data governance system to ensure the availability, compliance, and security of training data. To guarantee the reliability of prediction and scheduling, we will build a trusted data system covering the equipment side, cloud side, and external authoritative sources. Meanwhile, we will establish data classification and grading, desensitization and anonymization, quality verification, full-chain traceability, and access management to ensure the availability, compliance, and auditability of training data.

Enhance and optimize the service capabilities of our overseas operations to support our international growth and outbound strategy

We plan to continue enhancing our overseas business operations, expanding our business network and customer coverage, and increasing our market penetration. To support our overseas growth, we plan to implement a tiered and differentiated global layout strategy, consolidating our leading position in mature markets and increase our investment in high-growth emerging markets. Specifically, we will establish both regional technical service centers and comprehensive operation centers, which will be further supported by an extensive network of certified outlets. We will establish advanced technical service centers in key markets such as Europe, Oceania, and Latin America, to provide rapid response to customer demands for technology upgrades and maintenance throughout the product lifecycle. We will set up comprehensive operation centers in high-growth markets such as Southeast Asia, creating material and warehousing hubs to facilitate product distribution and spare parts supply across the regions, and setting up product display and experience showrooms to support marketing efforts. We will strengthen efforts in external recruitment and internal promotions to support the foregoing initiatives.

We will enhance digital marketing capabilities and collaborate with domestic enterprise customers on international expansion. We intend to continue working with leading companies in the industry, leveraging our global brand presence and product certification advantages to support their outbound strategy.

We will participate in international exhibitions and promotional events to enhance branding and strengthen penetration in overseas markets. We plan to (i) participate in international exhibitions and promotional events to directly engage with power station owners, design institutions, and local installers, and (ii) set up real-life experience zones for typical scenarios such as residential, commercial and industrial, and utility-scale at our comprehensive operation centers or major industry exhibitions.

OUR BUSINESS MODEL

Business Lines

We began as an inverter manufacturer and have gradually developed into a smart energy solution provider to ride the trend towards the new power system development, where electricity will be dynamically priced and tradeable. Our smart energy solutions primarily consist of (i) smart energy management system, (ii) energy storage system, and (iii) photovoltaic inverters. We currently offer smart energy management system free of charge to support our energy storage systems and photovoltaic inverters, which were our main business lines during the Track Record Period.

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The following table sets forth a breakdown of our revenue by business line during the Track Record Period.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except percentages)</i>						
Photovoltaic Inverters	2,678,856	92.7	2,205,751	81.8	1,582,960	63.7
Energy Storage System	112,868	3.9	449,362	16.7	860,828	34.6
Others ⁽¹⁾	97,851	3.4	41,935	1.6	41,607	1.7
Total	2,889,575	100.0	2,697,048	100.0	2,485,395	100.0

Note:

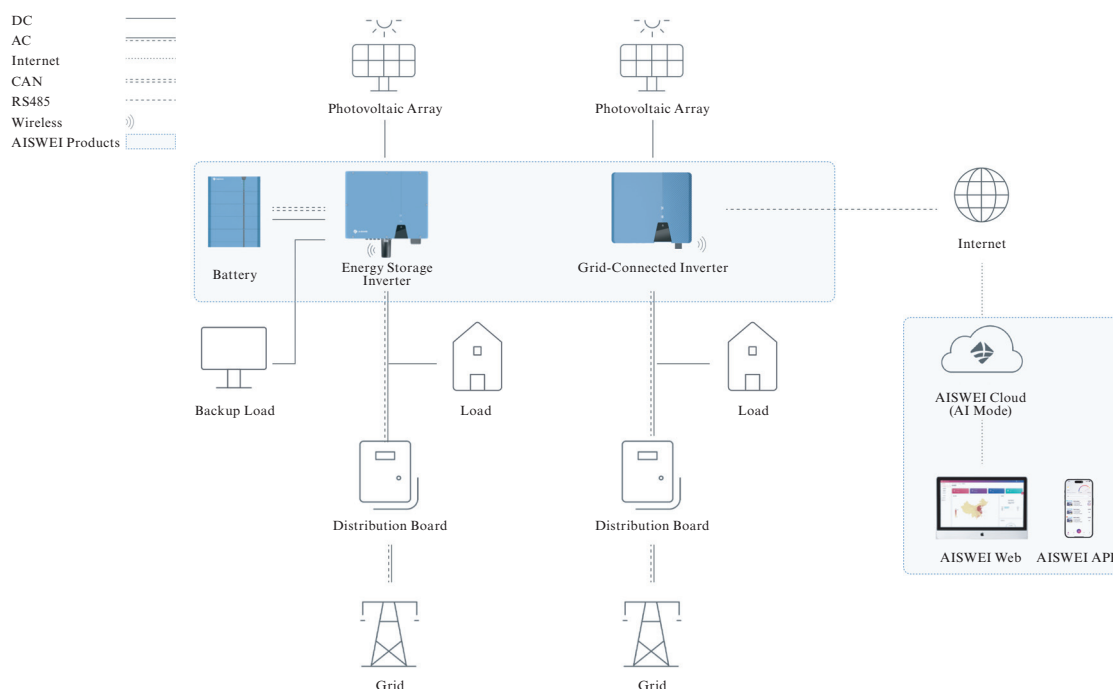
(1) Represents revenue generated from accessories other than photovoltaic inverters and energy storage systems.

During the Track Record Period, energy storage system revenue increased significantly from RMB112.9 million in 2023 to RMB449.4 million in 2024 and further to RMB860.8 million in 2025, and the revenue contribution from energy storage system business increased from 3.9% in 2023 to 16.7% in 2024 and further to 34.6% in 2025, consistent with the diversification of our business in light of market demand. For a detailed discussion, see “Financial Information — Description of Major Components of Our Results of Operations — Revenue — Revenue by Business Line.”

Use Scenarios

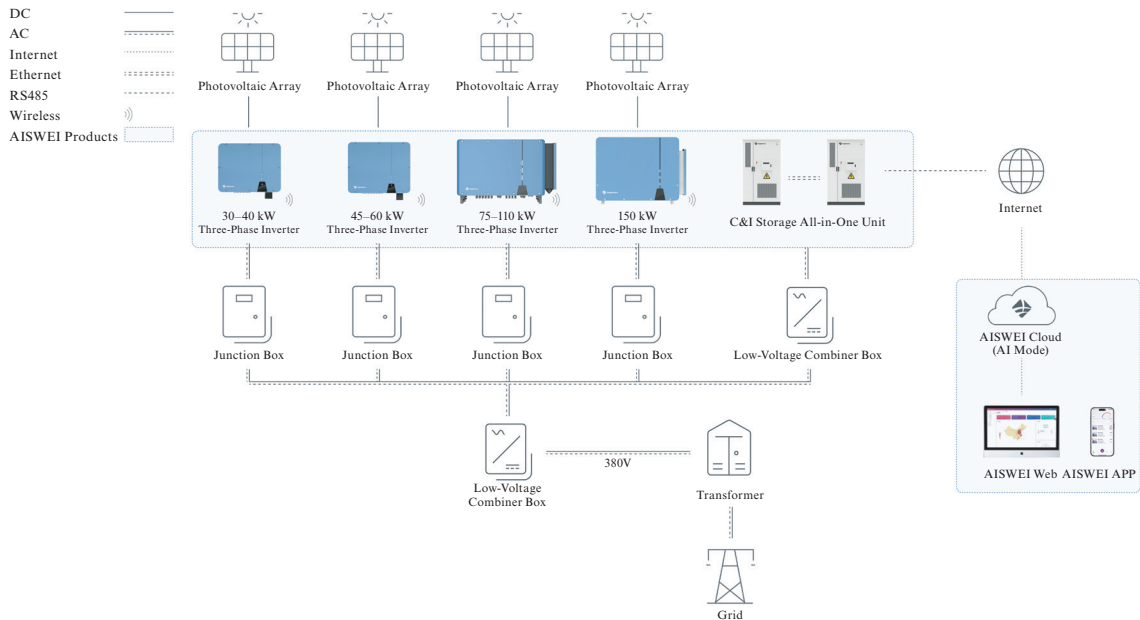
During the Track Record Period, we primarily serve residential, commercial and industrial, and utility-scale users.

The following diagram illustrates the operating framework of our residential smart energy solutions.

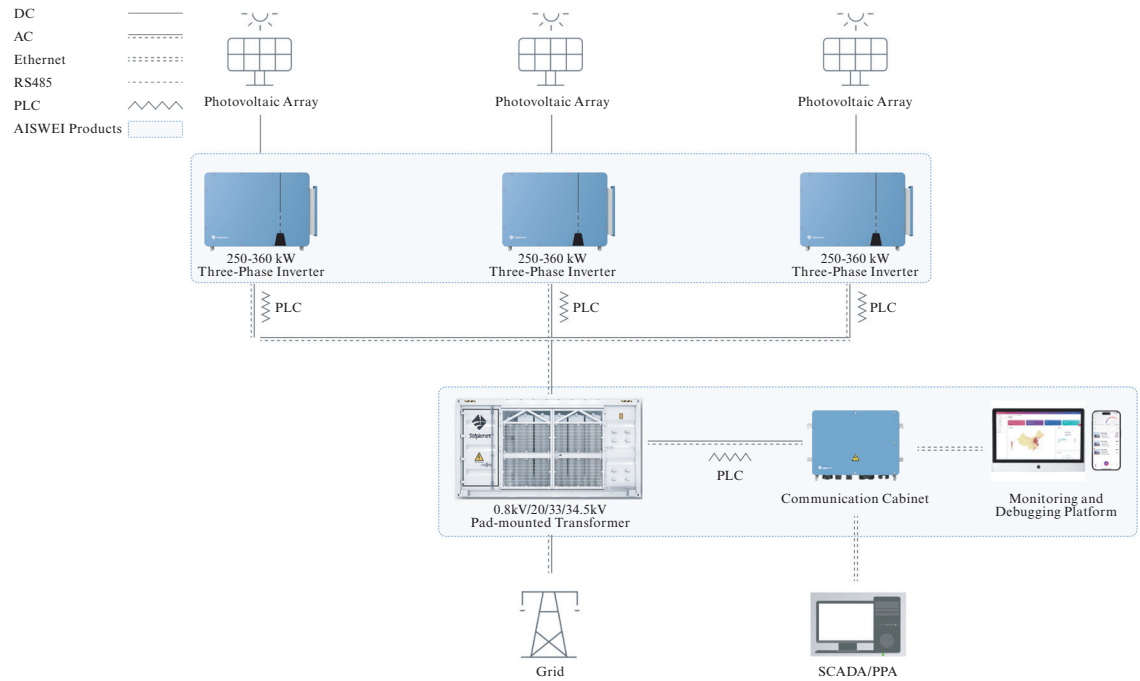


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The following diagram illustrates the operating framework of our commercial and industrial smart energy solutions.



The following diagram illustrates the operating framework of our utility-scale smart energy solutions.



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The following table sets forth a breakdown of our revenue by use scenarios during the Track Record Period.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except percentages)</i>						
Residential	2,503,766	86.6	2,450,513	90.9	2,120,973	85.3
Commercial and Industrial	287,958	10.0	203,223	7.5	260,651	10.5
Utility-Scale	—	—	1,376	0.1	62,164	2.5
Others	97,851	3.4	41,936	1.6	41,607	1.7
Total	2,889,575	100.0	2,697,048	100.0	2,485,395	100.0

During the Track Record Period, revenue contribution from commercial and industrial users and utility-scale users combined increased from RMB288.0 million in 2023 to RMB322.8 million in 2025, reflecting our additional focus on non-residential users for continued business growth. For a detailed discussion, see “Financial Information — Description of Major Components of Our Results of Operations — Revenue — Revenue by Business Line.”

Seasonality

Our business is subject to mild seasonality. The first quarters generally account for lower proportion of our annual revenue. Specifically, the market demand in Europe is generally lower from January to March, primarily due to the snow season; the market demand in China is generally lower from January to March, primarily due to the Spring Festival. In 2023, 2024, and 2025, our revenue for the first quarter accounted for 20.1%, 20.8%, and 24.7% of our total revenue, respectively.

We have standing measures to mitigate the impact of seasonality on our sales by timely adjusting inventories and shifting sales and marketing focuses during these periods to compensate for such impact.

OUR PRODUCTS

The following table sets forth the shipment volume of our major products during the Track Record Period.

	For the Year Ended December 31,		
	2023	2024	2025
	<i>(units in thousands)</i>		
Photovoltaic Inverters	782.7	746.1	562.9
Energy Storage Inverters	7.4	31.4	52.5
Energy Storage Batteries	7.2	53.5	143.0

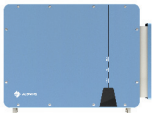
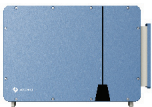
Photovoltaic Inverters

Our photovoltaic inverters convert photovoltaic-generated direct current electricity into alternating current electricity for use in homes and businesses and for export to the grid, with intelligent power flow management aligned to diverse application scenarios. These products can operate in photovoltaic-only configurations or be combined with our energy storage inverters and energy storage batteries in the generation-storage-charging applications.

Our photovoltaic inverters have a rated output power ranging from 0.6 kW to 360 kW. In 2025, we sold over 562,000 photovoltaic inverters worldwide. During the Track Record Period, our photovoltaic inverters revenue was RMB2.68 billion, RMB2.21 billion, and RMB1.58 billion, respectively, accounting for 92.7%, 81.8%, and 63.7% of our total revenue, respectively. During the Track Record Period, the price range of our photovoltaic inverter products was between RMB674 and RMB37,170.

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The following table sets forth a summary of our core photovoltaic inverter products.

Product	Illustration	Key Features
Micro Series		• Mainly for global balcony solar systems • Built-in Wi-Fi and Bluetooth functions for seamless remote and onsite management • 2 MPPT inputs and a 20V startup voltage • Minimized and simplified commissioning time with one-click network configuration • Superior safety by direct connection of each photovoltaic module, avoiding high voltage direct current arcs risks
Residential Series		• Mainly for global residential and small commercial distributed scenarios • Smart energy management to enable remote monitoring and power scheduling • 2–3 MPPT inputs and a wide MPPT voltage range • ShadeSol technology to improve photovoltaic generation under shadow • Smart arc fault detection
Commercial and Industrial Series		• Mainly for global commercial and industrial distributed scenarios • Smart energy management to enable remote monitoring and power scheduling • Multiple MPPT inputs and a wide MPPT voltage range
		• ShadeSol technology to improve photovoltaic generation under shadow • Smart arc fault detection • String level management and smart current-voltage curve tracing for easy diagnostics
Utility-Scale Series		• Mainly for utility-scale application scenarios and large-scale industrial projects • Ingress Protection 66 and Corrosivity Category 5-High design for harshest environmental condition • Maximum efficiency above 99% • Smart potential induced degradation prevention for higher yields • Smart direct current switch integrated to cut off fault automatically • String level management and smart current-voltage curve tracing for easy diagnostics

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Energy Storage Systems

Our energy storage systems primarily consist of energy storage inverters and energy storage batteries.

Energy Storage Inverters

Our energy storage inverters combine solar power generation with battery charging and discharging management to flexibly store and use energy for different needs and automatically provide backup power during grid outages. We offer single-phase energy storage inverters with power ratings ranging from 3 kW to 10 kW and three-phase energy storage inverters from 5 kW to 125 kW, both primarily for residential and commercial and industrial users. In addition, our energy storage inverters can upload real-time data to AI Mode, thereby enabling our users to remotely monitor the system performance and electricity consumption through our mobile application. In 2025, we sold over 52,000 energy storage inverters worldwide, with broad adoption across application scenarios and geographies. During the Track Record Period, revenue generated from our sales of energy storage inverters was RMB51.8 million, RMB194.6 million, and RMB294.8 million, respectively, accounting for 1.8%, 7.2%, and 11.9% of our total revenue, respectively. During the Track Record Period, the price range of our energy storage inverter products was between RMB2,511 and RMB283,235.

The following table sets forth a summary of our core energy storage inverter products.

Product	Illustration	Key Features
ASW H-S2 Series 3–6 kW		- Suitable for single-phase residential photovoltaic and battery application scenarios - Uninterruptible power supply (<10 ms) during blackouts - Ingress Protection 66 rated design for indoor and outdoor use - Smart arc fault detection - Smart energy management system with AI algorithm for monitoring and power scheduling - ShadeSol technology to improve photovoltaic generation under shadow - Multiple working modes, such as on-grid, off-grid, backup, time of use, and customized modes
ASW SH Series 8–10 kW		- Mainly for high-power single-phase residential photovoltaic and battery application scenarios - Compatible with lithium and lead-acid batteries and diesel generators - Up to 200% power output for 10 seconds during power outages 3 independent MPPTs for flexible and optimized large photovoltaic array design

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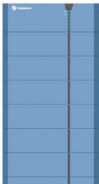
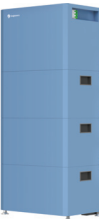
Product	Illustration	Key Features
ASW H-T2/T3 Series 5–15 kW		- Mainly for three-phase residential scenarios - Up to 3 independent MPPTs for flexible and optimized large photovoltaic array design - Up to 50A charge/discharge current to support grid balancing services - Compatible with diesel generator - Smart arc fault detection
ASW TH Series 15–30 kW		- Mainly for high-power three-phase residential and small commercial and industrial scenarios 4 MPPT inputs with up to 40 A input current, compatible with high-power photovoltaic modules - Dual battery inputs supporting up to 100A charge/discharge current - Compatible with diesel generators
ASW BH Series 3–6 kW		- Designed for split-phase grid markets - Compatible with both lead-acid and lithium batteries - Up to 200% photovoltaic array oversizing for higher energy yields - Smart arc fault detection - Integrated rapid shutdown modules
ASW 125 kW/ 261-PT		- Mainly for commercial and industrial storage, PV-storage-charging, demand management, and microgrids 314Ah cells for long cycle life and reliability - Smart energy management system to support peak shaving, demand management, and grid dispatch - Electrical and fire safety protections

Energy Storage Batteries

We provide comprehensive energy storage batteries designed to complement our energy storage inverter portfolio and address diverse residential and commercial energy storage requirements across global markets. Guided by our commitment to safety, flexibility, efficiency, and intelligence, our energy storage batteries are designated to offer outstanding reliability and adapt to the varying customer demands worldwide. Our energy storage battery portfolio includes high-voltage and low-voltage battery configurations, with our low-voltage batteries targeting single phase residential application scenarios, while our high-voltage batteries address three phase residential and commercial and industrial projects. In addition, our energy storage battery products are compatible with our energy storage inverters, enabling seamless integration between these products, which helps our users simplify the process of installation and operation. In 2025, we sold over 143,000 energy storage batteries worldwide. During the Track Record Period, the price range of our energy storage battery products was between RMB1,760 and RMB16,000.

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The following table sets forth a summary of our core energy storage battery products.

Product	Illustration	Key Features
Ai-HB G2 Series 5–20 kWh		• High-voltage lithium battery, mainly for three-phase residential and small commercial and industrial hybrid application scenarios • Up to 1C charge/discharge rate • Up to 8,000 cycles lifetime • Ingress Protection 65 rated design for both indoor and outdoor use • Modular design with plug-in connections for easy installation • Stackable and expandable • Built-in fire suppression system
AP-H Series 10–51 kWh		
Ai-LB Series 5–25 kWh		• Low-voltage lithium battery, mainly for single-phase residential hybrid application scenarios • Up to 1C charge/discharge rate • Stackable and expandable • Low self-consumption and standby consumption • Ability to continuously charge and discharge in a low-temperature environment
		

RESEARCH AND DEVELOPMENT

Our research and development strategies emphasize security, efficiency, and intelligent technologies, while adhering to a continuous iteration approach that integrates advanced research, product development, and commercial application. Our technological advantages are driven by substantial investments in research and development infrastructure and talent. During the Track Record Period, our aggregate research and development expenditures amounted to RMB497.1 million; excluding capitalized portions, our aggregate research and development expenses amounted to RMB405.1 million.

Major Research and Development Achievements

We have established research and development centers in multiple locations to support our global business operations, including Shanghai, Suzhou, Xi'an, and Cologne, fostering a diverse and collaborative research and development framework. Leveraging such framework, we have expanded the power range of our photovoltaic inverters from 3–50 kW to 0.6–460 kW, and extended our energy storage inverter portfolio from 3–5 kW single-phase products to 3–10 kW single-phase and 5–125 kW three-phase products. In addition, our research and development laboratories are

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equipped with advanced testing facilities and have been recognized by a number of internationally and domestically renowned testing and certification institutions. We have also built a professional research and development team through targeted talent recruitment initiatives. As of December 31, 2025, we had 198 research and development personnel, representing 25.7% of our total workforce. Our research and development personnel possess extensive experience in key areas such as power electronics, energy storage systems, and energy distribution and trading algorithms, enabling us to differentiate our offerings in the competitive market. Furthermore, we engage in strategic collaborations with universities. As of December 31, 2025, we had collaborated with a number of reputable universities and had participated in eight research and development projects with them.

The following sets forth certain of our major research and development achievements.

High-Voltage Technology

This technology is designed for ultra-high power density string inverters exceeding 460 kW, with compatibility of up to 1500V direct current. It also supports next-generation high-voltage capabilities, including 2000V direct current readiness to align with future photovoltaic module upgrades and 1000V alternate current high-voltage grid connection technology. The technology is designed to enhance power density, reduce cost per watt, and improve conversion efficiency, while significantly lowering line losses and balance-of-system costs in photovoltaic power plants, thereby improving overall system efficiency and power quality.

Fault Ride-Through Technology

In response to grid weakening and wideband oscillation risks arising from increasing renewable energy penetration, we have independently developed advanced low- and high-voltage fault ride-through technologies. The technology optimizes phase-locked loop and current loop control strategies, enabling inverters to remain connected and operate continuously during grid voltage sags or swells, while dynamically providing reactive power support to facilitate rapid grid recovery.

Notably, we have addressed stable operation under extremely weak grid conditions (short-circuit ratio below 1.1) by incorporating virtual synchronous generator control and adaptive impedance reshaping algorithms. These innovations enable stable grid connection and effectively suppress wideband oscillations even in ultra-low short-circuit ratio environments. The technology has been fully deployed in commercial and industrial scenarios and utility photovoltaic plant, significantly enhancing grid adaptability and competitiveness in weak-grid markets worldwide, and supporting the safe and stable operation of power systems with high renewable energy penetration.

Off-grid and Hybrid Energy System Technology

In response to growing demand for reliable power supply in remote and off-grid scenarios amid the global energy transition, we have independently developed a new generation of hybrid inverters and integrated energy management systems. This technology enables the deep integration and intelligent dispatch of photovoltaic, energy storage, diesel generators, and grid power, and incorporates virtual synchronous generator technology to achieve seamless switching between grid-connected and off-grid modes within milliseconds, ensuring uninterrupted power supply to critical loads.

In off-grid mode, the system can autonomously establish stable voltage and frequency references, support parallel expansion of multiple units and provide black-start capability. Leveraging intelligent energy management algorithms, it dynamically optimizes the output mix of multiple energy sources to maximize the utilization of renewable energy while maintaining supply reliability and fuel efficiency.

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This technology is particularly suited for weak-grid or off-grid environments such as islands, mining sites, and remote communities, addressing the limitations of traditional single-source power solutions. Our hybrid inverter products have obtained multiple domestic and international off-grid certifications and have achieved scaled deployment in regions such as Southeast Asia, serving as a key driver of our expansion in overseas distributed solar-plus-storage markets.

AIDC Power Supply Technology Project

Targeting emerging power demand scenarios such as artificial intelligence data centers (AIDC), we are advancing the development of high-efficiency power supply technologies, with a particular focus on high-voltage direct current (HVDC) architectures and related power solutions. By integrating high-efficiency energy conversion and digital control technologies, this project aims to meet the requirements of high-performance computing equipment in terms of power stability and efficiency.

In response to the evolving trend toward higher power density, greater efficiency and direct current-based power systems in data centers, we are also extending our research to include solid-state transformer (SST) technologies and products that support medium-voltage access as well as multi-voltage and multi-port configurations. In parallel, we continue to explore advanced technologies such as energy routing and direct current microgrids to support next-generation data center power infrastructure.

PRODUCTION

We have a production base in Yangzhong, Jiangsu province, currently with an annual production capacity of over 1 million units. We are also actively exploring overseas production capabilities to support our global expansion.

Our Production Arrangements

We have established a streamlined and well-coordinated production process, and through continued improvements in automation and process optimization, we have enhanced product quality and production efficiency.

Our production process for inverters primarily includes component procurement and inspection, PCBA, system assembly, software programming and calibration, and testing. Our inverter production lines, covering photovoltaic and energy storage inverters, adopt semi-automated packaging processes to ensure packaging consistency and safety, and are supported by fully automated testing systems to ensure product performance and reliability.

Our production process for energy storage battery primarily includes component procurement and inspection, PCBA, structural part assembly, battery pack assembly, module integration, and system testing. Our energy storage battery production lines primarily operate with automated equipment and processes, supported by semi-automated assembly and automated testing. These automated processes enhance production efficiency and enable flexible responses to customer demand.

The table below sets forth our designed production capacity, total output, and utilization rate by our major products during the Track Record Period.

	For the Year Ended December 31,		
	2023	2024	2025
	<i>(units in thousands, except percentages)</i>		
Photovoltaic Inverters			
Designed Capacity ⁽¹⁾	817.4	851.8	805.8
Total Output	804.2	735.9	576.9
Utilization Rate ⁽²⁾	98.4%	86.4%	71.6%

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	For the Year Ended December 31,		
	2023	2024	2025
	<i>(units in thousands, except percentages)</i>		
Energy Storage Inverters			
Designed Capacity ⁽¹⁾	15.6	38.1	73.3
Total Output	10.5	30.6	60.3
Utilization Rate ⁽²⁾	67.4%	80.4%	82.3%
Energy Storage Battery			
Designed Capacity ⁽¹⁾	—	—	202.8
Total Output	—	—	163.1
Utilization Rate ⁽²⁾	—	—	80.4%

Notes:

- (1) Calculated based on the hourly production rate and total operation hours for the applicable year, assuming 26 working days per month and 21 operation hours per day.
- (2) Calculated as the total output divided by the designed capacity for the applicable year.

The utilization rate of the production lines for photovoltaic inverters decreased during the Track Record Period, primarily due to reduced market demand for our photovoltaic inverters. Since 2025, we have been utilizing the surplus in production capacity for energy storage systems.

Our production capacity for energy storage batteries was nil in 2023 and 2024, as our production capacity was fully utilized for inverters, while we outsourced the processing and production of our energy storage batteries to third-party manufacturing service providers to maintain production flexibility and respond to changing market demand. In particular, we outsourced the entire production process of energy storage batteries in 2023, under which third-party manufacturers supplied finished battery products, while in 2024 we outsourced certain processing procedures, under which third-party manufacturers supplied semi-finished batteries. In contrast, all energy storage batteries produced in 2025 were manufactured in-house.

The following sets forth the typical outsourcing arrangements between us and our third-party manufacturing service providers.

- **Scope of Service.** Third-party manufacturing service providers are generally responsible for assembly of energy storage batteries according to the agreed specifications, quantity, and quality schedule.
- **Term.** The term of each arrangement generally corresponds to the relevant delivery period and varies depending on factors such as our customers' requirements.
- **Payment.** We typically settle payments within 60 days after receipt of the relevant invoice.
- **Warranty.** Third-party manufacturing service providers typically provide a warranty period of 72 months for repair or replacement in the event of quality-related issues.

Quality Control

Our comprehensive quality control is integrated into our whole manufacturing process, covering the inspection and testing from component warehousing to products. In addition, we have established a mature quality management process during product development, while also focusing on the supplier end and customer end. Following relevant quality control documents, the production department usually sets target data for the next phase based on the data from the past 1 to 3 months, and conduct regular analysis of the results.

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As of December 31, 2025, we have 44 employees in our quality control department, responsible for quality control and management work regarding raw materials, production, delivery and after-sales service. We periodically organize training activities related to quality management, product certification, system management, inspection and testing, as well as other aspects of quality control.

- *Raw Material Management.* As to the selection of suppliers, we set up quality control standards for 14 types of raw materials focusing on factory audits and application testing. During the cooperation process, we regularly review their certifications, including quality system certifications, environmental certifications, and individual product testing reports. In addition, we conduct regular evaluations including factory audits and monthly service scores, and provide guidance on those with low scores. Based on the strict selection and monitoring mode, we maintain a stable supplier database, ensuring the high quality of raw materials.
- *Production Quality.* We operate a 100% automated in-process testing regime tailored for inverter PCBA and final assembly, leveraging proprietary testing solutions to achieve high efficiency and reliability without relying on external vendors. Our core production quality control processes including electrostatic discharge, and torque control, PCBA testing, burn-in testing and outgoing batch audit. We implement mandatory electrostatic discharge testing at factory access points and precision torque management for all fasteners, with 100% torque verification per shift to ensure mechanical reliability. Our whole production process is covered by automated optical inspection for solder joint and component placement accuracy, which is later followed by functional testing via automatic test equipment. Our automatic test equipment systems execute from 50 to 100 test items per model, with automatic rejection of non-conforming units. All finished inverters undergo temperature-controlled burn-in testing at 40°C under full load to simulate real-world operating conditions, with zero manual intervention during the automated process. We go through outgoing batch audit by randomly sampling audits to validate compliance before shipment. Our production base has passed the ISO9001 quality management system certification.
- *Product Delivery and After-Sales Services.* Our global presence enables us to provide efficient and responsive services to clients around the world. We have established a comprehensive global marketing and service network that ensures the timely provision of technical support and after-sales services. With proactive cooperation with our distributors, we have implemented procedures for handling customer complaints and actively seek feedback from users.

Machinery and Equipment

During the Track Record Period, most of our production machinery and equipment were purchased in China.

The following sets forth information on our major machinery and equipment as of December 31, 2025.

<u>Machinery and Equipment</u>	<u>Purpose/Function</u>	<u>Age (Years)</u>	<u>Repair and Maintenance History</u>	<u>Time for Replacement or Upgrade</u>
Module and Pack Line	Assembling battery pack	1	Regular maintenance and routine operational repairs	By 2035
Automatic Glue Dispensing Line	Operating inductor glue filling automatically	3	Regular maintenance and routine operational repairs	By 2033

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<u>Machinery and Equipment</u>	<u>Purpose/Function</u>	<u>Age</u> (Years)	<u>Repair and Maintenance History</u>	<u>Time for Replacement or Upgrade</u>
Double Speed Chain	Transporting the products between processes	3	Regular maintenance and routine operational repairs	By 2033
Deep Wave Soldering Line	Soldering for 110K inverters	2	Regular maintenance	By 2034
Palletizing Robot	Palletizing the products	4	Regular maintenance and routine operational repairs	By 2032
NXT 4M III B6 Base	Placing electronic components on PCB	2	Regular maintenance and routine operational repairs	By 2034
DIP AOI V320	Checking manual plugins	1	Regular maintenance	By 2035
iCoat 3L	Coating on PCBA surface	1	Regular maintenance	By 2035
Selective Wave Soldering	Welding IGBT modules	2	Regular maintenance	By 2034
Automatic Testing and Aging Line	Testing inverters for ATE and aging	1	Regular maintenance	By 2035

SALES AND MARKETING

Our solutions are primarily sold under our own brands, AISWEI and Solplanet. As of December 31, 2025, we have sold our solutions to over 100 countries and regions worldwide. As of December 31, 2025, we had 117 employees on our sales and marketing team.

Our Sales Models

During the Track Record Period, we adopted both direct sales and distribution models to better adapt to the requirements of different markets.

As of December 31, 2025, we had 21 delivery and service centers worldwide to expand our sales channels. Our customers primarily include installers or system integrators, equipment suppliers, and distributors. As installers or system integrators are necessary for the use of our solutions, we generally conduct direct sales to system installers or integrators. We also conduct direct sales to equipment suppliers. For regions where it is not cost-effective for us to engage system installers or integrators, we generally engage distributors. We acquire customers through various channels, including participating in industry exhibitions and customer referrals. Over the years, we have developed a comprehensive global sales network and established strong cooperative relationships with a number of well-known enterprises both in China and overseas.

The following table sets forth a breakdown of our revenue by sales channels in absolute amount and as a percentage of our total revenue during the Track Record Period.

	For the Year Ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except percentages)</i>						
Direct sales	2,379,588	82.4	2,022,554	75.0	1,536,259	61.8
Distribution	509,987	17.6	674,494	25.0	949,136	38.2
Total	2,889,575	100.0	2,697,048	100.0	2,485,395	100.0

See “Business — Distribution” for details of our distribution model.

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Branding

We are dedicated to building our reputation as a leader in global clean energy industry. We promote our “AISWEI” and “Solplanet” brands for all our business segments in order to generate strong market synergies. We have diversified marketing strategies for different business sectors tailored to market competition and customer needs.

Pricing

Our pricing strategies are based on a comprehensive evaluation of production costs, profit margin, market demand, and the competitive advantages of our solutions. Our prices vary across China and overseas as we take into consideration the local pricing trends for each market.

Under direct sales, we determine the prices with reference to public tenders and commercial negotiations. Under distribution model, we determine the prices with reference to competition in local markets and the profitability for our distributors.

DISTRIBUTION

We collaborate with distributors to market and sell our products on a global scale consistent with industry practice. During the Track Record Period, nearly all of our revenue from the overseas markets was generated through our expanding distribution network. The distributors are positioned to serve local users with greater responsiveness and a more tailored approach, allowing us to expand our user base in a cost-effective manner. Our relationships with these distributors function on a seller-buyer basis, whereby they purchase products from us for resale to installers. Through a holistic evaluation of distributors’ backgrounds, we are committed to cultivating a global network of distributors who represent not only our products but also our corporate values. According to Frost & Sullivan, our distributorship is in line with the industry norm, as the global PV inverter market is highly fragmented across residential and commercial segments, making local distributors indispensable for navigating regional regulatory requirements, grid standards, and after-sales service needs. In addition, such a model enables manufacturers to efficiently penetrate diverse geographies, reduce upfront market entry costs, and rapidly scale global coverage amid intensifying competition and evolving customer demands.

The following table sets forth the breakdown of our distributors by geographic regions during the Track Record Period.

	For the Year Ended December 31,		
	2023	2024	2025
China	27	44	54
Asia (excluding China)	22	50	74
Europe	79	122	170
The Americas	8	13	22
Oceania	2	10	13
Other	8	11	14
Total	146	250	347

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

	For the Year Ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year	49	146	250
Number of newly added distributors for the year ⁽¹⁾	97	104	97
Number of terminated distributors for the year	0	0	0
Number of distributors at the end of the year	146	250	347

Note:

- (1) New distributors refer to distributors who entered into distribution agreements with us during a particular period.

The addition of new distributors during the Track Record Period was primarily attributable to our business growth and continued market expansion.

During the Track Record Period and up to the Latest Practicable Date, to the best of our knowledge, all of our distributors are Independent Third Parties.

We typically enter into standard distribution agreements with our major distributors in accordance with industry practice. We also enter into separate purchase orders or order confirmations with our distributors to specify purchase details, logistics, and payment terms.

The salient terms of our standard overseas distribution agreements generally include:

- **Term and Renewal.** The duration of the distribution agreements is generally determined through negotiation. The agreements will be automatically renewed unless either party provides a written notice of non-renewal prior to the expiration. The duration of the renewal is determined through negotiation.
- **Distribution Model and Relationship.** The cooperation is a buy-out model. Distributors operate as independent contractors and are not our agents, employees, franchisees, or joint venturers. Distributors shall not represent us to assume any obligations or make any commitments.
- **Designated Distribution Area.** We assign specific sales territories within which each distributor is authorized to market and sell our solutions. Subject to local laws and regulations, distributors can only sell within their designated distribution area to prevent market cannibalization. As a consequence for breaching this requirement, we withhold product warranties and after-sales services for any products sold outside the designated area.
- **Sales Target.** We generally do not set express sales targets. In certain cases, distribution agreements with regional distributors may set out sales targets at the initial stage of cooperation.
- **Product Ownership.** Product ownership is recognized at the point of risk transfer in accordance with the agreements. Risk of loss or damage, along with ownership, is transferred to the distributor upon completion of delivery at the designated location.
- **Price Management.** We typically do not provide recommended retail prices to our distributors, and the final retail prices are determined by the distributors at their discretion.

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- **Payments.** Payment terms are specified in the separate purchase orders or order confirmations.
- **Logistics.** Delivery location, date, and transportation method are specified in the order confirmations.
- **Sub-distribution.** We do not impose any restrictions on sub-distribution activities by our distributors.
- **Anti-bribery and Confidentiality.** Distributors are prohibited from engaging in bribery or leaking our commercial information. Confidentiality obligations cover the content of the agreements, pricing, and technical information, and remain valid for five years after the termination of the agreement.
- **Termination.** We are entitled to unilaterally terminate the agreement and all outstanding orders if a distributor commits a material breach or violates applicable laws.
- **Returns.** We generally only accept returns or exchanges for quality-related issues, which is consistent with industry practice.

Distributor Selection

We have adopted a rigorous distributor selection mechanism. We assess prospective distributors based on a set of criteria, including market coverage and sales network, technical service capabilities and spare parts availability, financial stability and credit record, brand alignment and willingness for long-term cooperation, and compliance track record. Based on such evaluation, we select qualified distributors and grant authorization accordingly. Our distributor selection mechanism aims to provide a solid foundation for our cooperation and support the effective execution of our brand positioning and market strategy.

Distributorship Management

We typically manage our distribution network through requiring all of our distributors to enter into standard distribution agreements, which are sales and purchase agreements in nature. In particular, we manage and ensure the business performance and compliance of our distributors in the following ways:

- **Product Serial Number Management.** By assigning a unique serial number to each inverter, we can trace every unit back to its original distributor. In cases of unauthorized resale, we reserve the right to terminate after-sales services for the relevant unit.
- **Disciplinary Measures.** We have established a three-tiered disciplinary framework to address distributor non-compliance. For a first violation, we will issue a written warning and require rectification within a specified timeframe. For a second violation, we will suspend shipments until the required corrective are completed. In cases of material violations or repeated non-compliance, we reserve the right to terminate the agreement, revoke the distributors’ authorization, and pursue contractual remedies.
- **Project Registration System.** Our distributors are encouraged to register key project details such as project location, customer identity, and expected capacity in advance for large-scale commercial and industrial and residential photovoltaic projects.
- **Communication and Empowerment.** We conduct regular meetings with distributors to discuss sales performance, market developments, and inventory levels, and to communicate updates on our policies. We also provide periodic training programs, for which distributors are required to designate appropriate personnel to participate, and we continually refine the training content.

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Measures to Prevent Cannibalization

To minimize the risk of cannibalization among our distributors, we have implemented the following measures:

- We maintain channel discipline by defining territorial boundaries, implementing a project registration system, and setting rules on cross-regional sales.
- We conduct periodic and aperiodic site visits and ongoing market monitoring. If there are violations such as cross-regional sales or unauthorized resales, we have the right to take corrective actions, including warnings, suspension of shipments or services, and termination of cooperation.

Measures to Prevent Channel Stuffing

We believe that our sales align with actual market demand and that the risk of channel stuffing is under control for the following reasons:

- We continually track distributor performance through a combination of sales data, market feedback, and customer surveys. Under our routine management regime, we conduct periodic and aperiodic site visits and maintain regular communication with distributors. Where anomalies in sales trends are identified, we promptly investigate and verify them with distributors.
- For domestic distributors, we generally require payment prior to delivery, while granting credit terms based on their scale, creditworthiness, and cooperation history. For overseas distributors, we grant credit terms between 30 and 90 days based on their creditworthiness subject to the approval of, and the coverage provided by, China Export & Credit Insurance Corporation (Sinasure).
- We generally do not impose aggressive sales targets on our distributors.
- We sell products to distributors under a buy-out arrangement and generally only accept returns or exchanges for quality-related issues, which is consistent with industry practice.

In 2023, 2024, and 2025, the amount of returns from our distributors to us was RMB0.01 million, RMB2.7 million, and RMB1.0 million, respectively.

CUSTOMERS AND SUPPLIERS

Our Customers

Our customers primarily include installers or system integrators, equipment suppliers, and distributors.

In 2023, 2024, and 2025, revenue generated from our top five customers in each year amounted to RMB1.52 billion, RMB942.5 million, and RMB909.5 million, respectively, accounting for 52.6%, 34.9%, and 36.6% of our total revenue, respectively, while the largest customer in each year contributed RMB567.5 million, RMB346.8 million, and RMB236.0 million, respectively, accounting for 19.6%, 12.9%, and 9.5% of our total revenue, respectively. During the Track Record Period, we generally granted credit terms of 30 to 180 days to our customers.

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The following table sets forth the details of our top five customers by transaction amount in each year during the Track Record Period.

Customer	Transaction Amount (RMB in thousands)	Percentage of Total Revenue	Year of Commencement of Business Relationship	Products Purchased	Credit Terms	Customer Background & Listing Status	Customer Type
For the Year Ended December 31, 2025							
Customer A	236,047	9.5	2021	Photovoltaic inverters, energy storage inverters, and energy storage batteries	360 days	A company located in China, engaged in the development, investment, operation, and maintenance of photovoltaic power station projects, listed on Shanghai Stock Exchange	Installer or system integrator
Customer B	216,895	8.7	2022	Photovoltaic inverters, energy storage inverters, and energy storage batteries	150 days	A non-listed company located in China, engaged in the development, investment, operation, and maintenance of photovoltaic power station projects	Installer or system integrator
Customer C	178,520	7.2	2021	Photovoltaic inverters, energy storage inverters, and energy storage batteries	180 days	A company located in China, engaged in the development, investment, operation, and maintenance of photovoltaic power station projects, listed on Hong Kong Stock Exchange	Installer or system integrator
Customer D	152,350	6.1	2022	Photovoltaic inverters	90 days	A non-listed company located in China, engaged in the investment and EPC of photovoltaic power station projects	Installer or system integrator
Customer E	125,674	5.1	2025	Photovoltaic inverters, energy storage inverters, and energy storage batteries	90 or 120 days	A non-listed company incorporated in Australia, engaged in the sales and operation of photovoltaic and renewable energy-related products	Installer or system integrator
Total	909,486	36.6					

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Customer	Transaction Amount (RMB in thousands)	Percentage of Total Revenue	Year of Commencement of Business Relationship	Products Purchased	Credit Terms	Customer Background & Listing Status	Customer Type
For the Year Ended December 31, 2023							
Customer G	567,453	19.6	2013	Photovoltaic inverters	30 days	A company located in Germany, engaged in the operation and sales of inverters, listed on Frankfurt Stock Exchange	Equipment supplier
Customer A	375,809	13.0	2021	Photovoltaic inverters, energy storage inverters, and energy storage batteries	180 or 360 days	A company located in China, engaged in the development, investment, operation, and maintenance of photovoltaic power station projects, listed on Shanghai Stock Exchange	Installer or system integrator
Customer H	241,006	8.3	2021	Photovoltaic inverters, energy storage inverters, and energy storage batteries	180 days	A company located in China, engaged in the development, investment, operation, and maintenance of photovoltaic power station projects, listed on Shanghai Stock Exchange	Installer or system integrator
Customer C	182,088	6.3	2021	Photovoltaic inverters, energy storage inverters, and energy storage batteries	60 days or 100% T/ T before delivery	A company located in China, engaged in the development, investment, operation, and maintenance of photovoltaic power station projects, listed on Hong Kong Stock Exchange	Installer or system integrator
Customer B	154,307	5.3	2022	Photovoltaic inverters, energy storage inverters, and energy storage batteries	60 days	A non-listed company located in China, engaged in the development, investment, operation, and maintenance of photovoltaic power station projects	Installer or system integrator
Total	1,520,663						
		52.6					

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The following sets forth the salient terms of our sales agreements with our customers.

- **Order.** If the customer intends to purchase products, the customer shall send the purchase order to us. We will confirm the order within 3 business days of receiving it.
- **Price.** Based on the cooperation with the customer, we will offer product prices at different discount levels.
- **Damages.** Unless we are in breach of contract intentionally, our total and cumulative liability to the customer shall not exceed 20% of the contract price of the products involved.
- **Confidentiality.** The customer shall bear confidentiality obligations regarding the commercial or technical information disclosed by us or obtained in the course of the performance of this contract.

All of our top five customers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates, or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five customers in each year during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with, nor did we receive any material complaints from, our customers.

Our Suppliers

Our suppliers primarily include providers of battery cells, sheet metal, and inductors, as we recognize that maintaining high product quality significantly depends on sourcing premium raw materials and supplies from reliable suppliers. To facilitate this, we have established comprehensive internal policies and procedures that govern our procurement activities, ensuring a reliable and timely supply of key components to support our manufacturing processes and overall operations.

We maintain a qualified supplier list which has been rigorously assessed and certified by us to guarantee the consistent quality of our supplies. Our primary criteria for selecting suppliers are on-site audits and performance testing of products, considering their quality system certifications, environmental certifications, and individual product testing reports, rather than compulsorily going through bidding process. All procurement contracts are executed in accordance with our established procurement management procedures to ensure compliance, transparency, and operational efficiency. For those suppliers that pass the pre-screening, we conduct on-site inspections, and pilot trials to verify their compliance with our quality standards.

We periodically review and assess supplier performance based on criteria such as quality, pricing, and reliability. Suppliers who fail our audit are assigned a dedicated team to assist in performance improvement, and we reserve the right to remove them from our list if they do not meet our standards. To manage potential supply chain disruptions for key components, such as battery cells, we maintain a pool of multiple reputable suppliers. For other essential electronic components, we manage our inventories in advance to ensure a stable supply.

During the Track Record Period, the majority of our suppliers were based in China. In 2023, 2024, and 2025, our purchases from our top five suppliers in each year amounted to RMB544.5 million, RMB552.0 million, and RMB537.6 million, respectively, accounting for 19.4%, 22.3%, and 22.8% of our total purchase, respectively, while our purchase from the largest supplier in each year amounted to RMB145.4 million, RMB120.7 million, and RMB126.3 million, respectively, accounting for 5.2%, 4.9%, and 5.4% of our total purchases, respectively. During the Track Record Period, our suppliers generally granted us a credit term of 30 to 90 days.

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The following table sets forth the details of our top five suppliers by transaction amount in each year during the Track Record Period.

Supplier	Transaction Amount (RMB in thousands)	Percentage of Total Purchases (%)	Year of Commencement of Business Relationship	Products or Services Procured	Credit Terms	Supplier Background & Listing Status
For the Year Ended December 31, 2025						
Supplier A	126,288	5.4	2022	Battery cells	30 days	A non-listed company located in China, engaged in the manufacturing and sales of battery cells
Supplier B	113,668	4.8	2021	Sheet metal	90 days	A non-listed company located in China, engaged in the sales of sheet metal
Supplier C	104,819	4.5	2019	Sheet metal and heat sinks	90 days	A non-listed company located in China, engaged in the manufacturing and sales of sheet metal and heat sinks
Supplier D	97,229	4.1	2022	Battery cells	30 days	A non-listed company located in China, engaged in the manufacturing and sales of battery cells
Supplier E	95,582	4.1	2019	Electrolytic capacitors	60 days	A company located in China, engaged in the manufacturing, processing, and sales of capacitors, their materials and accessories, listed on SZSE
Total	537,586	22.8				
For the Year Ended December 31, 2024						
Supplier C	120,706	4.9	2019	Sheet metal and heat sinks	90 days	A non-listed company located in China, engaged in the manufacturing and sales of sheet metal and heat sinks
Supplier E	111,122	4.5	2019	Electrolytic capacitors	60 days	A company located in China, engaged in the manufacturing, processing, and sales of capacitors, their materials and accessories, listed on SZSE
Supplier F	109,221	4.4	2022	Batteries	60 days	A non-listed company located in China, engaged in the manufacturing and sales of batteries
Supplier G	107,489	4.4	2019	Inductors	90 days	A non-listed company located in China, engaged in the manufacturing and sales of electronic products and electronic components
Supplier H	103,427	4.2	2021	Inductors	90 days	A non-listed company located in China, engaged in the manufacturing and sales of power electronic components
Total	551,965	22.3				

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Supplier	Transaction Amount (RMB in thousands)	Percentage of Total Purchases (%)	Year of Commencement of Business Relationship	Products or Services Procured	Credit Terms	Supplier Background & Listing Status
<i>For the Year Ended December 31, 2023</i>						
Supplier C	145,364	5.2	2019	Sheet metal and heat sinks	60 days	A non-listed company located in China, engaged in the manufacturing and sales of sheet metal and heat sinks
Supplier G	112,142	4.0	2019	Inductors	90 days	A non-listed company located in China, engaged in the manufacturing and sales of electronic products and electronic components
Supplier I	107,273	3.8	2020	Integrated circuits	30 days	A company located in the United States, engaged in the design, manufacturing, testing, and sales of embedded semiconductors, listed on NASDAQ
Supplier E	97,168	3.5	2019	Electrolytic capacitors	60 days	A company located in China, engaged in the manufacturing, processing, and sales of capacitors, their materials and accessories, listed on SZSE
Supplier H	82,566	2.9	2021	Inductors	60 days	A non-listed company located in China, engaged in the manufacturing and sales of power electronic components
Total	544,513	19.4				

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The following sets forth the salient terms of our supply agreements with our suppliers.

- **Term.** We procure products from our suppliers by signing supply agreement with the term of one year, which will extend for one year automatically unless being canceled by either party with 6-month notice.
- **Purchase orders.** Unless otherwise provided in the purchase order, the supplier shall confirm the purchase order and revert to us whether it accepts or rejects the purchase order in writing within thirty-six hours after a purchase order is issued by us.
- **Product.** Due to the specific nature of products including battery cells, the products should comply with relevant regulations and standards concerning quality, environment and package.
- **Delivery.** The supplier is responsible for arranging the freight route and mode of transportation in a manner that aligns with our instructions, and will bear the associated freight costs.
- **Warranties.** The warranty period of 72 months will commence upon the successful completion of the appearance inspection.
- **Confidentiality.** The supplier is obligated to keep confidential all information for or related to the supply agreement obtained from us or being known or developed as a result of fulfillment of the Supply Agreement. In breach of the confidential agreement, the supplier shall be required to pay a penalty.

All of our top five suppliers in each year during the Track Record Period were Independent Third Parties. As of the Latest Practicable Date, none of our Directors, their close associates, or any Shareholders which, to the best knowledge of our Directors, owned more than 5% of our issued share capital as of the Latest Practicable Date, had any interest in any of our top five suppliers in each year during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant fluctuations in prices set by our suppliers, material disputes with our suppliers that materially affect our operations, nor did we encounter any material disruptions in our product manufacturing due to shortages of major components.

Overlapping of Major Customers and Suppliers

During the Track Record Period, we primarily sold photovoltaic inverters, energy storage inverters, and energy storage batteries to Customer A. In 2023, 2024, and 2025, our revenue generated from Customer A accounted for 13.0%, 12.9%, and 9.5% of our total revenue, respectively. We also purchased electricity meters and current transformers from Customer A. In 2023, 2024, and 2025, our purchases from Customer A accounted for 0.2%, 0.1%, and 0.3% of our total purchases, respectively.

During the Track Record Period, we primarily sold photovoltaic inverters, energy storage inverters, and energy storage batteries to Customer B. In 2023, 2024, and 2025, our revenue generated from Customer B accounted for 5.3%, 8.6%, and 8.7% of our total revenue, respectively. We also purchased certain engineering services from Customer B. In 2023, 2024, and 2025, our purchases from Customer B accounted for 0.001%, 0.010%, and 0.007% of our total purchases, respectively.

During the Track Record Period, we primarily sold photovoltaic inverters, energy storage inverters, and energy storage batteries to Customer C. In 2023, 2024, and 2025, our revenue generated from Customer C accounted for 6.3%, 5.2%, and 7.2% of our total revenue, respectively. We also purchased photovoltaic panels and certain engineering services from Customer C in 2024 and 2025. In 2024 and 2025, our purchases from Customer C accounted for 0.02% and 0.21% of our total purchases, respectively.

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During the Track Record Period, we primarily sold photovoltaic inverters to Customer G. In 2023, 2024, and 2025, our revenue generated from Customer G accounted for 19.6%, 3.6%, and 0.2% of our total revenue, respectively. We also purchased raw materials for producing inverters from Customer G. In 2023, 2024, and 2025, our purchases from Customer G accounted for 0.176%, 0.006%, and 0.007% of our total purchases, respectively.

During the Track Record Period, we primarily sold photovoltaic inverters, energy storage inverters, and energy storage batteries to Customer H. In 2023, 2024, and 2025, our revenue generated from Customer H accounted for 8.3%, 3.3%, and 1.6% of our total revenue, respectively. We also purchased EPC and certain engineering services from Customer H. In 2024 and 2025, our purchases from Customer H accounted for 0.02% and 0.1% of our total purchases, respectively.

Negotiations of the terms of our sales to and purchases from such overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. According to Frost & Sullivan, it is common in the industry for companies to have overlapping customers and suppliers, primarily because manufacturers with strong capital, resources, and technical capabilities often expand their business upstream and downstream along the industrial chain, thus forming a two-way cooperation pattern between upstream and downstream. All of our sales to and purchases from such overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and in arm’s length transactions. Our Directors confirmed that, save as disclosed herein, none of our major customers was also a supplier, and vice versa, during the Track Record Period.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, certain of our customers, or the Relevant Customers, settled payments with us through third-party accounts, which we refer to as Third-Party Payment Arrangements. The number of Relevant Customers was five, nine, and seven in 2023, 2024, and 2025, respectively. In 2023, 2024, and 2025, the aggregate amount settled with all Relevant Customers under the Third-Party Payment Arrangements was RMB3.7 million, RMB5.0 million, and RMB1.9 million, respectively, representing 0.13%, 0.19%, and 0.08% of the total revenue in the same periods.

Payments to us were made through such arrangements in three circumstances: (i) certain Relevant Customers settled payments to us through third-party financial institutions; (ii) certain Relevant Customers settled payments to us through their business partners; and (iii) certain Relevant Customer settled a payment of RMB2,100 to us through one of our employees in one isolated event. According to Frost & Sullivan, the adoption of Third-Party Payment Arrangements is common in the industry because some customers are located in countries or regions with foreign exchange controls, cumbersome cross-border settlement procedures, or foreign exchange quota restrictions, making it difficult or impossible for them to directly remit foreign currency payments. Consequently, these customers entrust Third-Party Payment Arrangements to complete the payment settlement on their behalf.

Except for the payments settled through third-party financial institutions, we typically require the Relevant Customers and their designated third-party payors to execute written confirmations, which confirm delegation before entering into Third-Party Payment Arrangements. According to these written confirmations, the designated third-party payors are authorized by the Relevant Customers to settle payments with us and the Relevant Customers will bear the liabilities of any economic dispute caused by the Third-Party Payment Arrangements.

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During the Track Record Period and up to the Latest Practicable Date, to the best knowledge of our Directors, except for the aforementioned employee, all Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were independent third parties. We did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged upon the Relevant Customers’ requests. We did not provide any discount, commission, rebate, or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements. The relevant payments were based on bona fide underlying transactions and valid contractual relationships. The pricing and payment terms that we provided to the Relevant Customers were in line with those provided to customers not involved in the Third-Party Payment Arrangements.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirmed that (i) we were not subject to any investigations, inquiries, penalties, or surcharges in connection with the Third-Party Payment Arrangements, (ii) we had not received any refund requests or encountered any disputes or claims relating to such arrangements, and (iii) we were not aware of any money laundering activities, fabricated transactions, violations of tax laws, or other illegal activities in connection with the Third-Party Payment Arrangements.

Enhanced Internal Control Measures

To safeguard our interests from potential risks associated with the Third-Party Payment Arrangements, we have implemented enhanced internal control measures, including, among others: (i) we have restricted Third-Party Payment Arrangements to payments processed through licensed financial payment institutions, which have valid commercial justifications. Save for the above, all other forms of Third-Party Payment Arrangements are strictly prohibited; (ii) we generally only accept payments from the contracting parties with whom we have entered into valid agreements; (iii) we have established stringent approval procedures to assess the commercial rationale of each third-party payment arrangement, requiring tripartite agreements or, for payments made through banks, letters of authorization in lieu thereof; and (iv) we have communicated our anti-sanctions, anti-corruption, and anti-money laundering policies regarding Third-Party Payment Arrangements to our customers, and we have also required our sales employees to comply with these policies.

Our Directors are of the view that the foregoing internal control measures are sufficient and can substantially mitigate the risk that we face. In light of the above, we believe that our Third-Party Payment Arrangements will not have a material adverse effect on our business operations.

EMPLOYEES

As of December 31, 2025, we had 771 full-time employees. The following table sets forth a breakdown of our full-time employees by functional departments as of December 31, 2025. As of December 31, 2025, 94.3% of our employees were based in China, while the other employees were primarily based in Germany, the Netherlands, and France.

Function	As of December 31, 2025	
	Number of Employees	Percentage of Total Employees
Research and Development	198	25.7%
Sales and Marketing	117	15.2%
Management and General Administration	80	10.4%
Manufacturing	358	46.4%
Procurement	18	2.3%
Total	771	100.0%

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Our success depends on our ability to attract, motivate, train, and retain qualified personnel. We primarily recruit experienced professionals through independent recruitment by our talent acquisition team, headhunters and internal referrals to build a balanced talent pipeline. Our employee compensation consists of a base salary plus performance-based bonus. We believe we offer our employees competitive compensation packages and an environment that encourages development and, as a result, have generally been able to attract and retain qualified personnel.

We believe that we maintain a good working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that we had not experienced any material labor dispute or any difficulty in recruiting staff for our operations.

As required by PRC laws and regulations, we participate in various employee social security plans that are organized by municipal and provincial governments for our China-based employees, including pension, unemployment insurance, childbirth insurance, work-related injury insurance, medical insurance, and housing insurance. Specifically, we are required under PRC laws to make contributions from time to time to employee benefit plans for our China-based employees at specified percentages of the salaries, bonuses, and certain allowances of such employees, up to a maximum amount specified by the local governments in China.

In accordance with PRC labor laws, we entered into individual employment contracts with our employees, covering matters such as wages, bonuses, employee benefits, workplace safety, and grounds for termination. In addition, we entered into standard confidentiality and non-compete agreements with our key employees with access to our core technologies and trade secrets. Our employees are currently represented by the labor union. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material strikes, work stoppages or labor disputes.

Social Insurance and Housing Provident Funds

According to relevant PRC laws and regulations, we are required to make social insurance and housing provident fund contributions for our employees in China based on a prescribed percentage of their wages. Due to historical reasons, differences in local practice, and administrative complexities, one of our PRC subsidiaries did not make full contributions to social insurance and housing provident fund in accordance with relevant laws and regulations during the Track Record Period. In 2023, 2024, and 2025, the shortfall amounts were nil, RMB0.9 million, and RMB1.1 million, respectively. We did not make provisions in respect of the potential liability arising from the shortfall. According to our PRC Legal Advisor, the maximum penalty that we may be subject to under the relevant PRC laws and regulations would be up to three times the aggregate amount of such unpaid social insurance contributions.

We have implemented the following rectification and internal control measures to enhance our compliance with the social insurance and housing provident fund contribution requirements: (i) providing periodic training to relevant personnel; (ii) designating responsible personnel to monitor our ongoing compliance and oversee any remedial measures; (iii) regularly tracking updates to PRC laws and regulations and updating our internal procedures accordingly; and (iv) consulting external legal counsel on social insurance and housing provident fund matters, where necessary. Going forward, we will proactively liaise with relevant local authorities and communicate material updates to our employees to enhance compliance.

As of the Latest Practicable Date, we had not received any warnings, administrative penalties, or other disciplinary actions from the competent regulatory authorities in relation to our social insurance and housing provident fund contributions, and we were not aware of any material employee complaints or material labour disputes with our employees in this regard. In addition, as of the Latest Practicable Date, we had conducted interviews with the local social insurance and housing provident fund authorities in Yangzhong, Jiangsu province, which our PRC Legal Advisor confirmed that they are competent authorities, in respect of one subsidiary, and such authorities confirmed that the subsidiary had not been subject to any significant administrative penalty for non-compliance with the applicable laws and regulations in relation to social insurance, labour

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rights, and housing provident funds during the Track Record Period. In addition, if we receive any notification from the competent regulatory authorities requiring us to pay outstanding contributions or to amend our policies or practices in this regard, we will make the required contributions as soon as practicable to avoid administrative penalties for late payment.

Based on the foregoing, and provided that (i) there is no material change in the prevailing policies, laws, and regulations relating to social insurance and housing provident funds or in the enforcement and supervisory requirements of the competent regulatory authorities, and (ii) no relevant subsidiary becomes subject to any employee report, complaint, or allegation in relation to its social insurance or housing provident fund contributions, our PRC Legal Advisor is of the view that, if the competent regulatory authorities order us to rectify such non-compliance within a specific time limit and we duly complete the rectification and pay the outstanding amounts and any late payment fees within such time limit, the risk of us being required to make a centralized, overall catch-up payment of historical unpaid contributions and being subject to any significant administrative penalty in this regard is remote.

Based on the above, our Directors are of the view that these non-compliance would not have any material adverse effect on our business or results of operation.

PROPERTIES

Owned Properties

As of the Latest Practicable Date, we owned the land use rights to one parcel of land located in China, with a total site area of 35,653.1 square meters. Such parcels of land are used primarily as our production base. As advised by our PRC Legal Advisor, we have obtained the land use certificate for such parcel of land and legally owned the land use rights to such parcel of land.

As of the date of this document, we owned one property in China, with a total gross floor area of 58,165.8 square meters used primarily as production base. As advised by our PRC Legal Advisor, we have obtained the ownership certificate for such properties.

Leased Properties

As of the Latest Practicable Date, we operated our businesses primarily through 9 leased properties in China, with a total gross floor area of 38,468.9 square meters. As of the Latest Practicable Date, we also operated our businesses through 7 leased properties overseas, with a total gross floor area of 6,639.1 square meters. These properties in China primarily serve for our production, warehouse, and office use, and these properties overseas primarily serve as our warehouses and offices. Most of the relevant lease agreements will expire between 2026 and 2029, and we will negotiate lease renewal upon their expiry as appropriate. We believe that our existing facilities are generally adequate to meet our current needs.

As of December 31, 2025, each of our property interests had a carrying amount less than 15% of our consolidated total assets. Therefore, according to Chapter 5 of the Listing Rules and section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which require a valuation report with respect to all our interests in land or buildings.

INTELLECTUAL PROPERTY

We regard our proprietary trademarks, patents, domain names, trade secrets, and other intellectual property rights critical to our business operations. As of December 31, 2025, we had 299 trademarks, 270 patents, and 73 domain names. For more details, see “Statutory and General Information — B. Further Information About Our Business” in Appendix IV to this document.

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We rely on a combination of copyright, patent, and trademark law, trade secret protection, confidentiality agreements with employees, and intellectual property, and confidentiality provisions in our agreements with third-party suppliers to protect our intellectual property rights. We also regularly monitor any infringement or misappropriation of our intellectual property rights.

During the Track Record Period and up to the Latest Practicable Date, we had not identified breaches of our intellectual property rights which, viewed alone or in the aggregate, had a material impact on our business, financial condition, or results of operations, nor had we had any material dispute or legal proceeding concerning intellectual property rights with third parties.

For information regarding risks related to our intellectual property, please see “Risk Factors — Risks Relating to Our Business and Industry — We may not be able to adequately protect our intellectual property rights, and we may be exposed to intellectual property infringement or misappropriation claims.”

INSURANCE

We maintain various insurance policies to safeguard against risks and unexpected events in our daily operations. These policies typically provide coverage for operational accidents, equipment or product damage, and personal injury arising in connection with goods transportation, product liability, and on-site operations.

We provide social security insurance including pension insurance, unemployment insurance, employers’ liability insurance, and medical insurance for our employees in China. In addition to providing social insurance for our employees as required by PRC laws, we also provide critical illness medical insurance for our employees.

We consider our current insurance coverage to be adequate. We will continue to review and assess our risk portfolio and make necessary and appropriate adjustments to our insurance plans to align with our needs and with industry practice. See “Risk Factors — Risks Relating to Our Business and Industry — Our business growth, financial condition, and prospects may be affected by any future occurrence of force majeure events and unforeseen, hostile, or catastrophic events” for more details.

WAREHOUSING, LOGISTIC, AND INVENTORY MANAGEMENT

We utilize our own warehouses to store raw materials, work in progress, and finished products. As of the Latest Practicable Date, except the production base in Yangzhong partially functioning as warehouse, we leased two warehouses in China and one warehouse in Germany.

We primarily engage third-party logistics service providers to provide delivery services, and flexibly meet customer delivery cycle requirements based on their needs. Finished products that have passed quality inspections are delivered by the logistics service providers from our own production facilities directly to our customers. We select logistics service providers based on their reputation, scale of operations, track record, and price. We typically enter into long-term agreements with our logistics service providers. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffered any loss due to late delivery or mishandling of products by our logistics service providers.

Our inventory comprises raw material, work in progress, and finished goods. As of December 31, 2023, 2024, and 2025, our inventories was RMB891.2 million, RMB714.7 million, and RMB851.3 million, respectively. In 2023, 2024, and 2025, our inventory turnover days were 129 days, 125 days, and 138 days, respectively.

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We have established a warehouse management policy to manage our inventory, setting forth requirements and processes for management of our inventory. In order to reduce inventory backlogs and improve our inventory management processes, we have implemented internal procedures for submission and approval to enhance logistics and standardize purchase orders for our products. We monitor inventory levels regularly to ensure adequate supplies of raw materials and finished goods while tracking the real-time inflow and outflow of items from our warehouses. In addition, we refine our procurement plans through dynamic inventory analysis to mitigate the risk of overstocking. We perform periodic spot inventory checks to ensure efficient warehouse operations. At the end of each year, we conduct on-site inventory audits and inspections, during which we prepare inventory inspection reports to achieve timely management of obsolete and slow-moving inventories. During the Track Record Period and up to the Latest Practicable Date, Our Directors confirm that our inventory control system and internal policies have been effective, with no significant supply shortages or overstock issues reported.

DATA SECURITY

During the operation of energy management systems, we may collect, process, and store various types of data related to our customers. As our business involves the collection and processing of customer data, we consider data security to be essential to our business operations and are committed to adhering to all applicable laws and regulations concerning data security and privacy.

To ensure the confidentiality and integrity of our data, we closely monitor compliance with all relevant data security laws. The data involved in our business operations in China primarily comprises personal information, including individual users’ contact details, device locations, photovoltaic station information, product and device information, terminal device information, network information, and fault information. Users have the capability to modify certain personal information through our Apps. Our smart energy management system, operating through these Apps, provides our users with smart energy management services by analyzing data such as power generation, electricity consumption, and energy storage and grid feed-in, optimizing the operation and utilization efficiency of our products. Access to such information is strictly limited to employees who require it to fulfill their job responsibilities, and, where necessary for equipment installation, maintenance, and after-sales services, certain distributors or installers may also access users’ personal information with the users’ consent or other appropriate legal basis.

We set up stringent internal data security and compliance policies, which outline procedures for establishing, managing, and assigning responsibilities for our various data generated from energy management systems. These policies provide protection for different types of data according to its sensitivity and stipulate various disciplinary actions for violations related to data security and access control.

During the Track Record Period and up to the Last Practicable Date, the personal data of the users in China collected by our company has not been transferred out of China, and we did not experience any data leakage, tampering, loss or unauthorized access that would have a material adverse impact on our business operations, financial performance or listing, nor were there any major disputes, significant administrative penalties or investigations relating to data privacy and security.

Having consulted with our data compliance counsel, our directors confirmed that we have implemented appropriate data security measures in accordance with PRC laws, with no investigations, enforcement actions, or related litigation that would have a material adverse effect on our business.

We will continually improve our data security framework, enhance our cybersecurity in compliance with relevant standards in different regions, and emphasize the adaptability of innovation and practice to meet the growing data protection expectations of global markets.

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ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

The Company is committed to sustainable development and fully integrates environmental, social and governance (“ESG”) considerations into its corporate management and operations. We are committed to promoting green manufacturing and providing a healthy and safe working environment for all employees. As of the end of 2025, the Company’s manufacturing bases had obtained ISO 14001 Environmental Management System certification, ISO 45001 Occupational Health and Safety Management System certification, and ISO 50001 Energy Management System certification. In 2024, the Company joined the United Nations Global Compact (UN Global Compact), committing to support its Ten Principles on human rights, labour, environment and anti-corruption, and to report annually on related progress. In June 2025, the Company was awarded a “Silver” rating by the globally recognised corporate social responsibility rating agency EcoVadis. We place great emphasis on the transparent disclosure of our sustainable development performance and will, in accordance with Appendix C2 to the Listing Rules, publish annual ESG reports on a regular basis.

ESG Governance

We are committed to enhancing our ESG management capabilities, establishing and continuously improving our ESG governance framework, and embedding ESG into our corporate strategy and daily operations to provide solid support for the Company’s long-term sustainable development.

ESG Governance Framework

AISWEI has established a structured ESG governance and execution structure to ensure that sustainable development principles are embedded throughout the Company’s strategy and daily operations.

In accordance with regulatory requirements and internal development needs, we have formulated and continuously improved the Environmental, Social and Governance (ESG) Management Policy (《環境、社會及治理(ESG)管理制度》), which sets out a three-tier responsibility system of “top-level design — execution and supervision — dynamic feedback” to ensure the effective implementation of ESG objectives at all levels:

- **Governance Level:** The Strategy Committee under the Board of Directors serves as the highest decision-making and supervisory body for ESG matters. It is responsible for reviewing ESG strategies, approving major issues, overseeing progress toward ESG objectives, reviewing the annual ESG report, and has ultimate responsibility for overall ESG performance.
- **Management Level:** Led by the Board Office, a cross-departmental ESG working group has been established, comprising members from key functions including procurement, sales, human resources, environment, health and safety (EHS), quality, and finance. The working group is responsible for formulating and implementing specific ESG action plans and regularly reporting implementation progress to the Chairman and the Strategy Committee.
- **Execution Level:** Functional departments, manufacturing bases, and business units implement ESG-related initiatives in their daily operations. Environmental management and related work are coordinated by the EHS Department to ensure that environmental policies are integrated into business processes and that closed-loop management is achieved.

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In addition, the Company continuously conducts ESG training for all employees and arranges for directors to participate in specialised training on relevant regulations and responsibilities, thereby continuously enhancing ESG awareness and management capabilities at all levels and providing systematic support for sustainable development.

Determination of Material Issues

We recognise the importance of ESG to the Company and its stakeholders and periodically identify and assess material ESG issues in a systematic manner. With reference to internationally recognised standards, industry practices, and the core focus areas of leading global rating agencies, and in light of our business characteristics, the Company has identified 21 material issues across the three dimensions of environmental, social and governance.

2025 ESG Material Issues

Environmental	Energy consumption and greenhouse gas emissions
	Water resource utilisation
	Waste and hazardous chemicals management
	Environmental impact of product use
	Product lifecycle management
	Customer health and safety
Social	Employee health and safety
	Working conditions
	Social dialogue
	Career development and training
	Prevention of child labour, forced labour and human trafficking
	Diversity, equality and inclusion
	On-site health and safety of contractors
	Environmental practices of suppliers
Governance	Social practices of suppliers
	Conflict minerals management
	Prevention of conflicts of interest
	Anti-corruption
	Prevention of unfair competition
	Anti-fraud
	Anti-money laundering
	Information security

ESG Risk Identification, Assessment and Management, and Opportunities

Based on the Company’s actual operations and business development, and in combination with stakeholder expectations and the results of materiality analysis, we systematically identify the potential risks, impacts and related opportunities associated with each ESG issue and assess the likelihood and severity of such risks. This process enables the Board of Directors and senior management to comprehensively understand the ESG risks faced by the Company and the current status of their management, thereby facilitating the formulation of effective risk response decisions and continuously enhancing the Company’s ESG risk management capabilities.

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At present, the Company has completed the identification and assessment of potential risks, impacts and opportunities in areas including climate change, environmental protection and social issues:

- *Climate Change Risks*

The increasing frequency and intensity of extreme weather events (such as typhoons, floods and high temperatures) may cause physical damage to production facilities, warehousing systems and logistics networks, or result in operational disruptions, thereby affecting business continuity. Meanwhile, the ongoing global transition toward a low-carbon economy, accompanied by increasingly stringent policies and emission standards, may lead to a gradual rise in carbon compliance costs and impose technological transformation pressures on existing production models. In addition, the stability of water resource supply, fluctuations in energy prices, and environmental compliance performance across the supply chain may exert pressure on resource acquisition costs and operational continuity, thereby increasing overall operational risks.

Management Objectives and Measures

In response to the major risks identified, the Company has formulated and implemented the following systematic measures to enhance operational resilience and promote sustainable development:

- *Establishment of Risk Emergency Mechanisms*

In accordance with internal policies such as the Risk Procurement Management Measures (《風險採購管理辦法》) and the Supply Disruption Risk Management Measures (《供應中斷風險管理辦法》), the Company has established and improved emergency response mechanisms for supply chain disruptions. Specific actions include maintaining safety stock levels, developing alternative material solutions, and conducting regular supply chain stress tests to strengthen responsiveness to unexpected events.

- *Environmental and Occupational Health and Safety Management System*

The Company has established a comprehensive environmental and occupational health and safety management system covering the entire process to systematically manage factors in the manufacturing process that may affect the environment and personnel health and safety. The system provides safety data sheets for process materials and hazardous chemicals and is supported by corresponding operating procedures and emergency response plans.

- *Development of a Green Supply Chain*

Pursuant to the Supplier Selection and Evaluation Control Procedure (《供應商選擇和評價控制程序》), environmental performance has been incorporated into the supplier evaluation and management system by the Company to promote the overall green transformation of the supply chain. For example, through a quarterly HSF (Hazardous Substance Free) scoring and monitoring mechanism, we continuously encourage suppliers to improve their environmental compliance and material safety performance.

Environmental Protection

We strictly comply with environmental laws and regulations in the regions where we operate and have established and implemented an environmental management system. The Company has formulated and implemented a series of institutional documents, including the Environmental Policy (《環境政策》), to standardise environmental management processes and systematically prevent and control environmental risks.

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With respect to environmental emergency management, the Company regularly conducts environmental risk identification and assessment and formulates targeted control measures. It has also established Emergency Management Plans (《應急管理預案》) and regularly conducts emergency drills to continuously enhance its capacity to prevent and respond to environmental incidents.

In addition, the Company has set an environmental management target centred on improving energy efficiency: by 2026, production energy consumption intensity shall not exceed 750 MWh/GW.

Addressing Climate Change

The Company conducts annual greenhouse gas (“GHG”) inventories and verifications to comprehensively understand its emission profile. By optimising the energy management system, improving energy efficiency, and promoting the transition of the energy structure, we effectively reduce indirect GHG emissions. In 2026, the Company will further assess the feasibility and economic viability of Scope 3 GHG accounting and plans to calculate and disclose key Scope 3 categories, including business travel and employee commuting.

Greenhouse Gas Emissions Performance (2023–2025)

Indicator	Unit	2023	2024	2025
Scope 1 GHG emissions ¹	tCO ₂ e	—	—	—
Scope 2 GHG emissions ²	tCO ₂ e	5,598.46	8,624.64	11,260.53
Total Scope 1 and Scope 2 GHG emissions	tCO ₂ e	5,598.46	8,624.64	11,260.53
Scope 1 and Scope 2 GHG emission intensity	tCO ₂ e/units in thousands	6.87	11.25	14.07

Energy Management

We are committed to establishing a systematic and efficient energy management system. By optimising the energy consumption structure, improving energy efficiency, and increasing the proportion of renewable energy usage, we continuously reduce GHG emissions. Key initiatives include:

- **Promotion of Energy-Efficient Equipment:** Gradually adopting high-efficiency, energy-saving equipment and technologies across production and office premises, such as LED lighting, low-energy air conditioning, and intelligent temperature control systems, to reduce energy loss;
- **Application of Renewable Energy:** Installing photovoltaic power generation systems at suitable sites to progressively increase the proportion of clean energy in overall energy consumption;
- **Energy Monitoring and Control:** Deploying energy monitoring systems to enable real-time data collection and analysis, and promptly identifying and addressing abnormal energy consumption;
- **Enhancing Energy Conservation Awareness:** Organising regular training sessions and awareness campaigns to promote green office practices and low-carbon commuting;
- **Energy Efficiency Audits and Optimisation:** Conducting regular energy audits to identify energy-saving potential and dynamically adjusting management strategies to achieve continuous improvement in energy efficiency.

¹ The Company does not use gasoline, diesel or natural gas in its production and operations and therefore does not generate Scope 1 GHG emissions.

² The electricity carbon emission factor adopted is the 2023 national average electricity carbon dioxide emission factor of 0.5306 kgCO₂/kWh, sourced from the Announcement on the Release of the 2023 Electricity Carbon Dioxide Emission Factor (《關於發佈2023 年電力二氧化碳排放因子的公告》) published by the National Bureau of Statistics and the Ministry of Ecology and Environment on December 31, 2025.

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Energy Consumption Performance Data (2023–2025)

Indicator	Unit	2023	2024	2025
Purchased municipal electricity consumption ³	MWh	10,551.19	16,254.50	21,222.25
of which: Production — Purchased municipal electricity consumption	MWh	7,040.75	11,310.89	15,093.31
of which: Non-production — purchased municipal electricity consumption ⁴	MWh	3,510.44	4,943.61	6,128.94
Renewable electricity consumption ⁵	MWh	—	—	410.05
Total energy consumption	MWh	10,551.19	16,254.50	21,632.30
Total production energy consumption	MWh	7,040.75	11,310.89	15,503.36
Production energy consumption intensity	MWh/units in thousands	8.64	14.76	19.37

Water Resources Management

Although the Company’s production processes do not involve water usage, we have established and improved water resource management systems to regulate water use in office operations, ensure lawful and compliant water abstraction and use, and effectively prevent water wastage.

Water Resources Management Performance Data (2023–2025)

Indicator	Unit	2023	2024	2025
Total water withdrawal	tonnes	33,196.00	37,435.00	79,864.00 ⁶

Waste Management

We strictly comply with relevant laws and regulations and have established and implemented internal management systems including the Environmental Pollution Prevention and Control Management System (《環境污染防治管理制度》), Hazardous Chemicals Management Procedure (《危險化學品管理程序》), and Hazardous Substance Control Standard (《有害物質管控標準》). The Company continuously improves its pollutant discharge management system, adopting systematic control measures and strengthening full-process management of various emissions, ensures that all pollutants are discharged in compliance with legal standards, and remains committed to reducing the environmental impact of its operations.

Waste Management Performance Data (2023–2025)

Indicator	Unit	2023	2024	2025
Total hazardous waste generated	tonnes	0.98	2.76	12.80 ⁷
Hazardous waste generation intensity	tonnes/units in thousands	0.001	0.004	0.016
Total non-hazardous waste generated	tonnes	— ⁸	1,273.39	1,428.73
Non-hazardous waste generation intensity	tonnes/units in thousands	—	1.661	1.785

³ Since 2024, the Company has expanded into the production of high-power energy storage products, resulting in increased purchased municipal electricity consumption and higher energy consumption per unit of output.

⁴ Non-production — purchased municipal electricity consumption is used for R&D, office operations and other operational activities.

⁵ Renewable electricity consumption is used for production purposes.

⁶ The Company’s production processes do not involve water usage; all water withdrawal is for office operations. In 2025, the Company carried out fire protection renovation works, resulting in an increase in water withdrawal.

⁷ Certain hazardous waste generated in 2024 was stored in compliance with regulations and disposed of in 2025. In addition, following the commissioning of the expanded plant area in the second half of 2024, a new exhaust gas treatment environmental protection facility was installed, generating a substantial amount of spent activated carbon, resulting in a significant increase in hazardous waste generation in 2025.

⁸ From 2024 onwards, the Company installed and steadily implemented a statistical and analytical management mechanism for non-hazardous waste.

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Social Responsibility

We consistently integrate the fulfilment of social responsibility into our corporate strategy and daily operations. While pursuing commercial success, we actively give back to society and are committed to achieving harmonious coexistence between the enterprise and the environment, co-building and sharing with communities, and common growth with stakeholders.

Human Resources Management

Talent is the cornerstone of the Company’s long-term sustainable development. As of December 31, 2025, the Company had a total of 771 full-time employees. We have established a competitive remuneration and benefits system and actively foster a diverse, equal and inclusive working environment.

- *Labour Rights and Benefits*

The Company strictly complies with national labour laws and regulations and those of the jurisdictions in which it operates, and continuously improves its human resources management system. A series of management policies have been formulated and implemented, including the Employee Handbook (《員工手冊》), Anti-Discrimination and Anti-Harassment Management Procedure (《禁止歧視騷擾管理程序》), Prohibition of Child Labour and Forced Labour Management Procedure (《禁止僱用童工及強迫勞動管理程序》), and Position and Grade Management System (《職位職級管理辦法》), to systematically regulate the entire process of recruitment, remuneration and incentives, career development, and protection of employee rights and interests.

We adhere to the principle of equal employment and are committed to fostering a diverse, equitable and inclusive workplace. Any form of discrimination in recruitment, promotion, training, career development or any other aspect based on age, nationality, marital status, race, colour, ethnicity, religion, health condition, gender, gender identity or sexual orientation is strictly prohibited.

The Company explicitly prohibits the employment of child labour and any form of forced labour. We strictly implement identity and age verification mechanisms to ensure that all employees have reached the statutory working age at the time of employment.

We have established a remuneration and benefits system that is externally competitive and internally equitable. In addition to offering industry-competitive base salaries, we provide various allowances and incentive schemes, which are dynamically adjusted based on performance results, thereby continuously enhancing employees’ sense of fulfilment, belonging and motivation for development.

- *Talent Development and Growth*

We have established a talent development system based on the principles of fairness, transparency, sustainability and tailored development. The system provides employees with clear dual career pathways and learning resources covering the full employee lifecycle. Through structured career planning, internal and external training, performance-linked mechanisms and mentoring programmes, we support employees in continuously enhancing their professional and managerial capabilities, and encourage cross-departmental and cross-regional exchanges and development.

- *Occupational Health and Safety*

We strictly comply with occupational health and safety laws and regulations in the jurisdictions where we operate. The Company has formulated and implemented a comprehensive internal management system, including the Management Procedure for Occupational Disease Hazard Prevention and Control (《職業病危害預防控制管理程序》), Occupational Health Examination Management System (《職業健康體檢管理制度》), Safety Inspection and Hazard Identification and Remediation System (《安全檢查及隱患排查治理制

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度)), and Work Safety and Occupational Disease Prevention Responsibility System (《安全生產和職業病防治責任制度》), and is committed to creating a safe and healthy working environment for all employees.

The Company continuously improves its occupational health and safety management mechanism. By conducting testing for occupational hazard factors, we systematically identify and assess various operational risks and implement targeted control measures accordingly. We provide all employees with labour protection equipment that complies with national standards and arrange regular occupational health examinations for employees in specific positions to effectively safeguard their physical and mental well-being.

To enhance safety awareness and emergency response capabilities, the Company regularly organises safety training and emergency drills covering all employees, ensuring that production safety incidents can be addressed swiftly and effectively. During the Track Record Period and up to the Latest Practicable Date, the Company did not record any work-related fatalities.

Sustainable Supply Chain

The Company has established a supplier management system covering the entire supplier lifecycle. In accordance with policies such as the Supplier Selection and Evaluation Control Procedure (《供應商選擇和評價控制程序》) and the Supplier Code of Conduct (《供應商行為準則》), we systematically regulate supplier development, evaluation and cooperation processes. We prioritise the procurement of environmentally friendly products and services, continuously advance the green transformation of the supply chain, and assist suppliers in improving their sustainability performance through training and targeted guidance.

With respect to responsible mineral sourcing, the Company strictly complies with relevant international regulations and standards and explicitly prohibits the use of tantalum, tin, tungsten and gold (3TG) sourced from conflict-affected areas, in order to prevent indirectly fuelling conflicts or contributing to human rights violations. We conduct regular supply chain due diligence, require suppliers to sign a Conflict Minerals Declaration (《衝突礦產聲明函》), and continuously track the origin of minerals to ensure that the supply chain meets ethical standards.

Business Ethics

We uphold the highest standards of business ethics and maintain a zero-tolerance approach to any form of corruption, bribery, extortion, fraud and money laundering, and firmly oppose all illegal or non-compliant activities. In accordance with national laws and regulations and those of the jurisdictions in which we operate, the Company has established and continuously improved its anti-corruption and anti-bribery system, including the Business Ethics Policy (《商業道德政策》), Anti-Corruption Due Diligence Management Procedure (《貪污腐敗盡職調查管理程序》), and Anti-Corruption Risk Prevention and Assessment Management Procedure (《預防貪污腐敗風險評估管理程序》), thereby strengthening the Company’s compliance framework. The Code of Business Conduct (《商業道德行為準則》) serves as the fundamental guideline for the daily conduct of all employees and clearly sets out the principles of professionalism, integrity and transparency to be upheld in business activities.

We attach great importance to internal supervision and external feedback and have established multi-channel whistleblowing mechanisms, encouraging employees, business partners and other stakeholders to report misconduct by telephone, email or written correspondence, whether anonymously or on a named basis. All reports are handled with strict confidentiality. The Company undertakes to conduct timely investigations and impose serious consequences based on the findings, while continuously improving control mechanisms through regular reviews to effectively prevent the recurrence of similar risks.

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To continuously foster a culture of integrity and accountability, the Company regularly organises anti-bribery risk identification and assessment activities, and conducts ongoing integrity education and specialised training for all employees and personnel in key positions, thereby strengthening employees’ disciplinary awareness and ethical standards and embedding integrity and self-discipline into corporate operations and team behaviour.

Community Engagement

While advancing corporate development, we actively fulfil our social responsibilities and are committed to giving back to society through practical public welfare initiatives, promoting the sharing of development achievements. In 2025, we focused on the following community co-building projects:

- Supporting International Academic Development: AISWEI supported Professor Katherine Blundell of St John’s College, University of Oxford, in her global jet observation project, contributing to global astronomical observation and enabling students to access real data.
- Supporting Rural Talent Development: The Company donated RMB300,000 to participate in the construction of a rural revitalisation training base in Menglian County, supporting local talent cultivation and sustainable development.
- Co-Building Community Public Welfare Platforms: A donation of RMB50,000 was made to the Wuliqiao Community Foundation of Huangpu District, Shanghai, to support the “Yi+ Little Yellow Umbrella” public welfare practice station project, jointly fostering a friendly and mutually supportive community environment.
- Supporting the Development of Child-Friendly Spaces: A donation of RMB20,000 was made to support the child-friendly space construction project at Platform No. 8 of Huangpu Riverside, providing children with a safe and healthy environment for growth.
- Carrying Out Party-Building Assistance Activities: The Company participated in the “Party-Building Leadership for Synergy, Consumer Assistance to Welcome the Spring Festival” themed market event organised under the regional Party-building joint conference of the “Central Innovation District”, presenting “Ling She Assistance Packages” to families of disadvantaged Party members and members of the public in Wuliqiao Subdistrict and Bansongyuan Road Subdistrict, thereby conveying warmth and care.

RISK MANAGEMENT AND INTERNAL CONTROL

Our Directors are responsible for formulating and overseeing the implementation of our internal control measures and the effectiveness of our risk management system.

In preparation for the [REDACTED], we have engaged an independent internal control consultant to perform a detailed review of our procedures, system, and internal control procedures, including financial reporting and management systems. The internal control consultant conducted its work from February to May in 2026 and provided a number of findings and recommendations based on sampling methodology in its report. We have subsequently taken remedial actions in response to such findings and recommendations. The internal control consultant performed follow-up review on our internal control system with regard to those actions taken by us and reported the follow-up review findings in May, 2026. Based on the results of the follow-up review, our Directors confirmed that we had adopted the applicable internal control measures and policies suggested by the internal control consultant and did not have any significant deficiencies in internal control system as of the Latest Practicable Date.

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TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations primarily through our subsidiaries in China and certain overseas subsidiaries to support our expansion into international markets. In connection with these operations, intra-group transactions were carried out among members of our Group, which we refer to as Covered Transactions. These transactions mainly comprised (i) the sales of raw materials, products, and parts among our manufacturing entities; (ii) the sales of products, and parts by our manufacturing entities to affiliated overseas distribution entities; (iii) the subsequent resale of these products among affiliated overseas distribution entities; (iv) the provision of marketing and logistic support, contract research and development, and operational support by entities within our Group to affiliated entities in the ordinary course of business; (v) the leasing of premises, and utility costs reimbursement among our manufacturing entities in the ordinary course of business; and (vi) inter-company loan transactions among our Group’s affiliated entities in the ordinary course of business. Such transactions were conducted in accordance with our Group’s transfer pricing policy, which is based on the arm’s length principle, and were entered into on normal commercial terms.

Transfer pricing arrangements for such intra-group transactions should be on an arm’s length basis according to the transfer pricing guidelines for multinational enterprises and tax administrations promulgated by the Organization for Economic Cooperation and Development, which we refer to as the OECD Transfer Pricing Guidelines. In this regard, we have engaged an independent transfer pricing advisor to review and assess whether our intra-group transactions are conducted on an arm’s length basis in accordance with the OECD Transfer Pricing Guidelines and applicable transfer pricing laws and regulations in China.

After assessing the transfer pricing arrangements of the Covered Transactions during the Track Record Period, and having consulted with our independent transfer pricing advisor, our Directors are of the view that our transfer pricing arrangements of our intra-group transactions were generally consistent with the arm’s length principle under both OECD Transfer Pricing Guidelines and the applicable transfer pricing laws and regulations in China, and no significant transfer pricing risk was identified in the Covered Transactions for the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any inquiry, audit, investigation, or challenge by any tax authorities in the jurisdictions where we operate in relation to our intra-group transactions.

BUSINESS ACTIVITIES POTENTIALLY SUBJECT TO TRADE RESTRICTIONS

Export Controls

U.S. export controls are primarily administered under the U.S. Export Administration Regulations. Foreign-produced items manufactured outside the United States are generally subject to the U.S. Export Administration Regulations only in limited circumstances, including where they exceed the applicable de minimis level of controlled U.S.-origin content or fall within the Foreign Direct Product Rule, and are otherwise subject to applicable destination-, end use- and end user-related restrictions. During the Track Record Period, Supplier I, our third largest supplier in 2023, was a U.S. company that supplied integrated circuits to us that would be used in our photovoltaic inverters and energy storage inverters. Our purchases from Supplier I accounted for 3.8%, 1.2%, and 1.3% of our total purchases in 2023, 2024, and 2025, respectively.

Having consulted with our independent sanctions and U.S. export controls legal advisor, our Directors are of the view that our photovoltaic inverters and energy storage inverters are not subject to U.S. export licensing requirements under U.S. Export Administration Regulations, primarily because (i) they are manufactured in China and are classified as EAR99, which means they are not listed on the Commerce Control List and are generally not subject to a license requirement; (ii) the aggregate U.S.-origin content is below the applicable de minimis thresholds; (iii) the Foreign Direct Product Rule does not apply, as the identified U.S.-origin components do not fall within the national security-controlled technology scope that would trigger that rule and our inverters do not directly

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incorporate any U.S. origin technology, software, or other technical information that would otherwise trigger the Foreign Direct Product Rule; (iv) the inverters do not independently meet the technical requirements of any Export Control Classification Number on the Commerce Control List; and (v) the inverters are designed and marketed for civilian renewable energy use, with no indication of military end use or military end users.

Sanctions

U.S. sanctions are primarily administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC). In general, sanctions restrict dealings with sanctioned countries and with individuals and entities designated by OFAC, and may also apply in certain cases to non-U.S. persons where there is a U.S. nexus. During the Track Record Period, our business involved certain overseas markets, including Iraq, Turkey, Afghanistan, Lebanon, Yemen, and Tunisia.

Having consulted with our independent sanctions and U.S. export controls legal advisor, our Directors are of the view that no violation of U.S. sanctions and embargo laws was identified based on the information reviewed, and the risk of such issues going forward remains low, primarily because (i) none of the key countries where we operate are currently subject to comprehensive, country-wide U.S. sanctions; (ii) we and our relevant counterparties were screened against applicable U.S. sanctions and restricted party lists, and no issues were identified; and (iii) we do not currently have a U.S. nexus that would otherwise subject us to OFAC jurisdiction.

Therefore, our Directors are of the view that the overall risk of our activities resulting in the imposition of U.S. export control restrictions and sanction designation on us is low.

Enhanced Internal Controls Measures

We have appointed an internal control consultant to review the effectiveness of our internal control measures in managing export control restrictions and economic sanction risks. With the assistance of this internal control consultant, we have enhanced our internal control and risk management policies including export control and sanctions compliance framework, customer and counterparties screening procedures, and review and approval mechanisms.

Based on the above, our Directors are of the view that export control restrictions and economic sanctions would not have any material adverse effect on our business, financial condition, and results of operations. Going forwards, we will continue to maintain internal controls and compliance procedures to manage export control and sanctions risks, including screening of relevant counterparties against applicable restricted party lists and monitoring of developments in applicable export control and sanctions regimes to mitigate the risk of any non-compliance and potential disruptions to our operations.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. As of the Latest Practicable Date, we had pending lawsuits relating to two commercial disputes with our suppliers. During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened 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.

Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management’s time and attention. See “Risk Factors — Risks Relating to Our Business and Industry — We may be involved in lawsuits, claims, regulatory investigations, or legal proceedings in our ordinary course of business, which could materially and adversely affect our reputation, business, financial condition, and results of operations.”

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Compliance

We are of the view that we have complied, in all material respects, with all relevant laws and regulations in the jurisdictions where we operate during the Track Record Period and up to the Latest Practicable Date. As confirmed by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, our business operations in China complied with relevant PRC laws and regulations in all material respects, and no material administrative penalties imposed on us have been found that may have a material adverse effect on our business operations.

We have formed a culture of compliance by implementing various measures and processes to ensure that the behavior of our employees meets compliance requirements, and our compliance culture is embedded into our everyday workflow.

LICENSES, PERMITS, AND APPROVALS

We have obtained all requisite licenses, approvals, permits, and certificates that are material to our operations from the applicable authorities, and such licenses, permits, approvals and certificates remained in full effect. We renew the licenses, approvals, permits, and certificates from time to time to comply with the relevant laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in renewing the licenses, approvals, permits, and certificates.

The following table sets forth the material licenses, permits, and approvals obtained by us.

License/Permit/Approval	Holder	Granting Authority	Grant Date	Expiry Date
Business License (營業執照)	Our Company	Shanghai Municipal Administration for Market Regulation	October 8, 2024	—
High and New Technology Enterprise Certificate (高新技術企業證書)	Our Company	Shanghai Municipal Commission of Science and Technology, Shanghai Municipal Finance Bureau, Shanghai Tax Service, State Taxation Administration	December 12, 2023	December 12, 2026
Archival Filing and Registration of Foreign Trade Business Operators (對外貿易經營者備案登記)	Our Company	Ministry of Commerce of the People's Republic of China	November 16, 2021	—
Archival Filing and Registration of Foreign Trade Business Operators (對外貿易經營者備案登記)	AISWEI Yangzhong	Ministry of Commerce of the People's Republic of China	April 19, 2019	—
Consignees or Consignors of Imported or Exported Goods (進出口貨物收發貨人)	AISWEI Yangzhong	Zhenjiang Customs	May 31, 2012	—
Consignees or Consignors of Imported or Exported Goods (進出口貨物收發貨人)	Our Company	Shanghai Huangpu Customs	November 06, 2009	December 31, 2099
Pollutant Discharge Registration Receipt for Fixed Pollution Sources (固定污染源排污登記回執)	AISWEI Technology Suzhou	National Permit Management Information Platform for Pollutant Discharge (authorized by Ministry of Ecology and Environment of the People's Republic of China)	January 8, 2026	January 7, 2031
Pollutant Discharge Registration Receipt for Fixed Pollution Sources (固定污染源排污登記回執)	AISWEI Yangzhong	National Permit Management Information Platform for Pollutant Discharge (authorized by Ministry of Ecology and Environment of the People's Republic of China)	April 9, 2025	April 8, 2030
Urban Drainage License (城鎮污水排入排水管網許可證)	AISWEI Yangzhong	Yangzhong Municipal Housing and Urban-Rural Development Bureau	November 11, 2024	November 11, 2029

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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 we have received.

Year	Award/Recognition	Issuing Organization
2025	Top 500 Global New Energy Companies (全球新能源企業五百強)	China Energy News
2025	SNEC Terawatt-class Diamond Award (太瓦級鑽石獎)	SNEC Organizing Committee
2025	Jiangsu Province Advanced Smart Factory (江蘇省先進級智慧廠)	Industry and Information Technology Department of Jiangsu Province
2025	Shanghai Innovative Enterprise Headquarters (上海市創新企業總部)	Shanghai Municipal Leading Group for Strategic Emerging Industries
2025	Shanghai Manufacturing Single Champion Enterprises (上海市製造業單項冠軍企業)	Shanghai Municipal Commission of Economy and Informatization
2025	Huangpu District Mayor's Quality Award (黃浦區區長質量獎)	People's Government of Huangpu District, Shanghai
2024	National-level specialized and innovative small giant enterprises (國家級專精特新小巨人企業)	Ministry of Industry and Information Technology
2023	Shanghai Enterprise Technology Center (上海市企業技術中心)	Shanghai Municipal Commission of Economy and Informatization
2023	EUPD Customer Satisfaction Award	EUPD
2021	Red Dot Design Award	Red Dot GmbH